



ANNUAL REPORT 2013–2014



INTRODUCTION

Moira Shire Council is committed to providing a sustainable environment supporting a safe, caring, prosperous and cohesive community.

The 2013/14 Annual Report continues to demonstrate the collective efforts of the Moira Shire community and Moira Shire Council as we strive to be the best place to live, work and invest.

Through the following adopted Vision, Mission and Core Value statements, Moira Shire Council reflects the desire and commitment of Council to engage and support the community in providing true leadership for the benefit of all.



VISION

Moira on the Murray; with an environmentally, economically and socially sustainable community: the best place to be.

MISSION

To serve our community through transparent and open governance, active engagement, strong advocacy and the provision of affordable services.

CORE VALUES

Moira Shire Council is committed to the values of community, honesty, innovation, integrity, responsibility, responsiveness, trust, leadership and accountability.



ABOUT THIS ANNUAL REPORT

Welcome to Moira Shire Council's Annual Report for 2013/14. This report is presented as part of Council's commitment to open, accountable and transparent governance.

The Annual Report highlights achievements and outcomes for 2013/14, is based on the Strategic objectives and targets set in the Council Plan and incorporates the Strategic Resource Plan and the Budget.

The Council Plan sets the strategic direction and key strategic activities for the organisation for a four-year period, based on six strategic goals.

The Strategic Resource Plan outlines the financial and non-financial resources required to deliver these objectives and activities in a financially sustainable manner.

The Budget sets the specific financial goals for the year and is formed from the guidance provided by the long term planning contained within the Strategic Resource Plan.

The Performance Statement outlines performance targets and measures relating to the key strategic activities established in the Budget and reported through the Council Plan.

The Standard Statements provide a clear link between the Strategic Resource Plan, Council Plan, Budget and Annual Report. The Standard Statements contain information on financial performance, cash flow, capital works and financial position in

a format that enables easier comparison with the adopted Budget.

The Financial Statements show Moira Shire Council's overall financial performance and provide details for a number of financial indicators set by the State Government.

The Performance, Standard and Financial Statements are independently audited by Moira Shire Council's internal audit committee and the Victorian Auditor-General. In addition, Council is required to certify a number of other statutory reporting requirements.

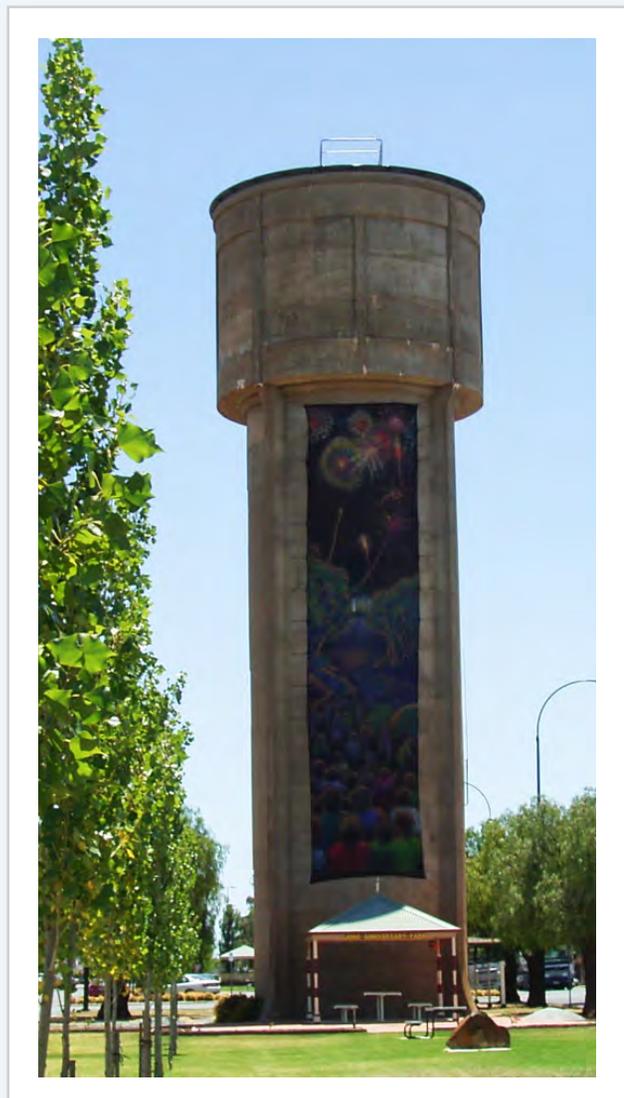


WELCOME TO MOIRA SHIRE

The Barmah Forest Heritage and Education Centre is gateway to the Barmah National Park. One of Moira's natural wonders.

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MESSAGE FROM THE MAYOR AND CHIEF EXECUTIVE OFFICER



A handwritten signature in black ink, appearing to read 'Mark Henderson'.

MARK HENDERSON
CHIEF EXECUTIVE OFFICER



A handwritten signature in black ink, appearing to read 'Peter Mansfield'.

PETER MANSFIELD
MAYOR

Our 2013/14 Annual Report demonstrates our success in achieving performance targets across a range of core business activities that are detailed in our Council Plan. During the year we delivered significant capital and community programs.

Our operational highlights included:

- a significant increase in rehoming of lost pets;
- significantly quicker building permit processing times than the regional average;
- Yarrawonga community achieved the highest childhood immunisation rates in Australia;
- substantial reductions in the volume of waste disposed in landfill which attracts significant regulatory levies;
- establishment of an independent arts and culture board to service the needs of the entire Shire;
- delivery of Moira Shire's first Youth Leadership program.

2013/14 also saw strong regional investment, with more than \$200 million of business and government investment announced for the region. We launched our Business and Innovation Strategy to guide our efforts to facilitate regional growth

and business innovation across the Shire, and the opportunities for local employment and business. We also continued to invest in the maintenance and upgrade of the community's assets. During 2013/14 we celebrated the successful completion of the St James Hall, the Senior Citizen's Hub in Numurkah, the Katamatite Recreation Reserve, the Numurkah Hall and the Waaia Sports Pavilion. We also delivered more than \$3.7 million of works to

upgrade roads and bridges across the Shire along with substantial programs to update drainage, footpaths and community swimming pools.

We delivered \$7.3M of our \$10.1 million planned capital project with works on the Rotary Club building at Yarrawonga, the Numurkah preschool and our landfill rehabilitation projects still to be completed at the end of the reporting period.

Natural disaster recovery continued to impact on Council's operations, capital works delivery and financial results in 2013/14. Since the 2012 floods that affected 80 percent of the Shire and the 2013 tornado that affected areas from Koonoomoo to Bundalong, Moira Shire has delivered \$50.9 million of recovery works and community assistance.

In December 2013 the Numurkah Flood Recovery Office closed its doors. This was an important milestone for Council and the community, but two months later in February the office was reactivated to support Council's response to the Wunghnu fires and provided the local community with access to a range of Council, Government and agency services until May 2014.

The 2013/14 financial statements are significantly impacted by the delivery and funding of disaster recovery. The delivery of the recovery works increased Council's use of contractors and costs for materials and services and the reimbursement grants received from Victorian and Commonwealth Governments increased our revenue by almost

a third. These impacts flow through to our performance against key financial and operational indicators.

Our financial statements also reflect our decision to adopt reduced per unit values and expected life for our road pavements. This resulted in a one off adjustment to our depreciation for the 2013/14 year.

Our statements also show \$4.5 million of found assets resulting from new financial reporting requirements that require Council's to value all land under roads.

The Chief Executive Officer, Mark Henderson was appointed in May 2014. The continuing scrutiny of an experienced CEO and leadership team is an integral step in further bolstering Council's financial and operational performance in coming years.

Performance highlights

- Cash balance of 14.4 million –\$7.47 million above budget.
- Operating surplus of \$6.4 million–\$10.41 million above budget
- Council delivered \$7.3 million of its budgeted \$10.1 million capital expenditure
- Registration of more than 5740 animals.
- Pound provided temporary care for 496 pets. The percentage of unclaimed dogs rehoused increased from 31% to 73% and cat adoption increased from 9% to 15%.
- Council was invited to deregister by the Clean Energy Regulator after submitting below threshold reports for four consecutive years.

- Yarrawonga recorded the highest childhood immunisation rates in Australia
- A total of 319 planning permits received with 376 decided during the year. The average processing time of 82 days was significantly better than the regional average of 109 days.
- Council's average subsidy per visit for all pools and recreation centres increased to \$6.71 from \$5.56.
- A new permanent polystyrene processing machine at Yarrawonga, improved transfer station amenities and layouts and increased diversion of waste from landfill are assisting Council to extend the life of its last remaining landfill at Cobram and reduce regulatory levies.
- Council established an independent Moira Arts and Culture Board Incorporated to deliver a range of public art and culture programs and initiatives across the Shire.
- Rigorous internal audit program conducted audits of Council's inventory, asset, project and contract management along with Councillors expense reimbursement and fees, charges and sundry debtors.
- Council provided \$214,000 in small grants, community assistance grants and event sponsorship grants to assist local community groups and associations deliver valued services and initiatives within their local communities.
- Moira Shire welcomed 39 new citizens as part of annual citizenship ceremonies.

COUNCILLOR PROFILES

Moira Shire Council has nine elected representatives. The current Council was elected in October 2012 to an unsubdivided municipality in accordance with a Victorian Electoral Commission (VEC) review.

Councillors liaise with Moira Shire Council's Corporate Management Team to establish and deliver strategic objectives for the organisation on behalf of the community. The current Moira Shire Council elected Councillors are:



CR PETER MANSFIELD | MAYOR

pmansfield@moira.vic.gov.au

Cr Peter Mansfield is serving his first term as Mayor. Cr Peter Mansfield is a semi-retired refrigeration mechanic, married to Mary, with three adult children. Cr Mansfield has been the past President of Yarrowonga Mulwala Tourism and has 30 years involvement with the Scouts movement. Cr Mansfield was elected to Moira Shire Council on 14 November 2011. He previously served on Yarrowonga Shire Council in the 1980s.



CR WENDY BUCK | DEPUTY MAYOR

Mobile: 0427 820 645 | wbuck@moira.vic.gov.au

Cr Wendy Buck is actively involved in the environmental and agricultural industry. Cr Buck is the Chair of the Goulburn Broken Greenhouse Alliance and Chair of the Water Technology Cluster. As Community Representative on the Goulburn Broken Catchment Management Authority, Cr Buck is involved in sustainable irrigation and has a keen interest in land care.

Cr Buck is a graduate of the Moira Shire Community Leadership Program and Fairley Leadership Program. Cr Buck was elected to Council in August 2010. She is serving her second term as Deputy Mayor.



CR KEVIN BOURKE

kbourke@moira.vic.gov.au

Cr Kevin Bourke, along with his partner of 32 years Leanne, operate three small businesses in the Nathalia area. These are a unisex hairdressing and retail salon, a government-contracted school transport service and an extensive horticultural business that grows flowers and filler for the florist trade and export market.

Cr Bourke has extensive experience and qualifications in the agricultural/horticultural, transport and automotive industries.



CR GARY CLEVELAND

Mobile: 0419 211 027 | gcleland@moira.vic.gov.au

Cr Gary Cleveland and his wife Marilynne have three adult children and three grandchildren. Cr Cleveland was a Primary School teacher for 35 years including 13 years as a Principal before retiring and now works as a Casual Funeral Director's Assistant.

Cr Cleveland has lived in Cobram for 34 years, is a member of the Rotary Club of Cobram and, after serving as President, was a Rotary Assistant Governor for three years. He is involved in the Cobram Citizen's Advice Bureau as well as the Christ the King Cobram Anglican College school council. Cr Cleveland is currently serving his first term as a Moira Shire Council Councillor.



CR ED COX

Mobile: 0400 564 885 | ecox@moira.vic.gov.au

Cr Ed Cox was first elected to Moira Shire Council in 2003 and served as Mayor in 2005, 2006, 2010 and 2011. Cr Ed Cox is a mixed farmer from Cobram. He is married to Su and has four children.

Cr Cox has had a long involvement in the Cobram community. He is involved in the Cobram Showground Committee of Management and is the current Vice Chair of Region 2 of the Murray Darling Association.



CR BRIAN KEENAN

Mobile: 0419 549 528 | bkeenan@moira.vic.gov.au

Cr Brian Keenan was born and raised in Yarrawonga. He is married to Shirley and has six adult children and 21 grandchildren. Cr Keenan has been a CFA volunteer for almost 60 years and during that time was Rural Captain for 40 years, Region 23 Rural Fire Brigade Chairman for a number of years and most recently Chairman of Yarrawonga CFA.

Cr Keenan is a Life Member of CFA, Ambulance Service Victoria and Yarrawonga Mulwala Agricultural and Pastoral Society. Cr Keenan was formally an irrigation and dryland cropping and grazing farmer and is a retired real estate agent.



CR DON MCPHEE

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Cr Don McPhee and his wife Heather have operated a ladies fashion retail business in Yarrawonga for 25 years. They have two adult children.

Cr McPhee has been actively involved in business and charity groups; he is the Past chair of Relay for Life Yarrawonga, past Chair of the Chamber of Commerce of Yarrawonga Mulwala Development Inc (YMD), Boat and Leisure Show Committee, Northern Disability Services (now PALS), Respite House Appeal Committee, Salvation Army Red Shield Appeal, Yarrawonga Belmore Streetscape project committee and current Chair of Yarrawonga Relay for Life. Cr McPhee was elected for his first term in local government in October 2012.



CR MARIE MARTIN

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Cr Marie Martin is a primary teacher and music educator who lives in Numurkah with her husband Ron. They have two adult children and one grandchild. Cr Martin has had a long association with a range of community groups, including in the role of Community Coordinator.

She has completed the Moira Shire Community Leadership Program and has recently completed the Australian Institute of Company Director's Course. Cr Martin devised Talking Books - Celebrating Our Cultural Riches, which is run under the auspices of Moira Shire Council's Multicultural Committee. This is Cr Martin's first term as a Moira Shire Council Councillor.



CR ALEX MONK

Mobile: 0427 683 382 | amonk@moira.vic.gov.au

Cr Alex Monk lives in Katamatite, with her husband Greg where they manage a family dairy farm business. They have four adult children. Cr Monk was first elected in November 2008. She served two consecutive terms as Deputy Mayor, in 2010 and 2011, and one term as Mayor in 2012. During her term as Mayor, Moira Shire Council experienced the biggest natural disaster to date, a flood that covered and affected more than 80%. Cr Monk is on the board of the Cobram District Health Service.

She has had a long association with local community groups, including as a volunteer for Moira Palliative Care Service, Girl Guides Association, schools and sporting groups. Cr Monk participated in and completed the Moira Shire Community Leadership Program and has successfully obtained her Diploma in Institute of Company Directors. Cr Monk is the Chair of the Moira Arts and Culture Board Inc and the current councillor representative on the Moira Healthcare Alliance.

ORGANISATIONAL PROFILE

The nine Councillors elected by the community form the Council, who in turn appoint a Chief Executive Officer to implement the decisions of Council. The Chief Executive Officer leads an organisational structure and is assisted by a team of three Directors to deliver a wide range of services to the community. At the 30 June 2014, the actual operating expenditure for the 2013/14 financial year was \$8,130,040 and capital expenditure was \$57,654,042. With 184 equivalent full time employees, Moira Shire Council provided more than 140 services to the community located across the 4057 square kilometre municipality. Council's administrative offices are located in Cobram and Yarrawonga and agency services provided in eight other towns throughout the municipality.

STAFF

Moira Shire Council has a Full Time Equivalent (FTE) workforce of 183. This is spread across a workforce of 244 employees with an almost equal balance of males (46.3%) and females (53.7%). 49.62% of females are employed full time while 50.38% are employed on a part time or casual basis. Council's full time workforce is 61.25% male and 38.75% female.

Council is committed to providing staff with a progressive and supportive environment to deliver the best possible customer service, with a focus on individual Work Plans, including, training and career progression as well as recognising and rewarding individual performance and efficiency.

Moira Shire Council also takes work/life balance seriously, with attractive and family-friendly working conditions. Flexible work arrangements and a variety of leave options provide the chance for staff to enjoy the wonderful lifestyle the area offers.

WORK TYPE	MALES	FEMALES	TOTAL
Permanent Full Time	95	60	155
Permanent Part Time	5	49	54
Casual	10	15	25
Temporary (Full Time & Part Time)	0	5	5
Contract Full Time	3	2	5

EQUAL EMPLOYMENT OPPORTUNITY

Moira Shire Council is an equal opportunity employer committed to upholding the principles of a discrimination and harassment free workplace. Employees are treated equally in all aspects. This is a high priority for Council and appropriate procedures have been developed relating to this area.

ORGANISATION CHART



MARK HENDERSON
CHIEF EXECUTIVE OFFICER



ALISON COE
DIRECTOR CORPORATE
GOVERNANCE

- People & Organisation Development
- Finance and Rates
- Governance
- Information Technology
- Contract Management



PETER BERTOLUS
DIRECTOR COMMUNITY

- Community Service Delivery
- Safety, Amenity & Environment
- Business and Innovation
- Communications, Engagement and Community Relations.



MARK FOORD
DIRECTOR INFRASTRUCTURE
AND LIVEABILITY (ACTING)

- Operations
- Construction and Assets
- Town Planning & Building
- Engineering Services

SUPPORTING OUR STAFF

OCCUPATIONAL HEALTH AND SAFETY

Moira Shire Council has a full time Occupational Health Safety & Risk Coordinator and internal mechanisms to provide for the involvement of employees, and other persons to ensure consultation regarding health and safety matters, improve the spread of knowledge through discussions at team meetings and the development of policies and procedures.

All new staff members receive an occupational health and safety induction and contractors complete their health and safety induction requirements with a free on-line service.

PROVIDING A SAFE WORKING ENVIRONMENT

- Moira Shire Council aims to secure the health, safety and welfare of employees and other persons at work by: maintaining a Hazard Register and identifying responsibilities and time frames for the investigation and actions required to manage and eliminate hazards from the workplace;
- ensuring workplace inspections are carried out in accordance with the yearly plan and any issues identified are managed in consultation with relevant stakeholders; and

- occupational health and safety training requirements for staff are identified and added to the yearly training calendar to ensure a systematic approach is achieved.

COMMUNITY SPIRIT

Moira Shire staff raised over \$10,000 in 2013/14 to support medical research and local charities by hosting fundraising events throughout the year such as; Footy Colours Day, Jeans for Genes Day, Australia's Biggest Morning Tea and other internal fundraisers.



ABOUT THE MOIRA COMMUNITY

THE MOIRA ADVANTAGE

Moira Shire's municipal region comprises the major centres of Cobram, Nathalia, Numurkah and Yarrowonga, as well as 18 smaller towns and communities.

It is a vibrant and progressive place to live, work and invest. In fact, so many people are choosing to call Moira home that it is one of the fastest growing municipalities in Victoria.

Moira Shire has welcoming communities, where people are only too willing to offer friendship and support. It offers the very best in provincial living. Stretching from Bundalong in the east to Barmah.

in the west, attractions include wineries, historic homesteads, galleries, craft shops, licensed clubs, water sports, fishing, beaches, forests, lakes, rivers and wetlands.

This all adds up to what the locals call 'the Moira Advantage'; Moira Shire has the lifestyle, location and opportunities to maximise the 'Moira Advantage'.

LIFESTYLE

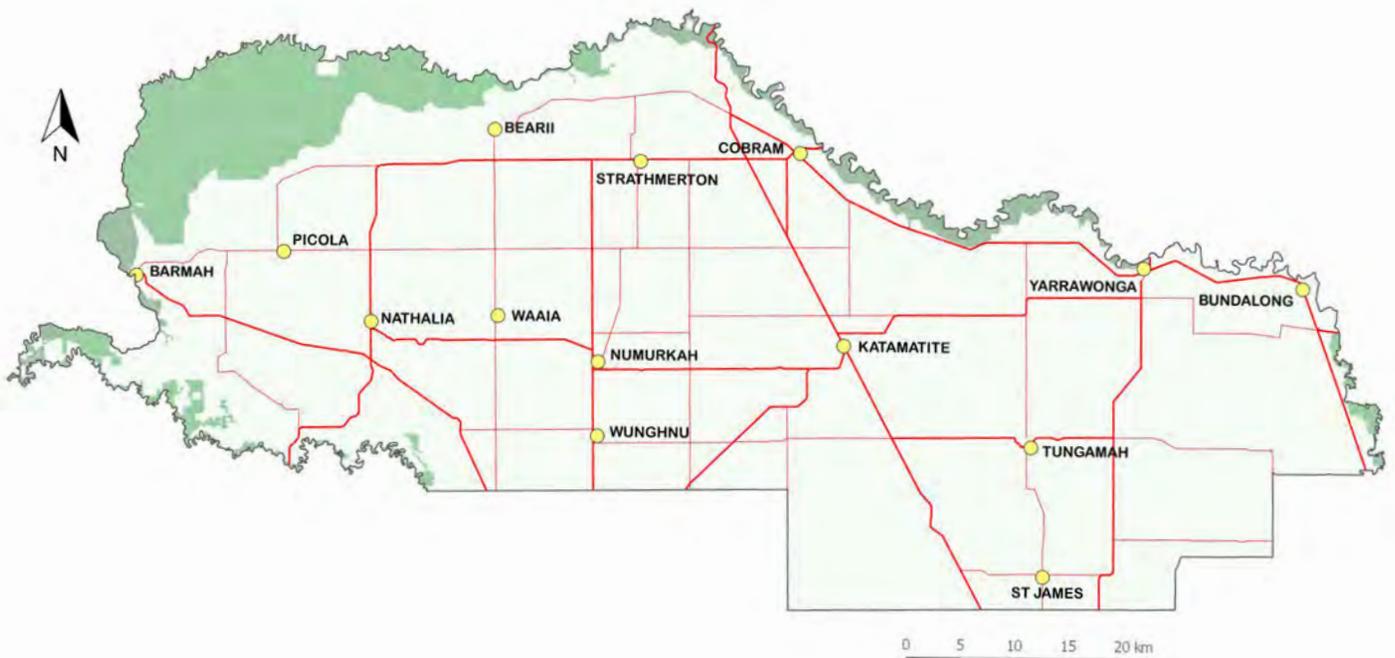
Access to affordable rural and urban housing, good education facilities, excellent sporting and recreation opportunities, award-winning health services, clean, fresh air and an active and friendly community; it is no surprise to those who live in Moira Shire that the area is experiencing strong residential and commercial growth.

LOCATION

Moira Shire is strategically positioned two-and-a-half hour's drive from Melbourne and close to other regional centres such as Shepparton, Wangaratta, Echuca-Moama and Albury-Wodonga, in north-central Victoria.

OPPORTUNITIES

The area's warm Mediterranean climate, appealing natural environment and strategic location means Moira Shire is home to significant agriculture, retail, tourism and manufacturing sectors.



Location of Moira Shire and the major centres within close proximity

COMMUNITY PROFILE

POPULATION AND DEMOGRAPHICS

Moira Shire was home to an estimated 28,435 at the 2011 Census; 13,984 of which are male and 14,139 females. The estimated population of Moira Shire in 2014 is 31,503.

The growth rate of Moira Shire was averaged at 0.13% per annum from 2006–2011.

This growth rate has slightly decreased from the growth of 0.24 percent per annum from 2001–2006. There is no single large population centre in Moira Shire, with the population spread between the four major towns, the 18 smaller communities and a substantial rural population.

MOIRA SHIRE – POPULATION FORECASTS TO 2026	2011 POPULATION	2026 FORECAST	CHANGE 2011–2026	% CHANGE 2011–2026
Moira Shire	28,435	37,360	8,925	31.3
Central Rural	4,211	5,632	1,421	33.7
Cobram	5,928	7,379	1,451	24.5
Nathalia – Rural West	3,327	3,956	629	18.9
Numurkah	4,618	5,913	1,295	28.0
Rural East	2,996	2,989	-7	-0.2
Yarrawonga	6,613	11,491	4,878	73.7

HOUSING COSTS

Compared to Regional Victoria, Moira Shire has a larger proportion of residents who own their home outright. Moira has fewer home owners with mortgages and fewer renters. Of occupied private dwellings in Moira 40.8% were owned outright (34.2% in Victoria), 31.8% were owned with a mortgage (35.9% in Victoria) and 23.3% were rented (26.5%).

Since the 2011 census recorded a larger number of households being owned outright or with mortgages and few houses being rented than those recorded in the 2006 census.

The average cost of renting in Moira was \$160 per week which is significantly less to the Victorian average of \$277 per week. Overall, 93.5 percent of rental payments in Moira are less than 30% of household income, 6.5 percent of rental payments are 30%, or greater, of household income.

The median monthly mortgage repayments in Moira are approximately \$500 less than the Victorian average. Moira residents pay an average of \$1,200 per month with the Victorian average sitting at approximately \$1,700 per month.

CELEBRATING DIVERSITY

Overall, 14.9 percent of the population was born overseas, and 3.9 percent were from a non-English speaking background. This compares to 68.6 percent and 5.0 percent respectively for Regional Victoria. Of those who were born overseas, the majority come from the England and New Zealand followed by Italy, Scotland and India.

Moirā's Indigenous population is 1.4 percent, double that of the Victorian average.

Overall, 67.2 percent of people born overseas speak English only and 6.3 percent do not speak English well at all or well. This compares to 67.8 percent and 5.5 percent respectively for regional Victoria.

CITIZENSHIP

Moirā Shire Council welcomed 39 new citizens during the Annual Report period who have come from various backgrounds such as Philippines, Iraq, India, Britain, Sri Lanka, New Zealand and Spain some who have lived here for years and others who have just arrived.

A citizenship ceremony was held on 22 October 2013 in which ten candidates were awarded citizenship.

A very special ceremony was conducted on Australia Day, 26 January 2014 where 23 people participated and everyone was invited to take part in an affirmation ceremony. Due to the increase number of residents becoming citizens, another ceremony was held on 17 April 2014 where another six candidates were awarded citizenship and pledged their commitment to Australia and its people.



AGE GROUPS

Like many Victorian municipalities, Moira Shire has an increasingly ageing population, although some townships have an older average age than others - Cobram and Numurkah had a median age of 42 and 43 years, Yarrawonga 47 years and Nathalia 45 years.

Overall, 25.8 percent of the population was aged between 0 and 19, and 28.7 percent were aged 60 years or older. Moira Shire has slightly more people under the age of 19 and more people over the age of 60 compared to the average for Victoria. Top five country of birth (other than Australia).

EMPLOYMENT

The municipality has a labour force of 12,249 people and boasts a strong employment rate.

Moira's unemployment rate was 4.8 percent at the 2011 Census with the Victorian unemployment rate sitting slightly higher at 5.4 percent.

The highest proportion of employment is in agriculture, forestry and fishing. This represents 19.2 percent of the workforce. This is followed by

manufacturing, health care and social assistance, retail trade and education and training.

Moira has a higher proportion of people who work from home (12.7 percent compared to 7.3 percent for regional Victoria), slightly more people who travel to work by car (62.2 percent compared to 61.4 percent) and more people who walk to work (5.6 percent compared to 3.3 percent).

ECONOMY

AGRICULTURE AND FOOD PRODUCTION

The economic strengths of Moira Shire include intensive irrigated agricultural production, associated food processing industries, health, education, business services and tourism. The Shire is home to a variety of agricultural industries including horticulture, cereal, oilseed, livestock and dairy production. Agricultural land use accounts for approximately 71 percent of the total land area, currently divided equally between irrigated and dry-land production. In June 2013, there were 11,832 local jobs in Moira Shire, with 12,934

employed residents. A total of 3128 businesses were registered in the Shire across all industries.

The food processing sector, comprising principally dairy products (output \$632m) and meat processing (output \$115m), is the largest sector based on output in Moira Shire. Food processing also includes significant output in oils and fats (output \$43m), fruit and vegetable products (output \$14m), wine (\$8m) and other food products (output \$29m).

The added value of agricultural production alone was estimated

at approximately \$266 million in 2011-2012 with \$596 million in output, and employs 28.7 percent of the population (Economy id). The farms in the Shire provide a cost efficient source of fresh produce and raw materials for the supply of value-added products to rapidly expanding export markets around the world. Local producers and processors play a significant role in the food industry of the local, regional, state and national economy.

OTHER INDUSTRIES

While agriculture and food value-adding are the driving sectors of Moira Shire's economy, the Shire also has a diverse range of other important sectors that are experiencing growth. Manufacturing, agriculture, construction, rental, hiring and real estate, health, retail and wholesale are leading this diversification.

Tourism, has become a less significant contributor to Moira Shire's economy. Tourism generates an estimated \$90 million for the local community, including approximately 510 jobs, or about 5.6 percent of Moira Shire's workforce. This places tourism as the seventh largest contributor to economic output in the municipality.

INDUSTRIES RANKED BY VALUE ADDED, OUTPUT, INCOME AND EMPLOYMENT – 2011

Industry	Regional Value Added	Regional Output	Income	Employment
Manufacturing	1	1	1	2
Agriculture, Forestry and Fishing	2	2	6	1
Rental, Hiring and Real Estate Services	3	4	15	15
Health Care and Social Assistance	4	5	2	3
Retail	6	6	4	4
Construction	5	3	5	6
Education and Training	8	9	3	5
Wholesale Trade	9	7	7	10
Accommodation, Cafes and Restaurants	11	11	10	7



Moira continues to attract "Fresh" horticulture investment further strengthening its place in Victoria's Foodbowl.

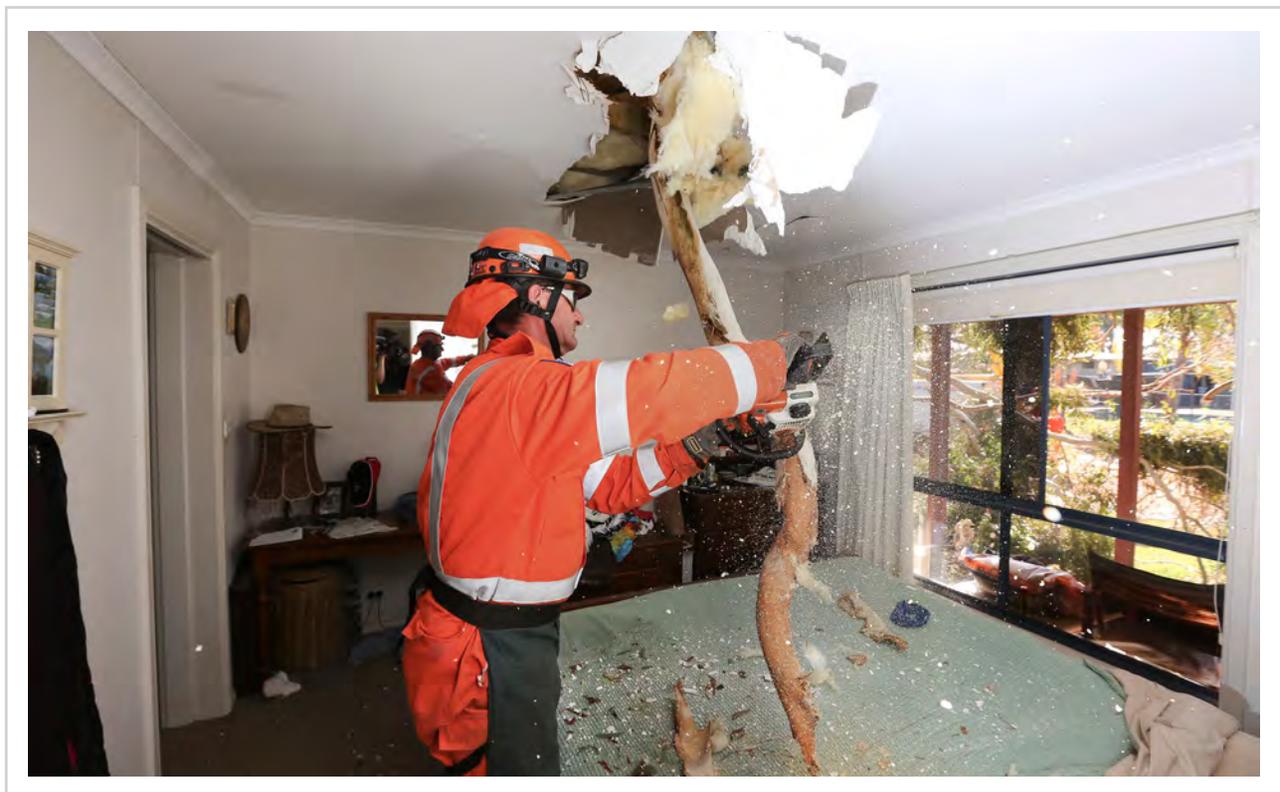
COMMUNITY SATISFACTION SURVEY

The Department of Community Planning and Development conducts an annual Local Government Community Satisfaction Survey on behalf of Victorian councils. Moira Shire Council's survey involved 400 telephone interviews with Shire residents during February 2014. Moira Shire recorded the following results.

	2013	2014	LARGE RURAL SHIRES	STATE AVERAGE
Overall Performance	60	57	57	61
Consultation	55	59	55	57
Advocacy	57	58	54	56
Customer Service	72	67	68	72
Overall Council Direction	53	48	51	53

The survey tested community satisfaction for 21 individual service areas. The appearance of public areas, waste management and emergency and disaster management achieved the highest results across these areas. The maintenance of unsealed roads and planning permits recorded the lowest satisfaction levels.

The survey results inform Council's strategic planning and to identify areas of business operations that are working well and others that require further improvement. The full survey report is available from Moira Shire Council's website.



A YEAR IN REVIEW

STRATEGIC GOALS

Moira Shire has six strategic goals as identified in its 2013/14–2016/17 Council Plan. These include environment, community, development, organisation, infrastructure and governance.

The successful delivery of services and programs in support of these strategic goals is underpinned by a commitment to ongoing community engagement and a focus on social, environmental and financial and sustainability.



ENVIRONMENT

Moira will responsibly manage its environment and the communities affected by and living in that environment through innovation, leadership, quality services, partnerships and program delivery and accountability.



COMMUNITY

Moira will be a Shire where all its people and communities are happy, healthy and safe with the ability and the opportunity to integrate, participate, connect and contribute to their communities.



DEVELOPMENT

Moira will be a great place to live and a vibrant, thriving community and a premier tourist, retail and investment destination with growing local business and an adaptive, entrepreneurial infrastructure ethos.



ORGANISATION

Moira will be a 'best practice' environment promoting staff potential and organisation capacity to deliver timely, efficient services and ensure sound financial, risk management, governance and transparent business practise are conducted by capable, professional people whose main focus is on pro-active service delivery.



INFRASTRUCTURE

Moira will be a desirable place to live, work and visit in North Central Victoria supported by its infrastructure, assets and facilities. It will proactively fund, maintain and develop Council's assets and facilities to meet its community's current and future needs in partnership with private development.



GOVERNANCE

Moira will meet governance, communication, compliance and regulatory standards through its commitment to advocacy and effective decision making and demonstrate good governance by being consensus orientated, equitable, effective and efficient.

ENVIRONMENT

Moira will responsibly manage its environment and the communities affected by and living in that environment through innovation, leadership, quality services, partnerships and program delivery and accountability.



HIGHLIGHTS 2013/14

The following deliverables were achieved in 2013/14:

- Moira Shire Environment and Sustainability Strategy implementation continuing.
- Community Satisfaction rating of 74 for Waste management. An increase of 6 points on the previous year.
- Upgrade of the Cobram pound and enhancement of Council's animal adoption program.
- Emergency Management Plan was activated during the Wunghnu Bushfire complex event.
- Community Satisfaction rating of 74 for Emergency and Disaster Management. An increase of 10 points on the previous year.
- Contract awarded and major works commenced on the Cobram landfill rehabilitation project.
- Council committed to a Regional LED Streetlight replacement project, the "Watts Working Better" project.
- Pet ownership information brochure sent to all schools within the municipality.
- All local Football finals "Waste wise" events.
- Local Government Energy Efficiency Program – Solar hot water system installations.
- Regional Public Place Recycling Program.
- Resource Recovery Shed opens at the Yarrawonga Transfer Station.

COMMUNITY

Moira will be a Shire where all its people and communities are happy, healthy and safe with the ability and the opportunity to integrate, participate, connect and contribute to their communities.



HIGHLIGHTS 2013/14

The following deliverables were achieved in 2013/14:

- Implementation of the Municipal Public Health and Wellbeing Plan continued.
- Implementation of Municipal Early Years Plan continued.
- Educator Agreements for Moira Family Day Care educators implemented.
- Support of the Moira Adult Community Education network (Moira ACE).
- Implementation of the Moira Shire Cultural Diversity Action Plan.
- Quarterly Pre-School Advisory Committee meetings conducted to support implementation of Universal Access (15 hour a week access to Kindergarden).
- Reconciliation week activities in partnership with Yorta Yorta Nation.
- Completion of the Improving Liveability for Older People project.
- 12 Youth entertainment events including four 'Dive in Movies' and 'Battle of the Bands' event.
- Conducting of 2 Community Grants information and Grant writing workshops as part of the "Community Training Workshop" program.
- Successful major events including YMCA Murray River Marathon, River Beaches Festival (Cobram), Splash and Dash (Yarrowonga) and Numurkah Foodbowl festival.
- Adoption of the Hume Region Tracks and Trails strategy. Identified in the strategy are 2 projects in Moira Shire namely the Barmah Canoe Trail and Yarrowonga to Echuca Trail.
- Implementation of Victoria Park Yarrowonga Park Master Plan continued with delivery of the Yarrowonga Men's Shed project.
- Moira Family Day Care achieved full compliance against the National Quality Standard.
- Immunisation rates remain high at 94%.
- Four (4) Junior Council meetings held with 42 young people representing Moira Shires seven Secondary Colleges in attendance.
- Four schools participating in the MY PASSPORRT program.
- Participated in a community forum in Cobram looking at the emerging issue of "Ice" on our streets.
- Volunteer week was celebrated in May.
- Participation in the Hume Workforce Development Committee continued.
- 10 participants completed the Community Leadership Program.
- Conducted 2 "Heavy vehicle forums", 4 "Looking after our Mates" and "Older Drivers" programs.
- 2014 Moira Shire Youth Leadership Program.
- Yarrowonga immunisation rates highest in Australia.
- Community Satisfaction rating of 70 for Recreation Facilities. An increase of 2 points on the previous year.

DEVELOPMENT (LIVEABILITY)

Moira will be a great place to live and a vibrant, thriving community and a premier tourist, retail and investment destination with growing local business and an adaptive, entrepreneurial infrastructure and ethos.



HIGHLIGHTS 2013/14

The following deliverables were achieved in 2013/14:

- Continued participation and advocacy as part of the working group for the new Yarrawonga Mulwala Bridge.
- A successful Business Excellence Awards evening held in May 2013 showcased local business and innovation.
- Champions of Business forums initiated and held.
- 100% compliance of issuing Building Certificates within 10 working days.
- Memorandum of Understanding developed between Moira Shire and Central Victoria Export Network (CVEN).
- Support of agribusiness following the February 2013 Wunghnu Bushfire complex event.
- Memorandum of Understanding with Central Victoria's Export Network developed.
- Adoption of the Moira Shire Business and Innovation Strategy.
- Implementation of Regional Rural Land Use Strategy and Moira Shire Heritage Study continued.
- Sun Country on the Murray at the Victorian Caravan and Camping Supershow.
- Participation at the Regional Victoria Living Expo.
- Building your online strategy – workshops.
- Moira Shire School Industry Tour.
- Tinker Family Bike Challenge.
- NZ Food Industry Study Tour.

ORGANISATION

Moira will be a 'best practice' environment promoting staff potential and organisation capacity to deliver timely, efficient services and ensure sound financial, risk management, governance and transparent business practice are conducted by capable, professional people whose main focus is on pro-active service delivery.



HIGHLIGHTS 2013/14

The following deliverables were achieved in 2013/14:

- Recruitment of a new Chief Executive Officer, Mr Mark Henderson.
- All statutory publications completed as required.
- Customer requests responded to within 30 days was recorded as being at 99%.
- Review of Council's Risk Management Plan following an audit in February 2013.
- All tree inspection data and seal data recorded into Asset Management System.
- Workplace OH&S inspections completed in accordance with annual plan.
- Occupational Health and Safety audit and gap analysis conducted to determine compliance to national legislation.
- Continued advocacy for a 24-hour police station within the Shire continued.
- Staged implementation of a fully integrated corporate financial system continued.

INFRASTRUCTURE

Moira will be a desirable place to live, work and visit in North Central Victoria supported by its infrastructure, assets and facilities. It will proactively fund, maintain and develop Council's assets and facilities to meet its community's current and future needs in partnership with private development.



HIGHLIGHTS 2013/14

The following deliverables were achieved in 2013/14:

- Completion of the Numurkah Senior Citizens building.
- All new assets created during 2012/13 captured into Asset Management System.
- Arterial road assets identified in accordance with VicRoads Code of Practice for Operational Responsibility for Public Roads.
- 92 percent of capital works program completed.
- Completion of the resealing and stabilisation program.
- Footpath Audit completed and level 5 defects completed.
- Completion of the March 2012 Flood Recovery project. Total value \$50.16M.
- Completion of the March 2013 Tornado Recovery project. Total Value \$819K.
- Waaia Recreation Reserve Building upgrade
- Cobram Apex Soccer Pitch Lighting.
- Cobram Apex Park Caravan Park Fire Fighting Installation.
- St James Hall Building upgrade.
- Barmah Caravan Park Fire Fighting Installation.
- Yarroweyah Supper Room Floor resurface.
- Numurkah Hall kitchen and emergency lighting upgrade.
- Numurkah Senior Citizens Carpark Upgrade.
- Reconstruction of Dillon Street and the nearby section of Punt Road.
- Cobram Federation Park Settlers Walk.
- Katamatite Recreation Reserve building.
- Reconstruction of Dillon Street and the nearby section of Punt Road.
- Numurkah Murray Avenue Drainage pump.
- Commencement of the Numurkah Floodplain Management Plan.

GOVERNANCE

Moira will meet governance, communication, compliance and regulatory standards through its commitment to advocacy and effective decision making and demonstrate good governance by being consensus orientated, equitable, effective and efficient.



HIGHLIGHTS 2013/14

The following deliverables were achieved in 2013/14:

- Review and adoption of 2013 – 2016 Moira Shire Council Plan.
- Adopted the 2014/15 Annual Budget including Strategic resource Plan.
- Conducting Ordinary Council meetings in a range of locations including small towns of Wunghnu and Bundalong.
- Participation in the two pilot surveys as part of development of the Local Government Performance Reporting Framework (LGPRF) due for implantation in 2014/2015.
- Workers compensation rating – Third lowest claim.
- Implementation of new records management software (TRIM) continued.

CORPORATE GOVERNANCE

SUPPORTING OUR COMMUNITY

AUSTRALIA DAY AWARDS

The Moira Shire Australia Day Awards recognise the exceptional contribution, hard work and determination of the people in our community who inspire us all. Moira Shire Council received 20 nominations for the 2014 Australia Day Awards for individuals and committees that had volunteered their time to make a difference in our community.

2014 Australia Day Awards were presented at the Cobram Civic Centre, Punt Road, Cobram on Thursday 16 January 2014.

Moira Shire Council overall 2014 Australia Day Awards were presented to:

CITIZEN OF THE YEAR

Noel Richmond

YOUNG CITIZEN OF THE YEAR

Zoe Ryder

COMMUNITY ORGANISATION OF THE YEAR

Oasis Village Social Club

COMMUNITY EVENT OF THE YEAR

VCAL – RSL Partnership Project



REGIONAL VICTORIA LIVING EXPO

The Business and Innovation Unit spent a full weekend in April at the third annual Regional Victoria Living Expo promoting Moira Shire as a fabulous place to live, work, visit or set up a business. The three day event attracted people from metropolitan Melbourne who are contemplating a move to regional Victoria.

The Business and Innovation Team showcased available jobs, a range of housing options and presented case studies about people who had made the move to Moira. Sun Country on the Murray was well represented and the team encouraged people to visit the Moira on the Murray through accommodation deals, an exciting array of attractions and things to do, and by promoting the official visitors guide for the region.

While numbers to the stand were well down on

previous years, genuine enquiry seemed to be up. Many of the people who visited the stand were from Ford and Alcoa in Geelong and were contemplating a new life in Moira. Other occupations that were well represented were civil engineers, nurses and machinery operators. The team followed up all enquiries with businesses in the Shire to alert them to the people seeking new employment and the information will hopefully entice new residents to Moira.



LOCAL GOVERNMENT GOLF CUP

Moira Shire hosted the 17th Annual Local Government Golf Cup in November 2013.

104 participants from 23 Local Government areas visited Moira to participate in this event which was held at Numurkah. The welcome function was held at the Numurkah Showgrounds while the golf event was held at the Numurkah Golf and Bowls Club.

Funded entirely through entry fees and sponsorship, there were many benefits of hosting this event. In addition to profiling the municipality, its local attractions and businesses, the event attracted

\$30,000 of direct investment to the municipality which is welcomed. Feedback from participants was overwhelmingly positive with the facilities, catering and hospitality all praised.

Greater Shepparton City Council won the event and will host in 2014. Proceeds from the event along with proceeds from sales of the Moira Shire Flood DVD were donated to local SES units in recognition of their work in emergency response in recent years.

DISABILITY ADVISORY COMMITTEE

The Disability Action Plan promotes a positive whole of community response to disability and access issues where all residents are able to participate and connect within their local communities, feeling safe and confident to do so. The Disability Action Plan, which was developed in conjunction with Councils Disability Advisory Group, identified the following three goals:

1. To form and maintain a strong, active and effective team consisting of Council, disability support groups, community representatives and other key stakeholders.
2. To set clear achievable goals that will have beneficial and effective outcomes for the wider community.
3. To raise public awareness in a positive manner.

The following action items have either been completed or extensively promoted throughout the previous twelve (12) months:

- Ensure all persons with a disability have equal access and choice to participate in the work force by Moira Shire Council ensuring the EEO policy and procedure is inclusive for all employees and potential employees – EEO policy was reviewed and updated, statement included in all advertising of vacant positions.

- Increase participation and inclusion in Moira Shire Council operated and funded community events by ensuring that events are held in accessible venues - Funded events are now assessed on an accessibility criteria and operated events are required to be all access friendly, information has been included in all relevant documentation.
- For all staff members to have awareness of disabilities and access:
 - i. Two training sessions have been conducted for internal staff members based around Universal Design and Access Awareness.
 - ii. Staff members have completed Communication Access Training.

MUNICIPAL PUBLIC HEALTH PROMOTION

Moira Shire Council adopted the 2013–2016 Municipal Public Health and Wellbeing Plan in November 2013.

The Municipal Public Health and Wellbeing Plan reflects Council's commitment to improve the health and wellbeing of our residents and visitors and provide positive outcomes that will work towards reducing disadvantage and strengthen partnerships between Council, Local Health Organisations and the Community.

The Plan is based around the framework of the five environments and behaviours that are key components in addressing health and wellbeing issues. They are:

- Economic Environment
- Social Environment
- Natural Environment
- Built Environment
- Healthy Behaviour

Within the plan each of these areas includes a goal,

an explanation of how the environment or behaviour relates to health and wellbeing, our current practice and what our directions are for the plan.

- The Municipal Public Health and Wellbeing Plan steering committee meets quarterly and is comprised by representatives from local health services, Moira Healthcare Alliance, Department of Health and Rural Access. Since the adoption of the plan the following is an example of what has been implemented to work towards achieving the directions set out in the plan:
- Moira Shire Council became a partner in Act Belong Commit campaign to promote the importance of being mentally healthy

- Council staff have attended training to conduct accessibility audits of our facilities
- Smoke Free signage installed at local playgrounds and recreation reserves to reduce passive exposure to tobacco smoke
- A Breastfeeding Support Group has been established in Cobram to assist local mothers in obtaining advice and peer support from other mothers

Each year, Moira Shire makes available funding to support community organisations in their endeavour to address identified priorities from within the Plan. In 2013/14, \$3,150 was made available for this purpose.

Receivers of these funds are listed below.

ORGANISATION	PROJECT	AMOUNT
Nathalia and District Development Corporation	NADDCO Post Flood Revitalisation	\$250
Numurkah Lions Club	Showcasing the Numurkah District	\$200
Yarrawonga Community Health Centre	Breaking the Silence - White Ribbon Day Event	\$500
Nathalia District Hospital	Act, Belong, Commit Launch - Nathalias Morning Tea on the Green	\$500
Cobram District Health	Act, Belong, Commit Launch	\$500
Yarrawonga Community Health Centre	Act, Belong, Commit - Yarrawonga Mulwala Lifestyle fair	\$500
Numurkah District Health Service	Act, Belong, Commit Campaign	\$500
Cobram and District Harness Racing Club	Community Pink Ribbon Ladies Day at the Trots	\$200
	TOTAL	\$3150

DISASTER RECOVERY

MARCH 2012 FLOOD RECOVERY - CONTINUATION

The March 2012 flood event affected 17 of the 22 communities across the municipality. The emergency phase lasted 18 days and affected a large number of residents, businesses and rural properties.

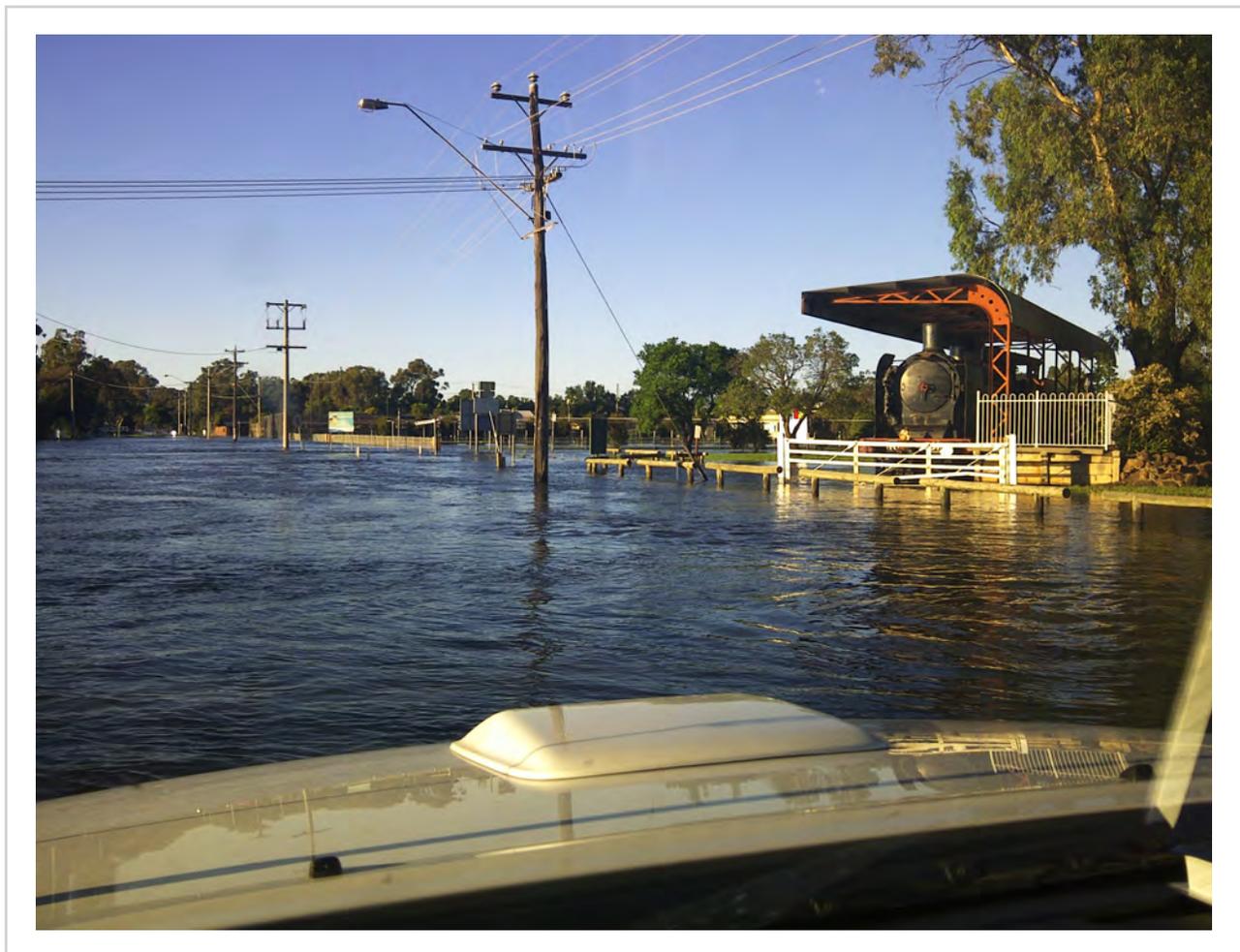
The affected area of the flood event, measured by both impacted residents and damage to community infrastructure (roads, bridges, buildings, reserves, parks and gardens) exceeded 75 percent.

The dedicated Flood Recovery Office in Numurkah, which provided flood recovery assistance to the community and was the coordination centre for repair of damaged infrastructure, closed its doors in May 2014.

The final cost of this disaster, measured in terms of response and relief costs and damage to

community infrastructure (local roads, bridges, buildings, recreation reserves, parks and gardens) was \$50.163 million dollars, the final claim for which was lodged in June 2014.

Funded under the Natural Disaster Funding Agreement, a partnership agreement between the Victorian and Federal governments, full reimbursement of these costs, approved by VicRoads and Department of Treasury and Finance has been made.



MARCH 2013 TORNADO RECOVERY

Recovery from the 21 March 2013 Tornado event continued into the 2013/14 year. Impacting the communities of Koonoomoo and Bundalong, a total of 95 properties were directly impacted.

As with the recovery from the March 2012 Flood event, the recovery office was used to coordinate efforts to assist residents and in asset restoration. The final cost of the disaster measured in terms of response and relief costs, clean-up costs and damage to community infrastructure such as local roads, parks and gardens was \$819,000.

Funded under the Natural Disaster Funding Agreement, a partnership agreement between the Victorian and Federal governments, full reimbursement of these costs, approved by VicRoads and Department of Treasury and Finance has been made.

FEBRUARY 2014 WUNGHNU BUSHFIRE RECOVERY

A major bushfire event on 9 February 2014 affected communities in an around Wunghnu and Numurkah. Burning over 10,000 Ha, this event was one of the most significant fire emergencies in this area in living memory.

Directly affecting approximately 300 properties, the relief and response activities were heightened by the dangers posed by the emergency. Recovery focused on reestablishing residents in their homes after the danger had passed, making safe roadsides from the danger of falling limbs and indeed trees and removal of burnt fencing. Recovery is largely complete but continues in a minor capacity at the end of this reporting period.

The cost of this emergency event is estimated at \$300,000, the majority of which formed the basis of an initial claim in June 2014 in the amount \$250,000.

Funded under the Natural Disaster Funding Agreement, a partnership agreement between the Victorian and Federal governments, full reimbursement of these costs, once approved by VicRoads and Department of Treasury and Finance is expected.



VOLUNTEERING IN EMERGENCY

In each of the emergencies previously detailed, the role of volunteers is a common theme.

In addition to families helping friends helping neighbors, the offers of assistance from community groups near and far became central to effective recovery. Community and sporting groups as well

as service club organisations all supported recovery efforts as did groups from outside the municipality such as member clubs of 4WD Victoria, Corrections Victoria and Booroondara Rotary member clubs.



4WD volunteers have previously assisted in recovery from natural disasters. Following the February 2014 bushfires they, along with many other volunteers assisted in the removal and reinstatement of rural fencing

COMMUNITY LEADERSHIP PROGRAM

Council facilitated a Community Leadership program during 2014 which was targeted at youth within Moira Shire Council.

The program saw 10 local young people navigate their way through the 6 month program and develop their personal, communication and leadership skills. The graduation was held in June 2014 and showcased their growth and achievements through the duration of the program.

2014 COMMUNITY YOUTH LEADERSHIP PROGRAM GRADUATES

ZOE RYDER	YARROWEYAH	Fun, Families & Fitness
MEGAN BEAMES	NATHALIA	Leadership Graduation
RENEE BOSWELL	KATUNGA	Bring the Bounce
ELIAS COLGAN ZITO	COBRAM	Bring the Bounce
XANTHE KEOGH	COBRAM	Fun, Families & Fitness
AARON KELLY	COBRAM	Bring the Bounce
LAURA BRUCE	NATHALIA	Leadership Graduation
LEIGH KELLY	COBRAM	Bring the Bounce
MICHAEL HACKETT	COBRAM	Leadership Graduation
BIANCA KELLY	COBRAM	Leadership Graduation



GRANTS

SMALL GRANTS

Moira Shire Council's Small Grants Scheme provides essential assistance to community groups that offer services and facilities to local residents. As these community groups rely heavily on volunteers and community contributions, Council's Small Grants are critical in supporting these services and facilities.

The grants are offered in two rounds each year, with up to \$2,500 available to not-for-profit community groups to purchase equipment and undertake projects to improve community facilities. A review panel assesses the applications against Council's Community Grants Policy.

2013/14 AUGUST SMALL GRANTS SCHEME:

Council received 40 applications totalling \$81,934.32 in requested funding for the 2013/14 August Small Grants Scheme Round. 20 successful applicants received a total of \$39,100.00 in funding. The following 20 community projects were recommended to receive funds under the 2013/14 August Small Grants Scheme:

ORGANISATION	PROJECT	AMOUNT
Cobram Community House	Classroom Furniture	\$2000
Moira Miniature Rail Inc.	Safety Fencing for Playground	\$2500
St James Recreation Reserve CoM (Golf Club)	New Wood Fire & Guard	\$2500
Tungamah Bowls Club	Shade Sail Project	\$2100
Strathmerton Football Club	Replacement Computer & Printer	\$650
Yarrowonga Mulwala Table Tennis Association	Carpet Replacement	\$2000
Baulkamaugh Recreation Reserve CoM	Baulkamaugh Hall Heating/Cooling	\$2500
Invergordon Recreation Reserve & Community Hall CoM	Split System Air-conditioning	\$2500
Wunghnu Recreation Reserve CoM	Service Area Safety Project	\$2000
St James Recreation Reserve CoM (Bowling Club)	Bowling Green Refurbishment & Weed Sprayer	\$2500
Yarrowonga Mulwala Historical Society Inc.	Captain John McNamara (Military Cross) Memorial Walking Track – Naming & Educational Signage	\$2500
Cobram Historical Precinct	External Painting to Old School	\$2500
Cobram Lawn Tennis Club	Purchase Lawn Mower	\$2500
Murray Valley Orchid Club Inc.	Project Projector & Screen	\$600
Strathmerton Recreation Reserve CoM	Sports Line Marking Machine	\$1000
Yarrowonga Community Garden Inc.	Garden Shed	\$1500
Waaia Recreation Reserve & Community Facility CoM	Service Area Carpet	\$2500

ORGANISATION	PROJECT	AMOUNT
Yarroweyah Football Netball Club	PA system for Recreation Reserve	\$2000
Cobram & District Children's Services	Purchase ipads	\$750
Cobram Bowling Club Inc.	100 Year Celebration	\$2000
	TOTAL	\$39,100



Numurkah Senior Hub building.

2013/14 JANUARY SMALL GRANTS SCHEME:

Council received 37 applications totalling \$68,555.37 in requested funding for the 2013/14 January Small Grants Scheme Round. 21 successful applicants received a total of \$38,400.00 in funding.

The following 21 community projects were recommended to receive funds under the 2013/14 January Small Grants Scheme:

ORGANISATION	PROJECT	AMOUNT
Katamatite Netball Club Inc.	Player & spectator seating project	\$2,500
St James Hall CoM	St James Hall Renovation	\$2,500
St James Recreation Reserve (St James Bowls Club)	Replacement of the player/spectator seating	\$2,500
Yarrowonga Anglican Parish - St Cuthberts Yarrowonga	Upgrade Anglican Church Hall Kitchen	\$2,500
JC Lowe Oval Reserve CoM	Replacement of balcony seating at Dempsey Pavilion	\$2,500
Cobram District Pony Club	Kitchen Fitout - Lining of Walls	\$2,500
Yarrowonga/Mulwala Mens Shed Inc.	Installation of 2 air-conditioners and water in new workshop	\$2,500
Numurkah Agricultural & Pastoral Society Inc.	Refurbishment & painting of concrete floor in Findlay Pavilion	\$2,460
Waaia Recreation Reserve CoM	Main kitchen storage room upgrade	\$2,000
Nathalia Young Farmers Club	Storage Cupboard	\$2,000
Western Moira Tourism	Setting with wheelchair access	\$2,000
Strathmerton Public Hall CoM	Upgrade Car Parking	\$1,940
Picola Bowling Club	Picola Bowls Ground Surround Improvement	\$1,800
Tungamah Recreation Reserve CoM	Chair replacement and restock	\$1,700
Strathmerton Football Club	Installation of Defibrillator	\$1,600
Cobram District Health Ladies Auxiliary	Purchase of equipment for Irvin House Nursing Home Cobram	\$1,460
Kaarimba Public Hall Inc.	Overhead fans installed in Hall	\$1,090
Cobram Soccer Club	Soccer benches, soccer nets and first aid trainer bag	\$800
Numurkah Community Learning Centre Inc.	Community Garden	\$800
YNH Services	Promoting Community Information	\$700
Country Womens Association Victoria Inc - Yarrowonga & Border Branch	Upgrade of Switchboard	\$550
	TOTAL	\$38,400

COMMUNITY ASSISTANCE GRANTS

Moira Shire Community Assistance Grants has the same community support objectives as the Small Grants Scheme, but provides a higher level of financial assistance.

This year, Council received 33 high quality applications requesting \$358,174.75 in funding. Council agreed to fund 15 of the 33 projects to the amount of \$119,640.00.

The following 15 community projects were recommended to receive funds under the scheme.

ORGANISATION	PROJECT	GRANT
Yarroweyah Memorial Hall	Replace Supper Room Floor	\$12,000
Waaia Recreation Reserve	All Abilities Access to facilities	\$9,240
Picola Bowling Club	Renovation of kitchen area	\$7,000
Strathmerton Recreation Reserve	New Equipment Shed	\$12,000
Yarrowonga Preschool and Occasional Care	Playground and Garden Redevelopment	\$4,000
Scott Reserve	Toilet Maintenance & New Oven	\$10,000
Yarrowonga Community Garden Inc.	Water tank & irrigation system	\$5,000
Nathalia Recreation Reserve	Emergency Service - Remote Control for Oval Lighting	\$2,900
Katamatite Recreation Reserve	Ride on Oval Mower	\$5,000
Katunga Recreation Reserve	Shelter and seating for the new Katunga courts	\$6,000
Cobram & District Pony Club Inc.	Club House Upgrade	\$12,000
Moira Miniature Rail Inc.	Stage 1 of the Permanent Miniature Railway	\$7,000
Nathalia Golf Club Inc.	Upgrade of Toilet & Water Supply	\$7,500
Yarrowonga & Border Agricultural & Pastoral Association	Yarrowonga Showgrounds Storage Shed Project	\$10,000
Koonoomoo Improvement Group Inc.	Rotunda	\$10,000
	TOTAL	\$119,640

EVENT SPONSORSHIP GRANTS

Moira Shire Council introduced the Event Sponsorship Grants in 2007/08. The sponsorship program provides support to the groups running events that benefit the wider community, residents, tourists and businesses.

Groups can apply for sponsorship of up to \$5,000 for events that provide economic, social and cultural benefits to the Moira community, generate broad exposure for the area, or are likely to attract visitors from outside the Shire.

In 2013/2014 there were two funding rounds with fifteen groups being successful in receiving grants, totalling \$14,055.

Successful grant applications for the Event Sponsorship Grants in 2013/14 were:

ORGANISATION	PROJECT	GRANT
Sun Country Historic Vehicle and Machinery Club	Sun Country Motorcycle Show and Shine	\$495
Lioness Club of Yarrawonga	Yarrawonga Lioness Craft Expo	\$500
Carriage Horse Driving Trials Club	Victorian Combined Driving Event Championships and National Driven Dressage Championships	\$1,000
Lions Club of Tungamah	Tungamah Ten Thousand	\$500
Cobram District Children's Services	Twilight Christmas Fair	\$500
Nathalia Lions Club New Years Eve Committee	Nathalia New Years Eve Carnival and Art Windows Festival	\$1,000
Rotary Club of Numurkah Inc.	Rotary Club of Numurkah 34th Annual Art & Craft Exhibition	\$500
Strings Music Festival Committee	Stings Music Festival	\$2,500
Yarrawonga Mulwala Arts Council Inc.	Music in the Park – Summer Series 2013/2014	\$760
Yarrawonga Mulwala Splash and Dash Pty Ltd	Yarrawonga Mulwala Splash'n'Dash	\$2,000
Zaidee Rainbow Foundation	Zaidee Rainbow Foundation Numurkah Pro Am 2013	\$500
Rotary Club of Nathalia	Third Annual Rotary Art Show	\$300
The Country Women's Association of Victoria Inc.	Afternoon Tea Dance	\$200
Lions Club of Tungamah	Tungamah Lions Ten Thousand	\$300
Numurkah & District Tourism Association Inc.	Numurkah Foodbowl Festival	\$3,000
	TOTAL	\$14,055

GOVERNANCE

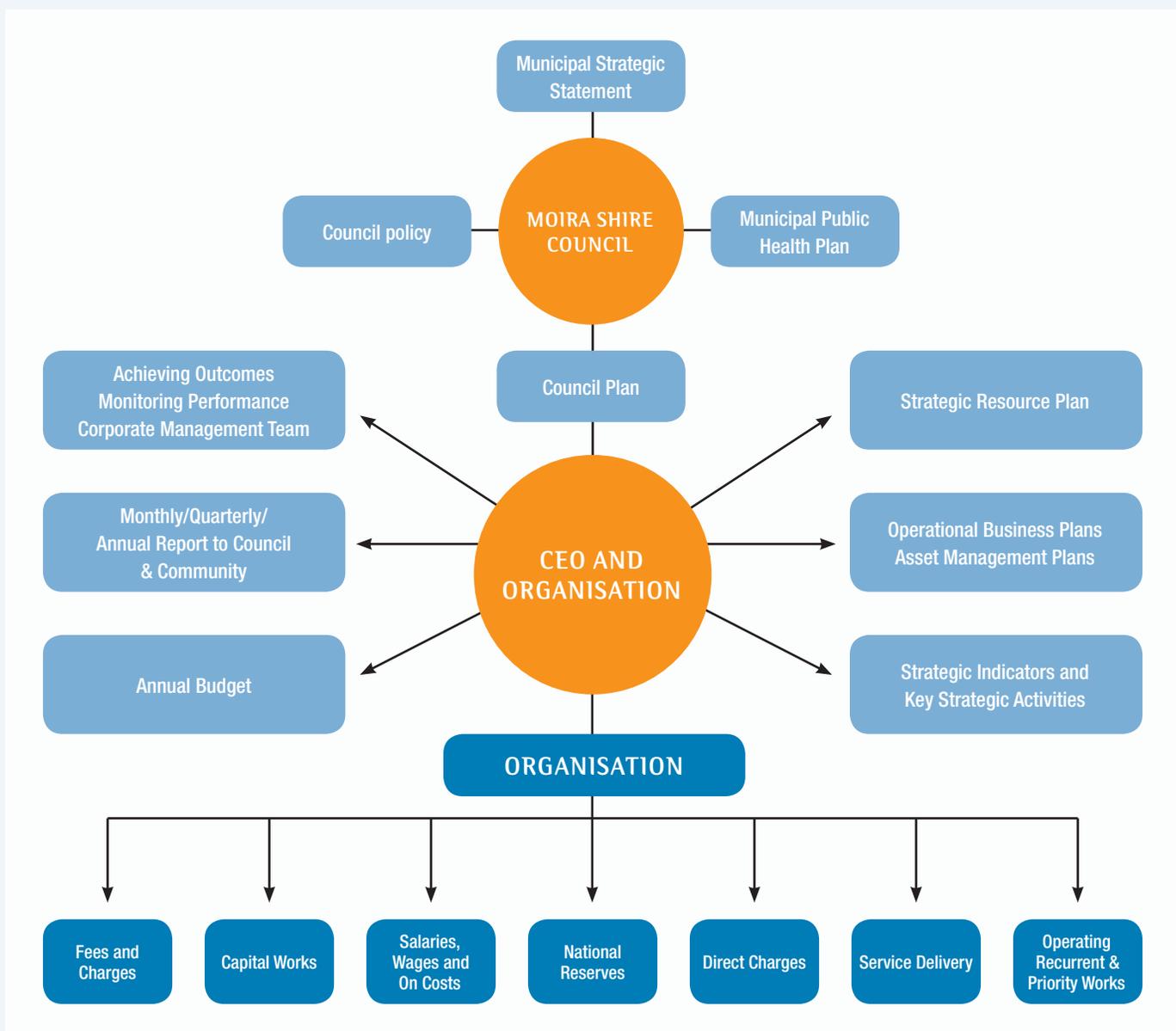
STRATEGIC PLANNING FRAMEWORK

The diagram shows the links between the Strategic Resource Plan (SRP) and the balance of the corporate planning framework.

As the diagram illustrates, Council sets the strategic direction to provide the Chief Executive Officer with the necessary guidance to develop and implement plans, actions and strategies to achieve these strategic outcomes.

The key strategic documents include the Council Plan, Municipal Strategic Statement and Municipal Public Health and Well Being Plan. These plans are prepared in accordance with Council policies.

The strategic planning framework incorporates the Council Plan and Business Plans all linked together and importantly resourced by the Annual Budget.

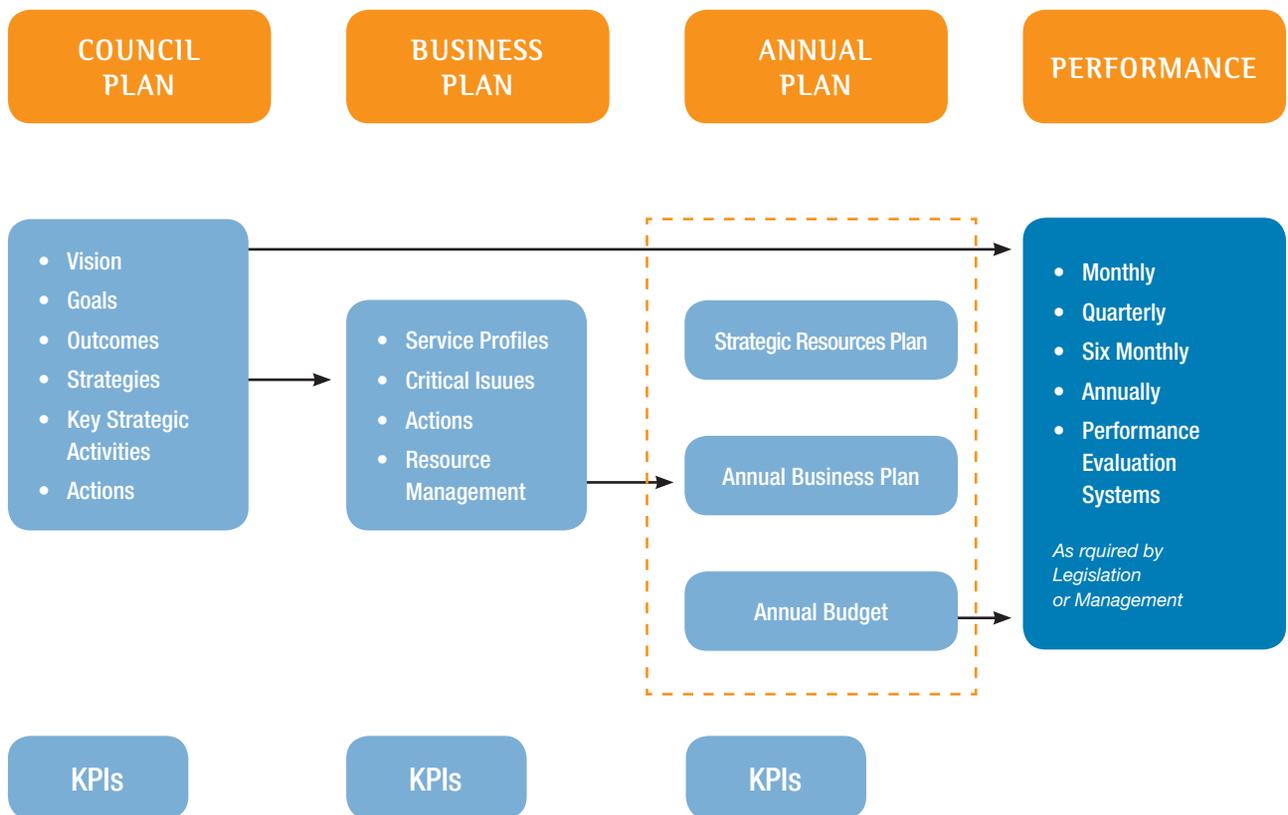


The planning framework provides for the Council Plan strategies to be linked to Business Plan actions that are funded and resourced through the Annual Budget. The organisation then measures and monitors performance and reports to internal and external stakeholders as required.

Council received formal reports on a Monthly basis detailing progress against its Council Plan and Annual Budget.

Council uses Authority, its corporate software suite of programs to prepare and monitor performance targets at various levels throughout the organisation.

Testing of Performance Manager has been underway which will reduce duplication of data and enables business plans, budgets and staff appraisals to be linked directly to Council Plan Strategic Goals, strategies and Performance indicators.



STRATEGIC FINANCIAL FOCUS

Across the 2013-2014 financial reporting period, Moira Council continued its focus on investing in the Shire's environment, social economic and governance areas as outlined in the Council Plan and in Councils Strategic Resource Plan and Annual Budget.

The Annual Budget process aims to consolidate Councils commitment to its long-term financial sustainability; protects and manages Councils ageing assets and meet the needs of a growing community through the programs and services Council delivers. This commitment is based on a number of financial management strategies and directions including debt management and retirement, cost containment, asset and waste management, capital works delivery, rating/revenue management and service provision and planning as outlined in the Strategic Resource Plan.

Councils longer term financial sustainability is measured by a number of financial performance ratios which are report to the Victorian Auditor-General's (VAGO) office. Council has been working proactively to achieve and maintain these ratios at low risk levels.

ASSET AND CAPITAL INVESTMENT

Council uses a rigorous asset management system which is specifically designed to track and monitor the condition of assets and guide the programming of works to extend, maximise and maintain the life of asset thereby ensuring maximum use before Council needs to renew, upgrade or replace these assets. This helps Council with its preventative maintenance and also to prepare financial planning and long term programming around asset maintenance, renewal and upgrades to support the communities of Moira Shire.

Assets deliver a critical service to communities across the Shire. Council is required to continually carry out consultation with these communities and review its existing asset base to ensure

service levels are established, and maintained. Communities' views are sought and incorporated as part of this prioritisation process – particularly as part of the annual budget process which determines the financing of priorities.

The identification and setting of approved service and program levels also contributes to Council's prioritisation process ensuring its funding is targeted to, maximises and meets community needs.

FUNDING SOURCES AND DEBT MANAGEMENT

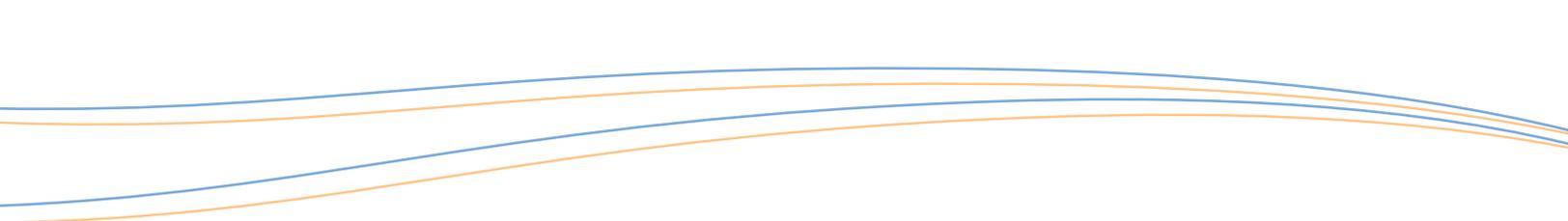
Council's ability to access recurrent growth funding is an important part of minimising the impact on ratepayers as Council works to maintain its long-term financial sustainability and viability, responsible asset management and the provision of a range and level of services expected by the community.

Council continually assesses its ratings strategy to provide a fair and equitable rating structure and fee system that generates sufficient resources to meet its short and long term strategic objectives and not unfairly place financial burden on any particular group in the Shire. This is one of the basic challenges Council faces in terms of achieving its long term financial sustainability given the limited access to recurrent growth funding.

GRANTS

Council receives funding from a range of source including recurrent grants, one-off grants, rates and charges. Beyond funding from these grants, Council relies mainly on rate revenue generated to fund its programs and services and capital works program. In 2013/2014, a total of \$26.3M compared to \$45.4M in 2012/13 was received in grants.

This reduction is attributable to the scaling down of flood recovery activities which peaked during the previous year.



BORROWINGS

Council's Strategic Resource Plan currently contains an assumption that no further borrowings will occur from 2013. As part of this strategy, Council also reports on and against VAGO's low risk sustainability indicators on a monthly basis. Of particular focus in these indicators is the 'indebtedness' ratio which considers 'low risk; to be 40% or lower. The indebtedness ratio measures Council's exposure to debt by identifying the percentage of financing provided by debt. In the 2013/14 financial year, Council's indebtedness ratio was 42.6% - an improvement on the 2013 result of 44.4% and confirming an ongoing improvement in Council's debt position.

EQUITABLE RATING

When considering the rating differentials, a set of principle has been developed in line with consideration around equity, capacity to pay and the community benefit derived. The rating strategy is next due for review in December 2014.

Council is very aware of, and factors in the continuing effect of the global financial position and local economic trends into its strategic and financial planning frameworks and processes. These factors are regularly monitored and reviewed with adjustments made to accommodate these scenarios as part of Council's ongoing financial management strategy.

PROTECTING WHISTLEBLOWERS/ PROTECTED DISCLOSURE

Moira Shire Council complied with the requirements of the Whistleblowers Protection Act 2001, which was introduced in January 2002.

In February 2013, the Protected Disclosure Act 2012 (the Act) was enacted by the Victorian Government. Council is currently developing its procedure in accordance with recommendations made by the Independent Broad-based Anti-corruption Commission (IBAC).

There were no applications made under either the Whistleblowers Protection Act or Protected Disclosure Act this financial year.

RISK MANAGEMENT

Moirra Shire Council's Risk Management responsibilities were incorporated into the Occupational Health Safety and Risk Management unit in 2014. The new unit is responsible for Occupational Health Safety and Risk Management both at corporate and operational level.

Risk management is a systematic method of identifying, evaluating and treating risks associated with Council's activities, functions and processes. These can include service delivery, business systems, human resources, assets, liabilities and the environment. Risk management seeks to both minimise risk and maximise opportunities.

Risks to which Council is exposed and the actions designed to eliminate or minimise them are identified through a strategic framework of internal and external auditing.

The Occupational Health Safety and Risk Management unit is currently reviewing Council's risk management framework in conjunction with other local government organisations to deliver effective management of risk across Moira Shire Council; this is critical to ensuring that the organisation can deliver on its commitment to the community.

The principles and practises of risk management will follow the Australian and New Zealand: Risk Management – Principles and Guidelines (AS/NZ ISO 31000:2009).

PUBLIC LIABILITY AND INSURANCE

Council's liability insurer, MAV Insurance, most recently conducted a liability risk audit of Council's operations in February 2013. Moira Shire Council achieved a score of 89 percent which is an increase of two percentage points over the previous audit conducted in February 2011.

AUDITING

No property risk and commercial crime risk audits were conducted in the 2013/14 year because these audits, conducted by Council's property insurer, Jardine Lloyd Thompson, in February 2013, occur on a two year cycle. Moira Shire Council received a score of 80% for the property risk audit and 99% for the commercial crime audit which ranked Council 3rd of all Victorian councils and confirms that Council has strong operational systems in place to deter, prevent and detect realistic fraudulent activity.

Other aspects of Council's risk management framework include the existence and management of the corporate risk register, a documented incident report and investigation process, an established internal audit regime, a reactive customer request system and a strong asset management framework.

The following audits were conducted during the year:

- Inventory management
- Asset management
- Project management
- Contract management
- Councillors expense reimbursement
- Fees, charges and sundry debtors

FREEDOM OF INFORMATION

In accordance with the Freedom of Information Act 1982, Moira Shire Council makes a private office available for use by the public to read documents. Information on display in the reception area may be taken to the reading room on request.

During the past year, Council received six (6) Freedom of Information requests and responded to each within the prescribed under the Act. Fees payable for Freedom of information services totaled \$261.30 and council waived \$26.30 in charges additional to this.

- Moira Shire Council Freedom of Information Officer is David Booth, Manager Governance

INDEPENDENT AUDIT COMMITTEE

Council's Audit Committee consists of three community representatives and two Councillors. The committee is a Section 139 Committee of Council supported by senior Council officers.

The Audit Committee has an advisory role and reports to Council regarding prudential and non-financial management across the organisation. The committee liaises with the Auditor-General or representative in regard to the external audit function and through the engagement of an internal auditor undertakes regular independent reviews of the operations of Council.

A key objective of Council is to ensure effective corporate governance through the application of strong and appropriate policies, procedures and controls. To assist Council achieve this objective, the Audit Committee's key role is to report and provide appropriate advice and to make recommendations on matters relevant to its Charter.

These matters include:

- The effectiveness of internal and external financial reporting;
- management of financial and other risks and the protection of Council assets;
- compliance with laws and regulations as well as use of best practice guidelines;
- the effectiveness of the internal audit function;
- communication between the external auditor, internal audit, management and the Council.

The Audit Committee met on five occasions during the year.

The following list is a summary of the matters considered by the Audit Committee during 2013/14 and referred to Council:

- Quarterly Financial reports
- Annual Financial Statements and Performance Statements 2012/13
- 2014/15 Proposed Budget
- 2013/14 VAGO Audit Strategy
- Inventory & Asset Management internal audit
- Project Management internal audit
- FBT Compliance internal audit
- Contract Management internal audit
- Fees, Charges & Sundry Debtors internal audit
- Councilor expense reimbursements internal audit
- 2012/14 Property Liability Risk Audit
- Risk Management Status reports

COUNCIL MEETINGS

Council holds meetings once a month from February to December. Special Council Meetings are held throughout the year.

Meetings were held in locations across the Shire. Moira Shire Council held 11 ordinary meetings and 5 Special Council Meetings in 2013/14. Public question time is encouraged at the end of each ordinary meeting.

DATE	LOCATION	TYPE
Monday 15 July 2013	Wilby	Ordinary Council Meeting
Monday 19 August 2013	Picola	Ordinary Council Meeting
Monday 16 September 2013	Strathmerton	Ordinary Council Meeting
Monday 30 September 2013	Cobram	Special Meeting: Audit Committee
Tuesday 1 October 2013	Cobram	Special Meeting: Contract and Industrial Items
Monday 21 October 2013	Nathalia	Ordinary Council Meeting
Wednesday 6 November 2013	Cobram	Special Meeting: Mayoral Election
Monday 18 November 2013	Yarrowonga	Ordinary Council Meeting
Monday 9 December 2013	Katamatite	Ordinary Council Meeting
Monday 17 February 2014	Cobram	Ordinary Council Meeting
Monday 17 March 2014	Wunghnu	Ordinary Council Meeting
Tuesday 22 April 2014	Yarroweyah	Ordinary Council Meeting
Monday 28 April 2014	Cobram	Special Council Meeting: Draft Budget
Monday 19 May 2014	St James	Ordinary Council Meeting
Tuesday 10 Jun 2014	Cobram	Ordinary Council Meeting
Monday 23 June 2014	Numurkah	Special Council meeting: Adopt Budget

COUNCILLOR	COUNCIL MEETINGS ATTENDED
Councillor Kevin Bourke	17
Councillor Wendy Buck	15
Councillor Gary Cleveland	18
Councillor Ed Cox	18
Councillor Brian Keenan	17

COUNCILLOR	COUNCIL MEETINGS ATTENDED
Councillor Peter Mansfield	18
Councillor Don McPhee	17
Councillor Marie Martin	18
Councillor Alex Monk	18

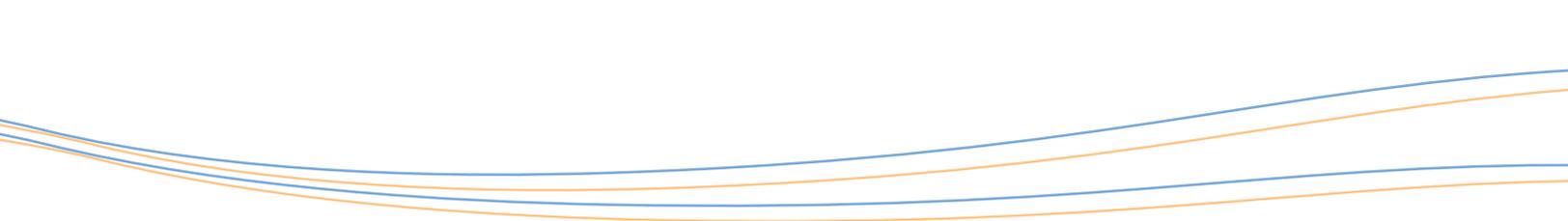
ADVISORY COMMITTEES, BOARDS AND OTHER REPRESENTATIVE BODIES

Council has established a number of advisory committees to help provide advice and input into Council decisions and policies. It runs many of these committees as well as being an active member of various boards and committees external to Council.

ADVISORY COMMITTEES AND BOARDS

- Barmah Forest Heritage and Education Centre Advisory Board
- Moira Shire Arts and Culture Board Inc
- Moira Shire Cultural Diversity Advisory Committee
- Moira Shire Disability Advisory Committee
- Moira Shire Environment Sustainability Advisory Committee
- Moira Shire Municipal Public Health and Wellbeing Advisory Committee
- Moira Shire Junior Council
- Moira Shire Kinnairds Wetland Advisory Committee
- Moira Shire Local Safety Committee
- Yarrawonga Aerodrome Advisory Committee





OTHER REPRESENTATIVE BODIES

- Barmah Horse Advisory Committee
- Goulburn Broken Greenhouse Alliance
- Goulburn Broken Local Government Biodiversity Reference Group
- Goulburn Valley Regional Library Corporation Board
- Resource GV
- Goulburn Valley Community Road Safety Council
- Hume Regional Local Government Network
- Hume Region Strategic Fire Management Planning Committee
- Lake Mulwala Community Reference Group
- MAV Emergency Management Capability Building Project Committee
- MAV Emergency Management Performance Measures Project Committee
- MHA Care Ltd Board
- Municipal Association of Victoria
- Municipal Emergency Management Planning Committee
- Municipal Fire Management Planning Committee
- Murray River Grouping of Councils
- Municipal Saleyards Association
- Murray Darling Association
- Numurkah Flood Study Community Reference Group
- Sullivan Education Fund
- Sun Country on the Murray Tourism Board
- Victorian Local Governance Association
- VicTrack Strategic Plan Project Advisory Committee
- Yarrawonga/Mulwala Liquor Accord
- Yarrawonga Mulwala Tourism Board
- Valley Sport

SECTION 86 COMMITTEES

Moira Shire Council currently has 37 Committees of Management that partner with Council to manage community facilities. These facilities include community halls, recreation reserves, historical precincts and a range of other important community assets.

Each committee is made up of a range of user group and community representatives, Councillors and Council staff who work together to meet the specific needs of each facility. The total number of volunteers involved in these committees of management exceeds 400.

In addition to recurrent funding to assist with general running expenses, Council also provides in-kind support, facility and building maintenance support, capital works assistance and assistance to seek external grant funding for projects.

The dedicated volunteers and the groups they represent are a vital part of the Moira Shire community and without them Council simply could not afford to provide the range and level of facilities across the Municipality.

Committees are appointed for a four-year period, must hold an annual general meeting and meet certain reporting and risk management responsibilities as part of their delegation from Council under Section 86 of the Local Government Act.

- Baulkamaugh Recreation Reserve
- Bearii Recreation Reserve and Hall Trust
- Bundalong Dan Cronin Recreation Reserve & Public Hall
- Cobram Historical Precinct
- Cobram Saleyards
- Cobram Scott Reserve
- Cobram Showgrounds
- Apex Reserve
- Floridan Park Recreation Reserve
- Invergordon Recreation Reserve and Community Hall
- Katamatite Public Hall
- Katamatite Recreation Reserve
- Katunga Recreation Reserve and Community Centre
- Koonoomoo Recreation Reserve
- Lake Rowan Hall
- Nathalia Historical Precinct
- Nathalia Showgrounds & Recreation Reserve
- Numurkah Showgrounds Reserve
- Numurkah Town Hall
- Picola Public Hall
- Picola Recreation Reserve
- St James Public Hall
- St James Recreation Reserve
- Strathmerton Public Hall
- Strathmerton Recreation Reserve
- Tungamah Court House
- Tungamah Jubilee Park Recreation Reserve
- Waaia Recreation Reserve
- Wilby Memorial Hall
- Wilby Park Recreation Reserve
- Wunghnu Recreation Reserve
- Yalca North Recreation Reserve
- Yarrowonga Eastern Foreshore
- Yarrowonga JC Lowe Oval Reserve
- Yarrowonga Saleyards
- Yarrowonga Showground Reserve/Victoria Park
- Yarroweyah Memorial Hall
- Yarroweyah Recreation Reserve

VICTORIAN LOCAL GOVERNMENT INDICATORS

INDICATORS	RESULT
OVERALL PERFORMANCE	
Community satisfaction rating for overall performance	57
ADVOCACY	
Community satisfaction rating for council's advocacy and community representation on key local issues	58
COMMUNITY ENGAGEMENT	
Community satisfaction rating for council's engagement in decision making on key local issues	59
ALL RATES	
Rates & charges declared as being receivable	\$28,916,674
Number of assessments	17,339
Average rates & charges per assessment	\$1,668
RESIDENTIAL RATES	
Rates & charges declared for residential assessments	\$15,142,752
Number of residential assessments	9,543
Average rates & charges per residential assessment	\$1,587
OPERATING COSTS	
Operating expenditure per financial statements	\$60,454,063
Number of assessments	17,339
Operating expenses per assessment	\$3,487
CAPITAL EXPENDITURE	
Total capital expenditure	\$7,302,843
Number of assessments	17,339
Average capital expenditure per assessment	\$421
INFRASTRUCTURE	
Current spending on capital renewal	\$5,369,949
Long term AAAC	\$11,863,000
Infrastructure renewal %	45%
INFRASTRUCTURE	
Current spending on renewal plus maintenance	\$14,841,831
Long term AAAC plus maintenance	\$21,334,882
Infrastructure renewal & maintenance %	70%
DEBTS	
Total liabilities	\$13,131,404
Number of assessments	17,339
Average liabilities per assessment	\$757
OPERATING RESULT	
Operating result per financial statements	\$6,534,189
Number of assessments	17,339
Operating result per assessment	\$377

CERTIFICATION OF THE VICTORIAN LOCAL GOVERNMENT INDICATORS

In my opinion, the Victorian Local Government Indicators in this statement are presented fairly, and indicate Moira Shire Council's performance for the period ending 30 June 2014. I confirm that the indicators were calculated in accordance with the definitions as provided by the Department for Victorian Communities Circular No. 35/2012 of August 2012.

I certify the accuracy of the indicators and confirm there is a documented methodology and a reliable system to store the data.

As at the date of this certification, I am not aware of any circumstances that would render any particulars in the attached statement of indicators to be misleading or inaccurate.



WARREN BROWN
PRINCIPAL ACCOUNTING OFFICER

17 September 2014

KATAMATITE RECREATION RESERVE BUILDING

The Katamatite Recreation Reserve Community Building was officially opened on 27 July 2013. This project, valued at \$1.35M was funded through Community contributions, Local Government and Victorian Government grants.



COUNCIL POLICIES SUPPORT GOOD GOVERNANCE

During 2013/14, Council reviewed and considered eight of its 30 policies, with differing levels of amendment made.

The Corporate Uniform policy was revoked by Council, instead being covered by a Chief Executive Officer level policy due to its operational nature. The Garbage and Recycling policy was reviewed and adopted as the Kerbside Garbage, Recycling and Organic Collection policy. The Service Recognition – Councillors and Employees policy was revoked and replaced with two policies, one for Councillors and another for employees.

Policy review provides an opportunity to look at whether changes or improvements are required, taking into consideration the corporate direction of Council and any legislation changes.

The following is a list of the 30 Council policies which were in place as at 30 June 2014:

- Achievers Award Assistance Program*
- Asset Management
- Budget Preparation and Financial Reporting
- Building Setback
- Community Grants
- Contribution to Fencing Costs
- Councillor Professional Development*
- Development of Policy Documents
- Event Sponsorship
- Fraud Prevention and Control
- Intervention where a Private Building Surveyor is responsible
- Investment and Cash Management
- Kerbside Garbage, Recycling and Organic Collection*
- Loan Borrowings
- Motor Vehicle
- Private water assets in road reserves
- Procurement*
- Public Lighting
- Rates and Charges
- Reimbursement of Expenses and Support
- Risk Management
- Road Closures
- Sale of Council Land*
- Service Recognition – Councillors*
- Service Recognition – Employees*
- Special Rates and Charges
- Swimming Pool and Spa Safety Barriers
- Use of Network, E-mail and Internet Facilities
- Waiver or Refund of Building Permit Fees
- Youth Development and Support*

**Reviewed and adopted during 2013/14
Note: the Corporate Uniform policy was revoked by Council following its review.*

LOCAL LAWS

Moira Shire Council has three local laws:

- 1. Community Safety and Environment Local Law 2013;**
- 2. Meeting Procedures Local Law 2007;**
- 3. Recreation Reserves Local Law 2009.**

Council's local laws are reviewed and amended as required and are available by contacting Council or from Council's website at www.moira.vic.gov.au.

INFORMATION AVAILABLE FOR INSPECTION

The following documents are available for public inspection under Part 5 of the Local Government (General) Regulations 2004 during normal working hours from the Moira Shire Council Administration Centre at 44 Station Street, Cobram:

- details of current allowances fixed for the Mayor, Lord Mayor (if any) and Councillors under section 74 or 74A of the Local Government Act 1989 (the Act);
- the total remuneration for all senior officers in respect of the current financial year and the previous 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 that 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 Council that 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 that 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 under 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 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 Council during the financial year, including the names of persons or bodies that have received a donation or grant and the amount of each donation or grant;
- a list of 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 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
 - which Council entered into during the financial year without first engaging in a competitive process; and
 - which are not contracts referred to in section 186(5) 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.

BEST VALUE REPORT

INTRODUCTION

Best Value Victoria is a legislative requirement in accordance with the Local Government (Best Value Principles) Act 1999.

Best Value is about providing quality services that are accessible, affordable and delivered in a timely manner.

Best Value involves working with the community to provide services that best suit their needs in an open and accountable way, taking into account quality and cost factors.

Best Value for Moira Shire Council brings the opportunity to demonstrate efficiency, effectiveness and quality in service delivery that is best for the community.

Council has used the Best Value review process to provide for improvement in the efficiency and effectiveness of its service provision to the community by reviewing its services against the principles set out in the Local Government (Best Value Principles) Act 1999:

- meeting quality and cost standards;
- responsive to community needs;
- accessible to users for whom the service is intended;
- achieving continuous improvement;
- providing regular community consultation; and
- reporting at least once a year on what is done to ensure that Council is meeting the achievements set out in the principles.

PROGRAM FEATURES

Best Value has become an integrated part of the organisation, ensuring Moira Shire Council continues to meet the changing needs of its community. The benefits of Best Value are well recognised and staff members have adopted the concept as part of the formal review process and are addressing the principles as part of standard business practice.

The Best Value process has assisted Council in highlighting issues and determining improvement opportunities within the delivery of service to the community. The process improvements have been invaluable in achieving continuous improvement with Council's service delivery. The benefits of improved reporting mechanisms, program development, data collection/comparison and internal and external communication have enhanced, and will continue to enhance, corporate knowledge, planning and evaluation in coming years.

Best Value has reinforced Council's commitment to community partnerships, organisational development and quality service provision. The Key Performance Indicators and continuous improvement targets from each review are incorporated into organisational business plans to be tested against and aligned with Council's corporate goals.

STATUS REPORT

Moira Shire Council's Best Value Review Program began in July 2001 with 69 individual services programmed for review. The program timetable was revised in 2004/2005 to amalgamate services that could be reviewed under the one service group to reduce the time required for individual reviews. This reduced the number of reviews to 26. Council met its requirement under the Local Government (Best Value Principles) Act 1999 to apply the principles to all council services by 31 December 2005.

CONTENTS

SERVICE	REVIEW COMPLETED
Aerodrome	21 November 2005
Asset Management	19 December 2005
Building Services	21 November 2005
Community Development	19 December 2005
Contract Management	18 July 2005
Customer Service	21 March 2005
Electronic Information Management	17 October 2005
Emergency Management	19 September 2005
Energy Management	19 December 2005
Enforcement Services, Fire Prevention and Animal Control	25 March 2002
Family and Children Services	19 December 2005
Finance	18 July 2005
Human Resources	16 May 2005
Landfill and Transfer Stations	20 December 2004
Parks and Gardens	15 July 2002
Planning	19 December 2005
Public Health	16 August 2004
Revenue	18 July 2005
Roads and Streets	4 November 2002
Risk Management	21 November 2005
Saleyards	20 December 2004
Streetscape/Urban Design	21 November 2005
Swimming Pools and Leisure Centres	20 June 2004
Urban Drainage/Stormwater	19 December 2005
Waste and Recycling Collection	19 December 2005
Youth	19 December 2005

ANNUAL PERFORMANCE RESULTS

In accordance with reporting requirements, the following section shows outcomes for the 26 service reviews.

AERODROME

QUALITY AND COST STANDARDS	TARGET QUALITY STANDARD	RESULT	MET QUALITY STANDARD	TARGET COST STANDARD	RESULT	MET COST STANDARD
Aerodrome	100%	100%	✓	100%	100%	✓

The Aerodrome Manager conducts twice weekly aerodrome inspections, as required by the Civil Aviation Safety Authority (CASA). Reports are filed at the aerodrome and within Council's records system.

The future development of the aerodrome is dependent on funding from state government.

There are two current grant applications in place to upgrade the Yarrawonga Aerodrome.

The first grant, if successful will include the prioritised works:

- The widening of existing taxi lane from 14.0m to 16.5m
- The widening of existing taxi way Bravo
- Creation of new sealed long term parking area and taxi lane to taxi way Charlie
- Construction of a new sealed parking apron adjacent to existing hangers
- Construction of a new sealed taxi way from terminal building to runway 01/09
- Installation of proving pad for agriculture aircraft load/unload area

The second grant application is for the provision of an Avgas Aircraft Refuelling Service with 24/7 access.

Council is considering commercialisation opportunities including at the Yarrawonga Aerodrome.

Standard met ✓ Standard not met ✗

ASSET MANAGEMENT

QUALITY AND COST STANDARDS	TARGET QUALITY STANDARD	RESULT	MET QUALITY STANDARD	TARGET COST STANDARD	RESULT	MET COST STANDARD
Asset Management	100%	100%	✓	100%	100%	✓

Assets are defined as an item, thing or entity that has potential or actual value. Asset management is the coordinated activity to realise that value through the assets entire life cycle.

Asset management enables Council to examine the need for, and performance of, assets and asset systems at different levels. Additionally, it enables the application of analytical approaches towards managing an asset over the different stages of its life cycle from conception and design through to its disposal.

Effective Asset Management involves balancing costs, opportunities and risks against the desired performance of assets to achieve the organizational objectives. This balancing might need to be considered over different time-frames.

Condition inspections and revaluations were conducted on the following asset categories in accordance with the Moira Shire Council Asset Management Plan:

- Roads
- Bridges
- Buildings
- Land Improvements
- Land Under Roads

Inspections of bridges, sealed roads and buildings were conducted by qualified external consultants while land improvements and gravel roads were inspected by internal engineering staff. Land under roads was revalued in accordance with the Australian Accounting Standards Board.

The information gathered in these inspections is used to produce the prioritised works programs used by Council to maintain these assets.

Standard met



Standard not met



BUILDING SERVICES

QUALITY AND COST STANDARDS	TARGET QUALITY STANDARD	RESULT	MET QUALITY STANDARD	TARGET COST STANDARD	RESULT	MET COST STANDARD
Building Services	100%	100%	✓	100%	100%	✓

The Building department issued a total of 478 responses (a decrease of 7%) for property information during the past 12 months in relation to the sale of property.

All of these requests were delivered within the quality standard time frame of 10 working days.

One hundred percent of swimming pool inspection requests were responded to by the next working day. Improvements to processes introduced following a review of Council's Swimming Pool and Spa Safety Barriers Policy has seen an increase in the number of swimming pool inspections carried out annually.

Due to continued uncertainty about changes to building procedures and regulations due to the state government review of governance in the building industry, information sessions were replaced with targeted consultation with individual clients throughout the year to deal with individual client concerns. It is intended to produce a newsletter and follow-up consultation in 2013/14 when changes to building legislation and regulations are finalised by the state government.

Standard met ✓ Standard not met ✗

COMMUNITY SERVICES

QUALITY AND COST STANDARDS	TARGET QUALITY STANDARD	RESULT	MET QUALITY STANDARD	TARGET COST STANDARD	RESULT	MET COST STANDARD
Community Services	100%	100%	✓	100%	100%	✓

Council officers maintain strong engagement with community coordinator groups and Council's Section 86 Committees of Management. Action plans and master plans are reviewed regularly as part of this engagement and projects are identified and supported by officers. Planning has been conducted for the facilitation of Volunteer Training Workshops which will be rolled out in 2014/15.

Community Building continues to operate under the three guiding principles of community engagement, volunteer resourcing and training and project development.

The Community Development have worked on actions, events and programs that support the recognition, celebration and enhancement of Moira's diverse multicultural and indigenous heritage. These include coordination and implementation of activities during Cultural Diversity Week, Refugee Week, Reconciliation Week, NAIDOC Week and facilitating Multicultural Advisory Committee meetings.

Moira Arts and Culture Inc was formed in November 2013 as a not for profit incorporation to stimulate, enrich and support creativity in our communities ensuring the vitality and sustainability of Arts and Culture into the future. Achievements include:

- Development of a 3 Year Strategic Plan
- Production and circulation of E-Newsletter
- Establishment of branding and Facebook page
- Development and delivery of community programs including Small Grants Program, In The Bin Film Workshops for youth, St Kilda Film Festival, Regional Arts Victoria Grant Writing Workshops, The Man they call the Banjo performance, Arts Exhibition Program and Outreach Services

To ensure the continuous improvement of planning, delivering and improving the quality, accessibility and relevance of community services the Community Services Team have:

Hosted six Disability Advisory Committee meetings and continued to complete actions from the Moira Shire Council Disability Action Plan.

Through surveys and community consultation prepared for a review of the Positive Ageing Strategy which will be completed in the 2014/15 financial year.

To assist in the identification, development and action of community safety initiatives the Local Safety Committee held bi-monthly committee meetings. The committee focused on completing objectives identified in the current Community Safety Plan and formed a sub-committee to develop the next Community Safety Plan.

Standard met



Standard not met



CONTRACT MANAGEMENT

QUALITY AND COST STANDARDS	TARGET QUALITY STANDARD	RESULT	MET QUALITY STANDARD	TARGET COST STANDARD	RESULT	MET COST STANDARD
Contract Management	100%	98%	✓	100%	100%	✓

Council has developed a Procurement Policy as required under section 186A of the Local Government Act 1989 (the Act), which includes higher level processes and procedures. The Policy has been reviewed and the amendments adopted by Council at a formal meeting. The Procurement Policy provides guidance on the requirements for purchases above and below the threshold to achieve value for money, whilst maintaining the highest standards of probity and risk minimization. To monitor compliance, internal audits are conducted in accordance with the contract file audit procedure and timetable. Audits were conducted on

Contract files to ensure compliance and assist with the review of the Procurement Policy and Guideline. The Procurement Policy and Guideline have been updated to address issues identified in the audit and staff training is scheduled for December 2014. Council had 84 current contracts as at 30 June 2014 and advertised 25 contracts within the 2013/14 financial year. Compliance has increased from the previous year, reflecting the continued attention to compliance by the Contracts Department to achieve consistency and control over procurement activities and demonstrate accountability to the Moira Shire community.

CUSTOMER SERVICE

QUALITY AND COST STANDARDS	TARGET QUALITY STANDARD	RESULT	MET QUALITY STANDARD	TARGET COST STANDARD	RESULT	MET COST STANDARD
Customer Service	90%	76%	✗	100%	100%	✓

Council achieved a score of 67 for Customer Service in the Department of Planning and Community Development's 2014 Community Satisfaction Survey in line with the group average of 68 and significantly below the state wide average of 72. Three external surveys were conducted by Council throughout the year which indicated 69% of

customers were contacted about their request, 87% of customers were satisfied with the quality of Service they had received from Council and 74% of customer requests were resolved on first point of contact.

Standard met ✓ Standard not met ✗

ELECTRONIC MANAGEMENT

QUALITY AND COST STANDARDS	TARGET QUALITY STANDARD	RESULT	MET QUALITY STANDARD	TARGET COST STANDARD	RESULT	MET COST STANDARD
Electronic Management	100	98	✓	100	100	✓

Total Help Desk requests opened for 2013/14 was 3,661 with 3,685 closed. Reporting on help desk satisfaction and adherence to service level agreements has been established.

A FULL disaster recovery process is achieved through the combined application of a combination of Double take, Vreplicator, DFS file replication and backup. Generator is in place for powering essential systems in the event of power failure. This includes power for the MECC during activation.

IT infrastructure at the DR site has been upgraded and a review of the current DR policy and plan is underway.

TRIM documents management system has been rolled out. Increased training of staff is planned for 14/15 as well as a number of projects to increase the usage of TRIM. These include reduction of email and personal drive allocations to force documents into TRIM and improve efficiency of server infrastructure.

A very high availability of Council's network was achieved during 2013/14.

EMERGENCY MANAGEMENT

QUALITY AND COST STANDARDS	TARGET QUALITY STANDARD	RESULT	MET QUALITY STANDARD	TARGET COST STANDARD	RESULT	MET COST STANDARD
Emergency Management	100%	100%	✓	100%	100%	✓

The Municipal Emergency Control Centre (MECC) at 44 Station Street, Cobram was activated for the following event:

The Wunghnu Complex Fire on 10 February 2014

A relief centre at the Cobram Sports Stadium in Campbell Road was opened to cater for the needs of 300 people who relocated during the 2 day event.

The emergency management software (MECC Central) was used successfully and

eliminated the need for manual log keeping and recording of messages/requests for resources.

At this time all staff participating in the MECC operations and Relief/Recovery operations were further trained in the use of the system.

Moira Shire also adopted its revised Municipal Flood Emergency Plan which was reviewed following the March 2012 flood emergency.

Standard met



Standard not met



ENERGY MANAGEMENT

QUALITY AND COST STANDARDS	TARGET QUALITY STANDARD	RESULT	MET QUALITY STANDARD	TARGET COST STANDARD	RESULT	MET COST STANDARD
Energy Management	100%	100%	✓	100%	100%	✓

Annually, Moira Shire Council is required under the National Greenhouse and Energy Reporting Act 2007 (the Act) to report corporate greenhouse gas emissions (scope 1 and 2 only). As of FY13–14 Council has submitted an application to the Clean Energy Regulator to deregister from the reporting scheme. Council has submitted a below threshold report for the past 4 consecutive years and was invited to deregister by the regulator.

Scope 1

emissions are the release of greenhouse gases into the atmosphere as a direct result of an activity (e.g. emissions from small plant, large plant and passenger fleet, landfill gas emissions, gas consumption [LPG and NG]).

Scope 2

emissions are the release of greenhouse gases into the atmosphere as an indirect result of one or more activities that generate electricity (e.g. consumption of electricity from the national grid).

The Act establishes the legislative framework for the National Greenhouse and Energy Reporting System (NGER). A number of legislative instruments sit under the NGER Act, providing greater detail about corporations' obligations. Importantly, the NGER Act underpins all carbon pricing schemes by providing the emissions data to base reporting obligations on.

It is important for Council to report corporate emissions as accurately as possible. Council has subscribed to the Planet Footprint utility tracking service to more accurately track emissions. Additionally, this has enabled Council to benchmark the Shire's usage against that of similar sized municipalities or facilities. Council is also better equipped through this reporting process to monitor its electricity usage over time.

There is an increased importance in being able to accurately measure and report corporate emissions. Council is well positioned to adapt to any changes in legislation (i.e. all levels of government having to report greenhouse emissions and energy usage).

Continued improvement in the accuracy of reporting will allow Council to further explore and develop programs that specifically address energy efficiency. Through these processes Council has the potential to minimise its exposure to changes in the cost of energy and be well prepared to take advantage of changes in the energy supply market.

Standard met ✓ Standard not met ✗

ENFORCEMENT SERVICES, FIRE PREVENTION AND ANIMAL CONTROL

QUALITY AND COST STANDARDS	TARGET QUALITY STANDARD	RESULT	MET QUALITY STANDARD	TARGET COST STANDARD	RESULT	MET COST STANDARD
Enforcement services, fire prevention and animal control	100%	100%	✓	100%	100%	✓

As at 23 July 2014 a total of 5,740 animal registrations were renewed and advice received from owners that 450 animals had left the municipality or are deceased and not replaced. A total of 521 renewal notices remain outstanding. Reminder letters have been forwarded to these owners.

During the past 12 months, 221 dogs and 275 cats were admitted into the Moira Shire Council pound of which 53% were reclaimed by their owners. The remaining animals were assessed by officers of the Safety and Amenity Unit for their suitability to be rehoused through an Adoption program.

The percentage of dogs rehoused increased from 31% to 73% and cat adoption increased from 9% to 15% respectively.

Fire prevention programs commenced on 21 October 2013. The first round of inspections of private property have to date resulted in 530 fire prevention notices being issued to land owners. Works on council land, roads and access tracks were completed prior to the introduction of the declared fire danger period.

Properties were monitored continually throughout the fire danger period and where necessary follow up compliance notices were issued.

Media releases from the Safety and Amenity Unit focused on responsible pet ownership, fire hazard removal and road user obligations such as parking and footpath trading.

Standard met



Standard not met



FAMILY AND CHILDREN SERVICES

QUALITY AND COST STANDARDS	TARGET QUALITY STANDARD	RESULT	MET QUALITY STANDARD	TARGET COST STANDARD	RESULT	MET COST STANDARD
Family and Children Services	100%	100%	✓	100%	100%	✓

Moira Family Day Care will undergo an assessment and rating visit during February 2015. At the last assessment and rating visit in February 2013 the service was rated as meeting the National Quality Standard in all 7 quality areas. A particular strength observed within the service during this visit was the positive relationships between Educators, Families and Coordination Unit.

Moira Family Day Care continue to promote the service through advertising in newsletters, local newspapers, distribution of flyers and posters, and delivering information sessions to new mothers groups, playgroups and students undertaking Early Childhood studies.

Educator numbers have maintained at 18, which is positive news and a high standard of care is provided and monitored by our experienced team. Home Visits to Educators are conducted at a minimum of every 4 weeks by the Child Development Officers, in accordance with scheme policy and regulation requirements.

Through the annual scheme review, surveys are conducted to identify any issues with service provision and to seek improvement of the service. Scheme policies are under review and an Advisory Group is being established.

Moira Shire Council Maternal and Child Health Service continue to offer three types of service delivery within the municipality. These include the:

- Centre Based service which offers appointments for families with children 0–6 years, 18 month group sessions and the delivery of new mother’s groups.
- Community Development service which has involved the co-ordination of the Shire’s family related events such as Children’s Week, delivery of PEEP Parenting Program in Cobram and Yarrowonga, and the establishment of a local Breast Feeding Support group.
- Enhanced Maternal and Child Health service which has targeted vulnerable or high risk families with additional needs such as chronic parental or child illness, post natal depression/psychosis, domestic violence, feeding issues, parenting issues, grief, sexual assault and relationship issues.

Moira Shire has conducted immunisation sessions for infants throughout the financial year at Yarrowonga, Tungamah, Cobram, Numurkah and Nathalia. Sessions were conducted in each of the towns on a monthly basis. These sessions run in accordance with the Department of Health Victorian Immunisation Schedule. Three rounds of immunisation sessions took place at the eight Secondary Schools located within the municipality. The immunisation sessions were delivered by the Moira Shire Council Immunisation Team and were conducted as per the Department of Health Victorian Immunisation Schedule.

Standard met ✓ Standard not met ✗

FINANCE

QUALITY AND COST STANDARDS	TARGET QUALITY STANDARD	RESULT	MET QUALITY STANDARD	TARGET COST STANDARD	RESULT	MET COST STANDARD
Finance	100%	100%	✓	100%	100%	✓

Accounting services were within the adopted budget. Financial statements 2012/13 were certified on 23 October 2013 by the Auditor-General. The September Budget review was adopted by Council on 18 October 2013, the December Budget review was adopted by Council on 17 February 2014 and the March Budget review was adopted by Council on 28 April 2014.

Financial position reports for each month to and including June 2014 have been submitted to Council.

The percentage of the debtors balance greater than 60 days as 30 June 2014 was 2 percent, which is well below the target of 25 percent.

The Strategic Resource Plan was reviewed and the budget was adopted in accordance with the requirements and timelines of the Local Government Act 1989.

HUMAN RESOURCES

QUALITY AND COST STANDARDS	TARGET QUALITY STANDARD	RESULT	MET QUALITY STANDARD	TARGET COST STANDARD	RESULT	MET COST STANDARD
Human Resources	100%	100%	✓	100%	100%	✓

The Organisational Development Strategy (People Plan) was developed, with a strong learning and development theme to support and ensure the sustainability of the organisation. Moira Shire Council is committed to supporting employees in developing and maintaining their professional skills. Workforce planning is being embedded to ensure that Moira Shire Council is able to deliver on the council plan as well as anticipate future workforce needs.

The Human Resources department generated:

- An upgrade of the HR and Payroll technology was conducted with enhanced functionality including online leave management, performance management and training record management.
- The Performance Appraisal System evaluations, which were completed on time. All associated remuneration increases and end of band payments were completed in the second quarter of 2014.

- The facilitation of a learning and development needs analysis and a review of all mandatory compliance training conducted. All current employees' professional development was audited and as a result of both the learning and development needs analysis and the mandatory compliance requirements, a comprehensive training calendar was developed to ensure employees were being captured to complete all required compliance and competency training.
- A set of Key Performance Indicators (KPIs), which were rolled out across the organisation. These KPIs will be measured and evaluated during the next performance appraisal process.
- The development of policies and procedures which aligned with best practice.

Standard met ✓ Standard not met ✗

LANDFILL AND TRANSFER STATIONS

QUALITY AND COST STANDARDS	TARGET QUALITY STANDARD	RESULT	MET QUALITY STANDARD	TARGET COST STANDARD	RESULT	MET COST STANDARD
Landfill and Transfer Stations	100%	100%	✓	100%	100%	✓

Council continues to deliver this service across nine transfer stations and one landfill site within budget. Compliance with the EPA landfill license requirements has been maintained throughout the year. Rehabilitation of landfill cells 1 to 3 has commenced and is progressing well, including within budget, despite interruptions due to the weather. Substantial savings in the cost of transporting the 30m³ bulk bins to landfill have been made by increased diversion of reusable materials and by use of the backhoe to compress the bin contents, maximizing volume and weight capacity within each bin. A second, permanent polystyrene processing machine has been installed at Yarrawonga transfer station to free up the mobile machine, making it available to process the polystyrene collected at other sites. Collection points for polystyrene are available at all of Councils transfer stations.

Ongoing waste management initiatives continue at all waste management sites. For example, mattresses are now diverted from landfill and processed to recover the recyclable materials contained in them. Transfer station amenities and layouts are being standardized to improve recycling rates by making access to bins easier for customers. Council offered free mulch days to residents throughout the year. On-site loading of municipal mulch generated from green and timber waste was available for residents to access bulk loads free of charge. Throughout the year a number of groups were taken to the Cobram Landfill as part of Councils commitment to community education in relation to waste and recycling. In this year's community satisfaction survey Council achieved a satisfaction rating of 74% for performance in waste management.

PARKS AND GARDENS

QUALITY AND COST STANDARDS	TARGET QUALITY STANDARD	RESULT	MET QUALITY STANDARD	TARGET COST STANDARD	RESULT	MET COST STANDARD
Parks and Gardens	100%	100%	✓	100%	100%	✓

Council's result in the Annual Local Government Community Satisfaction Survey for 2014 for overall performance in the appearance of public areas was 75 which is the same result received in 2013. The Parks and Gardens depots have re-planted and updated various gardens, walking tracks, laneways, parks and streetscapes throughout the shire with the addition of new plants, roses and garden beds, irrigation upgrades and mulch to garden surfaces.

Council continue to have two street sweepers working to a regular schedule with the compact street sweeper concentrating on CBD street areas throughout the Shire and the main street sweeper responsible for residential areas. The service provided by the arboriculture team has increased with the addition of regular programs for rural roadside tree pruning and school bus route tree trimming.

Standard met ✓ Standard not met ✗

PLANNING

QUALITY AND COST STANDARDS	TARGET QUALITY STANDARD	RESULT	MET QUALITY STANDARD	TARGET COST STANDARD	RESULT	MET COST STANDARD
Planning	100%	98%	✓	100%	100%	✓

In terms of the Local Government Community Satisfaction Survey 2014, Moira performed as follows:

- For General Town Planning matter, Moira outperformed the Large Rural Shires' averages in the town planning policy field by scoring 72 (with the average for Large Rural Councils being 54, and a State average of 55); and
- For Planning and Building Permit Approvals Moira scored 53 (down 5 points) (with the average for Large Rural Councils being 71, and a state average of 73).

The improved results generally indicate that Moira Shire Council is performing better than many other rural Councils across Victoria but further opportunities for service improvement were identified.

The continuing implementation of programs such as the Northern Victorian Irrigation Renewal Project (NVIRP), Water for Rivers and funding for irrigators to improve on-farm efficiency have provided opportunities for farm restructure consolidation and efficiency gains.

Agriculture continues to be a key driver for the Shire's economy, and the promotion of tourism within the region is supported by the introduction of the Rural Activity Zone to the Moira Planning Scheme.

319 applications were lodged in 2013/14 compared with 314 the previous year, 376 decisions were made in relation to applications with 373 permits issued and 3 applications refused; 80% of permits were issued within the 60 statutory days compared to 92% the previous year. There were 2 applications under review with one in Council's favor and one yet undetermined. There has been an increase in complex applications, some involving extended negotiation, mediation and consultation and an increase in compliance retrospective applications. The average processing days overall was 82 compared to the regional average of 109.

Major changes were introduced in respect of state government planning policies and processes with a new set of zones being implemented across the state (with the most recent being the introduction of General Residential Zone), as well as proposed changes the State Planning Policy Framework and introduction of a new "fast track" planning process, known as "Vicsmart" for minor applications. These changes will be requiring significant strategic planning activity throughout the forthcoming year.

The Victorian Coalition Government announced a commitment of \$12.3 million in the 2014-15 State Budget to assist Regional Victoria with the implementation of Regional Growth Plans and the continuation of the Rural Council Planning Flying Squad. Applications will be made through the Flying Squad for assistance with the Implementation of a Heritage Amendment to implement Moira's Heritage Study as well as the Moira Town Planning Scheme four yearly review.

**The above information was sourced from the Planning Permit Activity Reporting System (PPARS) up to Quarter Three and before the 2013/14 Annual Report was released.*

Standard met



Standard not met



PUBLIC HEALTH

QUALITY AND COST STANDARDS	TARGET QUALITY STANDARD	RESULT	MET QUALITY STANDARD	TARGET COST STANDARD	RESULT	MET COST STANDARD
Public Health	100%	100%	✓	100%	100%	✓

The monitoring of food safety standards within all registered food businesses continues to dominate the activities of Council’s Environmental Health Officers; however the associated recording of these activities has disproportionally increased. The Health Department has introduced one helpful initiative in relation to an “App” to be used for the recording, collating, and sending of food sampling data to Council’s analysts, however the quarterly reporting of Council’s Food Safety Activities to the Health Department has been difficult largely due to the incompatibility of Council’s Authority software, in respect to many of the reporting criteria requiring to be satisfied.

The issuing of official warnings and infringement notices for breaches of the Food Act have been helpful in reinforcing Council’s extensive educative efforts. Many food businesses are broadening their services in response to more challenging economic conditions, and Council’s EHOs have demonstrated their diversity and assistance by participating with the food business owners in the development of these new services.

Council’s Food Safety activity reporting to the Health Department will continue to be a major focus as verified by the Minister in the government’s push for further deregulation and assistance to the food manufacturing and retail industries.

Council’s services in relation to providing written reports to prospective purchasers of properties with a septic tank system, continues to be utilized, and continues to be very helpful in regards to correcting failing and illegal waste water disposal systems. Tungamah Township has been sewered, and property owners are now able to connect to the sewer and disconnect their septic tank systems, which ultimately will remedy a significant environmental and public health nuisance. Council was significantly involved in the early preparation of the submission to the State Government in obtaining the funding for the sewerage upgrade, which has been implemented and managed by North East Water.

Council’s 21 Caravan Parks continue to be assessed in respect to fire safety compliance, and a number of parks are considering their long term viability in consideration of these assessments. Although accommodation availability for vulnerable persons is a significant consideration in many of these parks, poor fire safety conditions and the associated potential for serious injury or death cannot be understated.

Standard met ✓ Standard not met ✗

REVENUE

QUALITY AND COST STANDARDS	TARGET QUALITY STANDARD	RESULT	MET QUALITY STANDARD	TARGET COST STANDARD	RESULT	MET COST STANDARD
Revenue	100%	100%	✓	100%	100%	✓

In matching between Council's database and Land Information Victoria's database, Council continues to perform extremely well, with a match rate of approximately 96.4455%. The matching program also ensures all properties are valued and rated.

For 2013/14 a collection rate of 95.3 was achieved, which is similar to the recorded rate of 95.3% for the previous year.

The requests for Land Information Certificates are still very steady. All urgent and non-urgent requests were returned the same day.

ROADS AND STREETS

QUALITY AND COST STANDARDS	TARGET QUALITY STANDARD	RESULT	MET QUALITY STANDARD	TARGET COST STANDARD	RESULT	MET COST STANDARD
Roads and Streets	100%	100%	✓	100%	100%	✓

Council's result in the Annual Local Government Community Satisfaction Survey for 2014 for maintenance of unsealed roads was 46, which is a decrease of four points from 2013. A key finding of the 2014 survey stated that the condition of unsealed roads is an issue for most rural shires. Moira Shire's road network was maintained in accordance with the Road Management Plan. A total of 56kms of sealed road have been resurfacing, 64kms of gravel roads were re-sheeted, 12kms resheeted with granitic sand for dust suppression, and 13.6kms of road shoulders resheeted.

The service provided by Operations and engagement with the community continues to increase with the Executive Manager Operations and two Roads Team Leaders attending several meetings with community groups and onsite meetings with residents. The employment of a new Superintendent of Works and Services will also result in improvements in the management of customer requests, completion of road and footpath maintenance programs, and increased interaction with the community.

Standard met ✓ Standard not met ✗

RISK MANAGEMENT

QUALITY AND COST STANDARDS	TARGET QUALITY STANDARD	RESULT	MET QUALITY STANDARD	TARGET COST STANDARD	RESULT	MET COST STANDARD
Risk Management	100%	100%	✓	100%	100%	✓

Council experienced a 5.2% increase in the total cost of insurance in 2013/14 compared to the previous year. The overall increase resulted from a 30% increase in the cost of motor vehicle and public liability insurance offset by a 14% decrease in property insurance attributed to the removal of the fire services levy.

The most recent liability risk audit conducted by Council's insurer, MAV Insurance, in February 2013 awarded Council a score of 89%. Areas of strength identified by the audit included the existence of a comprehensive risk management framework, well managed inspection systems for road related infrastructure and comprehensive town planning procedures.

Areas for improvement identified by the audit included the development of a prioritised method for reviewing risks contained in the risk register, development of procedure relating to building safety and the completion of the draft Stormwater Management Plan.

The property risk audit conducted by Jardine Lloyd Thompson in June 2014 awarded Council a score of 70%. Whilst the overall score has decreased slightly since the previous audit, it is important to recognise the significant changes in content and emphasis from the previous audit.

Council has demonstrated the existence of robust policy and procedural documentation surrounding risk management overall. Areas for improvement include further development and review of the Business Continuity Plan and more effective application of risk management considerations at the design stage of projects.

Council completed the second year of audits scheduled in the four year internal audit program and audits were conducted on the following areas of Council operations:

- Inventory management
- Contract management
- Councillors expense reimbursement
- Fees, charges and sundry debtors

All accepted recommendations identified in audits were recorded into Council's risk management system and the resulting actions assigned to Responsible Officers. Progress towards the implementation of outstanding actions is monitored and reported quarterly to the Corporate Management Team, the Audit Committee and Council.

Standard met ✓ Standard not met ✗

SALEYARDS

QUALITY AND COST STANDARDS	TARGET QUALITY STANDARD	RESULT	MET QUALITY STANDARD	TARGET COST STANDARD	RESULT	MET COST STANDARD
SALEYARDS: COBRAM YARRAWONGA	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

As a result of the steady decline in trading activity at both saleyards over recent years, Moira Shire Council resolved to close the yards and dissolve the Committees of Management on 19 August 2013. Council is in the process of clearing the sites and exploring potential alternative uses.

STREETSCAPE/URBAN DESIGN

QUALITY AND COST STANDARDS	TARGET QUALITY STANDARD	RESULT	MET QUALITY STANDARD	TARGET COST STANDARD	RESULT	MET COST STANDARD
Streetscape/Urban Design	100%	100%	✓	100%	100%	✓

The Cobram Urban Design Framework, adopted by Council in 2009 has been utilised to seek external funding and market the project to the grant Authorities.

Projects identified in the Streetscape Master plans adopted by Council have been incorporated into the draft 10 year Capital Works Program.

SWIMMING POOLS & LEISURE CENTRES

QUALITY AND COST STANDARDS	TARGET QUALITY STANDARD	RESULT	MET QUALITY STANDARD	TARGET COST STANDARD	RESULT	MET COST STANDARD
Swimming Pools & Leisure Centres	100%	100%	✓	100%	100%	✓

Council's result in the Annual Local Government Community Satisfaction Survey for recreation facilities was 70, which is slightly above last year's result of 68. This score remains favourable across the average for large rural shires, which is 68. It is a continued focus of the team to maintain high customer satisfaction.

Moira Shire Council's average subsidy for all pools and recreation centers per visitation as at June 30 2014 was \$6.71, compared to \$5.56 for June 2013.

Audits were completed for all outdoor pools, along with maintenance works across most facilities prior to the season opening. The Recreation Contract Supervisor conducts monthly audits across all facilities, including water quality tests in addition

to tests conducted by Environmental Health Officers during the year. In addition, spot audits are also conducted regularly.

Moira Shire pools opened on the 1 of December 2013 and closed on the Labour Day long weekend in March 2014 in accordance with the contract. Overall attendances for the aquatic facilities for the 2014/15 season were 44,641 down on the previous season total of 50,005, a variation of 12%. This was due to a number of factors, most of which being the severe hot weather experienced was in line with a drop in attendances at outdoor facilities. The splash park remained open until the end of April, and continues to be popular with the community.

URBAN DRAINAGE/STORMWATER

QUALITY AND COST STANDARDS	TARGET QUALITY STANDARD	RESULT	MET QUALITY STANDARD	TARGET COST STANDARD	RESULT	MET COST STANDARD
Urban Drainage/ Stormwater	100%	100%	✓	100%	100%	✓

Council actions in relation to stormwater management are complimentary to the policy framework established by the Environment Protection Authority (EPA) under the Environment Protection Act 1970 and current best practice guidelines.

The Urban Stormwater Management Plan identifies priority management issues for urban storm water within Moira Shire. It presents numerous management strategies to address these issues.

There were no non-compliance issues raised by the EPA regarding stormwater management during the 2013/14 financial year.

Stormwater pumps are inspected on a monthly basis and maintained in a serviceable condition, with any repairs dealt with at the time. Council now also has many of its pumps on automatic

monitoring systems to help ensure that the systems are operational when called upon.

The inspection program for Gross Pollutant Traps (GPTs) has continued to be implemented.

Drainage Betterment works, originally commenced in 2012/13 have been completed with the upgrade to pumps at several locations.

A major drainage study of Yarrowonga is in progress which will investigate the existing drainage system and make recommendations regarding the required capacity to meet design storms. This study is within quality and cost standards but has been delayed due to the large number of additional assets found during the site inspection stage. Results will be applied to future capital works programmes.

WASTE AND RECYCLING COLLECTION

QUALITY AND COST STANDARDS	TARGET QUALITY STANDARD	RESULT	MET QUALITY STANDARD	TARGET COST STANDARD	RESULT	MET COST STANDARD
Waste & Recycling Collection	100%	100%	✓	100%	100%	✓

Kerbside waste and recycling contracts have been delivered within budget and within compliance with the contract. Recycling totals have increased averaging over to 250 tonnes per month with a February peak over 300 tonnes with no rejected loads again.

Waste and recycling services continue to be delivered in accordance with Moira Shire Council's Waste Management Plan.

Standard met ✓ Standard not met ✗

YOUTH

QUALITY AND COST STANDARDS	TARGET QUALITY STANDARD	RESULT	MET QUALITY STANDARD	TARGET COST STANDARD	RESULT	MET COST STANDARD
Youth	100%	100%	✓	100%	100%	✓

There are a number of various actions and programs that are identified within the Youth Strategy. These issues are addressed through Junior Council meetings, safety issues and concerns are identified and actioned through the Moira Shire Local Safety Committee, L2P Driver Mentor Program, the MY PASSPORRT alcohol and other drug harm minimisation programs and FReeZA events.

Junior Council met on four occasions during 2014, with first meeting held at Ulupna Island where participants were inducted and had the opportunity to meet councilors. There has been three meetings held and a further two scheduled for the remainder of the calendar year.

Local town and social issues are discussed at every Junior Council meeting. Many of the issues and actions are linked to actions of the Municipal Public Health plan, Council Plan and Moira Shire Safety Plan. This process is also facilitated by Mission Australia's Youth Contract worker in conjunction with Council staff.

Correspondence has been sent out to all of the secondary schools across the shire to take part in the MY PASSPORRT alcohol and other drug program during term four 2014. The program facilitated by the Moira Shire Council, involves local police ambulance officers, drug and alcohol worker from Primary Care Connect and a representative from Mission Australia.

National Youth Week 2014 saw a music/skate event at the Cobram skate park in April 2014. The event was held in conjunction with Youth Foundations Rumble in the Gums, and was a well-attended day with various activities held at Federation Park. A variety of FReeZA events were held across the shire during 2013/14, with the Battle of the Bands heat held in August at the Yarroweyah Hall, Kool Skools recording program, movie nights held throughout the Shire during the July school holidays, an Open Mic event at the Cobram Show in October and a numbers of Skateboarding Australia skate workshops.

Council facilitated a Community Youth Leadership program during 2014. The program saw 10 local youths navigate their way through the 6 month program and develop their personal, communication and leadership skills. The graduation was held in June and showcased their growth and achievements though the duration of the program.

The L2P program is an initiative targeting disadvantaged youth in a program that assists in attaining 120 hours driving experience, the required driving hours to qualify for the probationary driving test. Fourteen mentors are currently matched with participants, and there has been nineteen participants receive their probationary licence since the inception of the program.



PERFORMANCE STATEMENT

PERFORMANCE STATEMENT

The accompanying performance statement of Moira Shire Council in respect of the 2013/14 financial year is presented fairly in accordance with the Local Government Act 1989.

INTRODUCTION TO THE PERFORMANCE STATEMENT

Council is required to adopt, as an integral part of the Annual Budget, a number of Key Strategic Activities, including performance measures and targets that support the provision of programs within budget.

These activities contribute to the delivery of the vision, strategies and actions contained within the Council Plan, which sets the strategic direction for Council.

The monitoring of progress and reporting in relation to these activities is tracked through monthly reports examined by the Corporate Management Team. Formal quarterly reports are provided to Council on the status of achievement of these activities.

CERTIFICATION OF THE PERFORMANCE STATEMENT

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

The statement outlines the performance targets and measures set out in relation to the achievement of the Key Strategic Activities of the budget in respect of the current year and describes the extent to which the activities were achieved, having regard to those measures.

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

We have been authorised by Council on 15 September 2013 to certify the Performance Statement in its final form.



CR PETER MANSFIELD
MAYOR

17 September 2014
Cobram



CR ED COX
COUNCILLOR

17 September 2014
Cobram



MARK HENDERSON
CHIEF EXECUTIVE OFFICER

17 September 2014
Cobram

STRATEGIC GOALS

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INDEPENDENT AUDITOR'S REPORT

To the Councillors, Moira Shire Council

The Performance Statement

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

The Councillors' Responsibility for the Performance Statement

The Councillors of the Moira Shire Council are responsible for the preparation and fair presentation of the performance statement in accordance with the *Local Government Act 1989* and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the performance statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Independent Auditor's Report (continued)

Independence

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

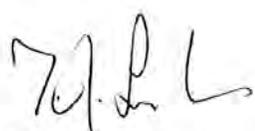
Auditor's Opinion

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

Matters Relating to the Electronic Publication of the Audited Performance Statement

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

MELBOURNE
23 September 2014



Dr Peter Frost
Acting Auditor-General

ENVIRONMENT

Moirra will responsibly manage its environment and the communities affected by and living in that environment through innovation, leadership, quality services, partnerships and program delivery and accountability.



STRATEGIC GOAL 1 – ENVIRONMENT

Performance Measures	Target	Result	Comments
1.1.1 Annual residential waste generation (kilograms) for recycling, landfill & green waste: * Per Capital * Per residential assessment	* Less than 600 Kilograms per capita * Less than 1000 kilograms per residential assessment	✓	185 kg per capita 307 kg per residential assessment <i>Source - DSK 2013/14 Annual Report</i>
1.2.1 Percentage community satisfaction (index score) with waste management	65%	✓	71 % <i>Source – Community Satisfaction Survey 2014</i>
1.6.2 Waste Diversion from Landfill, calculated as the proportion of the overall kerbside waste stream that is recycled (includes paper, bottles and green waste) instead of being disposed to landfill	53%	✗	

COMMUNITY

Moira will be a Shire where all its people and communities are happy, healthy and safe with the ability and the opportunity to integrate, participate, connect and contribute to their communities.



STRATEGIC GOAL 2 – COMMUNITY

Performance Measures	Target	Result	Comments
2.1.5 Provide youth focused social and sporting events	Host six events throughout the Shire	✓	6 events held <i>Source – Copies of promotional posters for each event</i>
2.2.1 Proportion of infants born that receive primary immunisations	90%	✓	94% <i>Source – immunisation data report</i>
2.2.7 Operate a Family Day Care service within Moira Shire	Maintain at least 15 educators that provide Family Day Care	✓	21 <i>Source - Educator list as at 24 July 2014</i>
2.4.1 Support the Moira Shire Safety Committee through facilitating meetings involving all relevant stakeholder	Host four Safety Committee meetings per year	✓	4 meetings <i>Source – Copies of minutes conducted.</i>
2.6.2 In partnership with the community and contracts proactively manage Councils community facilities	Increase the patronage of Council owned aquatic facilities to over 65,000 per year.	✓	67,812 visitations <i>Source – 2013/14 YMCA repor</i>
2.8.1 The Municipal Emergency Management Plan be implemented and reported to Council in a timely manner	100% compliance with Emergency Management Victoria requirements	✓	MEMPlan Audit Report. Copy of the CERA (community Emergency Risk Assessment) <i>Source - Moira Shire Council</i>
2.10.5 All registered premises inspected prior to the renewal of their registration including compliance enforcements as needed	100% premises inspected	✓	Inspection of files when on site. Random selection of 15 premises

DEVELOPMENT

Moira will be a great place to live and a vibrant, thriving community and a premier tourist, retail and investment destination with growing local business and an adaptive, entrepreneurial infrastructure and ethos



STRATEGIC GOAL 3 – DEVELOPMENT (LIVEABILITY)

Performance Measures	Target	Result	Comments
3.2.4 Community satisfaction ratings for performance compared to similar councils: * Town Planning Policy	55%	✓	57% Planning Policy <i>Source – Community Satisfaction survey 2014</i>
3.11.1 Assess the potential for commercial development of Council controlled assets	6 Assessments	✗	

ORGANISATION

Moirra will be a 'best practice' environment promoting staff potential and organisation capacity to deliver timely, efficient services and ensure sound financial, risk management, governance and transparent business practise are conducted by capable, professional people whose main focus is on pro-active service delivery.



STRATEGIC GOAL 4 – ORGANISATION

Performance Measures	Target	Result	Comments
4.4.1 Prepare the Annual Budget and Strategic Resource Plan in line with statutory requirements and within a financial sustainability framework for consideration by Council by 30 June 2014	100%	✓	Completed and presented to Council 23 June 2014 <i>Source – Copy of Council Report.</i>
4.7.1 DPCD Customer Service Survey/Moirra Internal Survey	75%	✗	

INFRASTRUCTURE

Moira will be a desirable place to live, work and visit in North Central Victoria supported by its infrastructure, assets and facilities. It will proactively fund, maintain and develop Council's assets and facilities to meet its community's current and future needs in partnership with private development.



STRATEGIC GOAL 5 – INFRASTRUCTURE

Performance Measures	Target	Result	Comments
5.1.1 Percentage of completed capital works infrastructure projects completed at the conclusion of the financial year (based on number of projects)	95%	X	
5.3.3 Community satisfaction (index score) with conditions & maintenance of municipal roads, streets, footpaths (CSS)	85%	X	
5.4.1 Civic Mutual Plus overall score for management of sporting reserves	>50%	✓	Result 87% <i>Source – MAV Public and Professional liability report</i>

GOVERNANCE

Moirra will meet governance, communication, compliance and regulatory standards through its commitment to advocacy and effective decision making and demonstrate good governance by being consensus orientated, equitable, effective and efficient.



STRATEGIC GOAL 6 – GOVERNANCE

Performance Measures	Target	Result	Comments
6.3.1 Percentage of Freedom of Information Requests responded to within prescribed timeframes	100%	✓	100% <i>Source – FOI commissioner annual report</i>
6.5.2 Annual Report to Minister for Local Government by 30 September 2013	1 Annual Report completed & delivered by 30 September 2013	✗	<i>Source – letter of acknowledgement from the Ministers office. Received 25 October 2014</i>

FINANCIAL REPORT

FINANCIAL OVERVIEW

IN BRIEF

- In summary, Moira Shire financial position is summarised by the following key points:
- A \$6.4 million surplus position compared to the adopted budget allocation position of deficit \$3.9 million;
- \$14.4 million cash and cash equivalents compared to \$6.9 million adopted budget position, although \$4.5 million of this figure is subject to external restrictions including long service leave provisions, trust funds and deposits; and
- \$7.3 million capital expenditure representing \$2.8 million less than the adopted budget allocation of \$10.1 million.

REVENUE

Council's total income for the 2013/14 financial year was \$67.0 million against \$82.6 million in 2012/13. An analysis of Councils revenue sources is included below. Rates generate \$28.9 million of Councils revenue sources and are used to fund community service and renew community assets.

NET RESULT

Council achieved a surplus position of \$6.4 million for the 2013/14 financial year ending 30 June 2014.

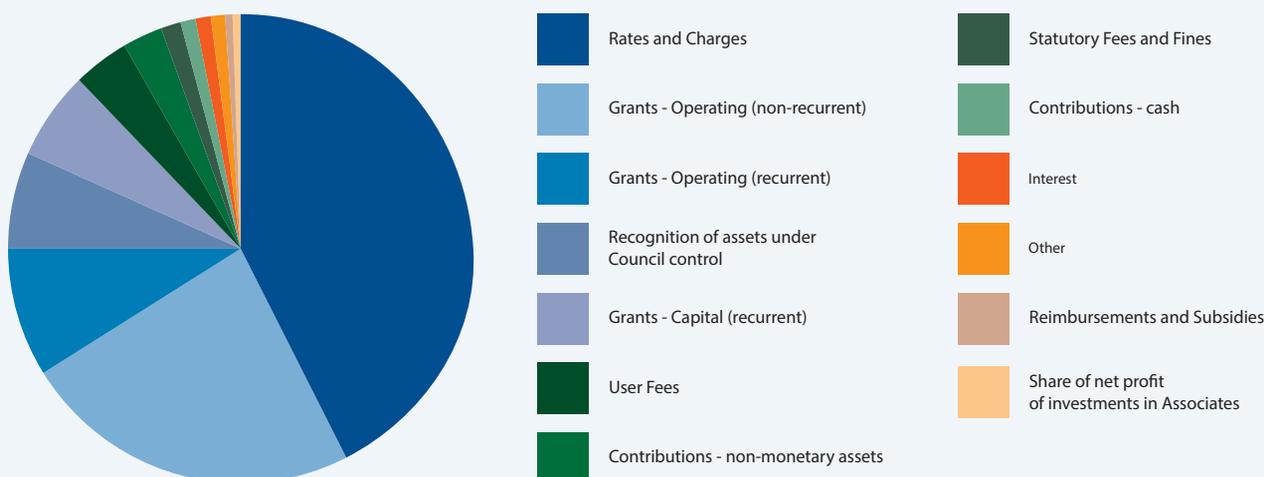
This result compares with the 2013/14 adopted budget position of deficit \$3.9 million. In summary, this result was primarily due to:

1. \$4.6 million associated with recognition change to asset class 'land under roads' which added to Council's income result;
2. \$2.0 million relating to assets transferred to council from several large sub-divisions; and
3. \$2.3 million expenses associated with the impairment of infrastructure replaced during 2013/14.

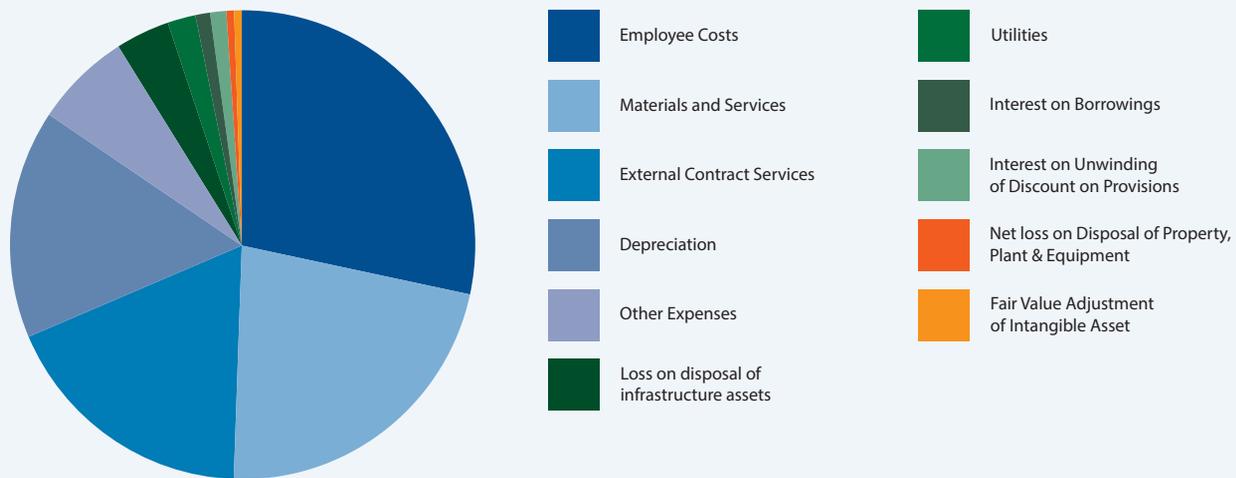
EXPENSES

Council's total expenses for the 2013/14 financial year were \$60.5 million representing a decrease of \$28.5 million compared to the 2012/13 financial year. An analysis of Councils expense is included below.

INCOME



EXPENSES



FINANCIAL STRENGTH

Council's cash and cash equivalent as at the 30th June 2014 was \$14.4 million representing an increase of \$7.5 million compared to the adopted budget position. This increase is mainly due to payment of emergency funding for floods and other natural disasters.

Council also reports annual to the Victorian Auditor General's Office (VAGO) on a range of financial sustainability indicators below:

INDICATOR	2014	2013	2012
Working capital (low risk > 1.5%)	2.15	1.32	2.00
Underlying result (low risk > 0%)	6.73%	9.91%	9.00%
Indebtedness (low risk < 40%)	43%	43%	54%
Self-financing (low risk > 20%)	9.82%	31.80%	32.00%

CAPITAL EXPENDITURE

During the 2013/14 financial year, \$7.3 million was spent on capital works which represents a decrease of \$2.8 million as compared to the Adopted Budget of \$10.1 million.

The major expenditures (less accumulated depreciation) were:

- Roads: \$3.6 million
- Footpaths: \$0.1 million
- Buildings: \$1.3 million
- Plant and Equipment: \$1.4 million
- Land Improvements: \$0.1 million
- Drainage: \$0.2 million
- Kerbs and Channels: \$0.2 million
- Work in progress: \$0.4 million

LONG TERM FINANCIAL PLAN

Councils Strategic Resource Plan (SRP) shows the Councils financial plan for the future which seeks to:

1. Maintain Councils existing range and level of services;
2. Maintain a strong cash position;
3. Maintain financial sustainability as measure by the Victorian Auditor-Generals Office; and
4. Provide for rate increase which achieves a balance between affordability and sustainability in providing the required level of community services.

	2014 \$'000	2015 \$'000	2016 \$'000	2017 \$'000
Rate revenue	\$28.9M	\$31.9M	\$34.6M	\$36.9M
Surplus/(Deficit)	\$6.4M	2.4M	\$3.9M	\$3.2M
Cash	\$14.4M	\$7.3M	\$9.8M	\$12.1M
Capital expenditure	\$7.3M	\$10.7M	\$10.1M	\$10.1M
Net assets	\$494.6M	\$582.9M	\$586.8M	\$589.9M
Working capital ratio	2.15	1.09	1.30	1.46
Indebtedness	43%	33%	28%	24%
Self-financing	9.82%	22.47%	24.43%	23.23%

The table of figures has been extracted from Council's adopted budget for 2014/15. During the 2014/15 financial year, the long term financial plan will be reviewed and amended to account for:

1. Implementing tighter cost controls to improve the Surplus/(Deficit) position and accordingly improve the Cash position.
2. Capital expenses to be monitored with more focus on prioritised Capital projects to improve cash flow.
3. Improving working capital position by implementing cost control and increasing revenue streams.

COBRAM FEDERATION PARK

Federation Park is a major project, the stages of which are being delivered over a number of years. The “Settlers Walk” (pictured) was completed this year.



CERTIFICATION OF THE FINANCIAL REPORT

The Financial report of Moira Shire Council is a general-purpose financial report that consists of an Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and notes accompanying these statements.

The Auditor General Victoria is required to certify council's Financial Report and Standard Statements for the year ending 30 June 2014. The following section includes the certifications in the Independent Audit Report of the Auditor General Victoria.



Victorian Auditor-General's Office

Level 24, 35 Collins Street
Melbourne VIC 3000
Telephone 61 3 8601 7000
Facsimile 61 3 8601 7010
Email comments@audit.vic.gov.au
Website www.audit.vic.gov.au

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Moira Shire Council

The Financial Report and Standard Statements

The accompanying financial report for the year ended 30 June 2014 of the Moira Shire Council which comprises comprehensive income statement, balance sheet, statement of changes in equity, statement of cash flows, notes comprising a summary of the significant accounting policies and other explanatory information, and the certification of the financial statements has been audited.

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

The Councillors' Responsibility for the Financial Report and Standard Statements

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

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

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

Auditor's Responsibility

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

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

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Councillors, as well as evaluating the overall presentation of the financial report and standard statements.

Independent Auditor's Report (continued)

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

Independence

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

Opinion

In my opinion:

- (a) the financial report presents fairly, in all material respects, the financial position of the Moira Shire Council as at 30 June 2014 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*
- (b) the standard statements present fairly, in all material respects, in accordance with the basis of preparation as described in note 1 to the statements and the requirements of the *Local Government Act 1989*.

Basis of Accounting for Standard Statements

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

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

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

MELBOURNE
23 September 2014


Dr Peter Frost
Acting Auditor-General

STANDARD STATEMENTS FOR THE YEAR ENDING 30 JUNE 2014

CERTIFICATION OF STANDARD STATEMENTS

In my opinion the accompanying standard statements have been prepared on accounting bases consistent with the financial statements and in accordance with the Local Government Act 1989 and the Local Government (Planning and Reporting) Regulations 2004.



Warren Brown
Principal Accounting Officer
17 September 2014
Cobram

In our opinion the accompanying standard statements have been prepared on the bases consistent with the financial statements and in accordance with the Local Government Act 1989 and the Local Government (Planning and Reporting) Regulations 2004.

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

We have been authorised by Moira Shire Council on 17 September 2014 to certify the Standard Statement in their final form.



Peter Mansfield
Mayor
17 September 2014
Cobram



Ed Cox
Councillor
17 September 2014
Cobram



Mark Henderson
Chief Executive Officer
17 September 2014
Cobram

NOTES TO THE STANDARD STATEMENTS

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, a Standard Balance Sheet, a Standard Statement of Cash Flows and a Standard Statement of Capital Works, together with explanatory notes.

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

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

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

The Standard Statements compare Council's financial plan, expressed through its budget, with actual performance. The Local Government Act 1989 requires explanation of any material variances. The Council has adopted a materiality threshold of 10 percent. 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 adopted by Council on 24 June 2013. The budget was based on assumptions that were relevant at the time of adoption of the budget. The Council set guidelines and parameters for revenue and expense targets in this budget in order to meet Council's business plan and financial performance targets for both the short and long term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

INCOME STATEMENT COMPARISON REPORT

FOR THE YEAR ENDED 30 JUNE 2014

	Actual 2013/14 \$	Budget 2013/14 \$	Variance		Ref
	\$	\$	\$	%	
Income					
Rates and charges	28,916,674	28,804,805	111,869	0	
Operating (Recurrent) Grants	22,115,671	5,582,127	16,533,544	296	1
Capital (Non-Recurrent) Grants	4,169,885	4,389,900	(220,015)	(5)	
Capital Contributions	413,607	378,531	35,076	9	
Contributions - cash	170,336	66,688	103,648	155	2
Contributions - non monetary	2,018,041	200,000	1,818,041	909	3
Reimbursements and Subsidies	82,991	38,687	44,304	115	4
User Fees	2,726,841	2,692,355	34,486	1	
Statutory Fees and Fines	992,152	906,681	85,471	9	
Interest	525,679	785,880	(260,201)	(33)	5
Net gain on disposal of asset held for sale	-	10,000	(10,000)	(100)	
Recognition of assets under Council control	4,569,882	-	4,569,882	100	6
Share of net profit of investments in Associates accounted for by the equity method:					
- Goulburn Valley Regional Library Corporation	33,254	-	33,254	100	
- Moira Arts and Culture Inc.,	13,251	-	13,251	100	
Net Gain / (Loss) on Disposal of Property, Plant & Equipment	-	74,050	(74,050)	100	
Other Revenue	239,988	241,260	(1,272)	(1)	
Total Income	66,988,252	44,170,964	22,817,288	52	
Expenses					
Employee Costs	17,289,533	17,699,392	(409,859)	(2)	
Material and Services	13,682,710	10,689,485	2,993,225	28	7
External Contract Services	11,179,423	5,307,116	5,872,307	111	8
Utilities	1,218,437	1,090,776	127,661	12	
Bad and Doubtful Debts	-	5,000	(5,000)	(100)	
Depreciation	9,725,604	8,027,230	1,698,374	21	9
Interest on Borrowings	587,100	587,931	(831)	(0)	
Interest on Unwinding of Discount on Provisions	265,407	500,416	(235,009)	(47)	
Net loss on Disposal of Property, Plant & Equipment	130,632	-	130,632	100	
Loss on disposal of infrastructure assets	2,287,179	200,000	2,087,179	1,044	10
Fair value Adjustment of Inangible Asset	108,565	-	108,565	100	
Share of Net Profit/(Loss) of Associated Entity Accounted for by the Equity Method					
- Goulburn Valley Regional Library Corporation	-	20,000	(20,000)	(100)	
Other	4,078,053	4,020,356	57,697	1	
Total Expenses	60,552,643	48,147,702	12,404,941	26	
Surplus / (Deficit)	6,435,609	(3,976,738)	10,412,347	(262)	
Movements in Equity					
Transfers to Restricted Reserves	(24,800)	(30,950)	6,150	(20)	11
Net Increase/(Decrease) in Asset Revaluation Reserves	(94,437,654)	-	(94,437,654)	100	12
Total comprehensive result	(88,026,845)	(4,007,688)	(84,019,157)	2,096	

VARIANCE EXPLANATION REPORT

<u>Item</u>	<u>Ref</u>	<u>Commentary</u>
Operating (Recurrent) Grants	1	Increase mainly due to receipt Flood Emergency Grants of \$15.8 million not Budgeted for and increase in the actual allocation of Victorian Grants Commission funding of \$0.5 million.
Contributions - cash	2	Increase in Contributions relating to Fire Services Levy of \$68k, Yarrowonga Aerodrome - \$10k and Climate Smart Agricultural Adaptation - \$12k.
Contributions - Non-monetary	3	Increase in Contributed assets was mainly due to several large subdivisions made this year and a significantly higher than expected values of assets transferred to Moira Shire Council.
Reimbursements and Subsidies	4	Increase mainly due to increase in Insurance claims.
Interest received	5	Decrease mainly due to completion of Flood emergency works and the corresponding decrease in grant funding, which when held generated interest income for the Council.
Previously unrecognised assets found	6	Found assets was not included in the budget and relates to Land under Roads recognised in 2013/14.
Material & Services	7	Increase mainly due to Flood Emergency costs not Budgeted for \$3.9 million offset by postponement of IT costs of \$600k and other savings.
External Contract Services	8	Increase mainly due to Flood Emergency costs not Budgeted for.
Depreciation	9	Mainly due to correction of life cycle and unit rates of Roads
Written Down Value of Infrastructure Replaced	10	Budgeted figure is an overall amount based on an estimate of the past data. The amount written down reflects the remaining value of the assets replaced as part of the overall Capital Works Program. The \$2.3 million relates to assets which have reached the stage of replacement at the end of this financial year.
Transfers to Restricted Reserves	11	There were lower Open Space Contributions from Developers offset by Net Gain Tree Planting reserves
Net Increase/(Decrease) in Asset Revaluation Reserves	12	Asset revaluation reserve is not budgeted.

BALANCE SHEET COMPARISON REPORT

FOR THE YEAR ENDED 30 JUNE 2014

	Actual 2013/14	Budget 2013/14 \$	Variance		Ref
			\$	%	
Current Assets					
Cash and Cash Equivalents	14,438,149	6,969,142	7,469,007	107	13
Trade and Other Receivables	3,445,019	3,351,940	93,079	3	
Inventory	423,563	481,234	(57,671)	(12)	
Assets Held for Sale	-	210,124	(210,124)	(100)	14
Other	121,032	67,274	53,758	80	
Total Current Assets	18,427,763	11,079,714	7,348,049	66	
Non-Current Assets					
Trade and Other Receivables	-	131,312	(131,312)	(100)	15
Property, Plant Equipment and Infrastructure	497,838,787	568,935,632	(71,096,845)	(13)	16
Intangible Assets	909,901	1,047,688	(137,787)	(13)	
Investments in Associates:	648,773	516,809	131,964	26	
Total Non-Current Assets	499,397,461	570,631,441	(71,233,980)	(13)	
Total Assets	517,825,224	581,711,155	(63,885,931)	(12)	
Current Liabilities					
Trade and Other Payables	2,808,079	2,114,653	693,426	33	17
Trust Funds and Deposits	548,769	1,024,747	(475,978)	(46)	18
Interest Bearing Loans and Borrowings	829,560	829,560	-	-	
Non-interest Bearing Liabilities	60,000	60,000	-	-	
Employee Benefits	3,383,124	3,654,723	(271,599)	(7)	
Provision for Landfill Rehabilitation	954,990	1,982,442	(1,027,452)	(52)	19
Total Current Liabilities	8,584,522	9,666,125	(1,081,603)	(11)	
Non-Current Liabilities					
Interest Bearing Loans and Borrowings	6,471,942	6,471,943	(1)	-	
Non-Interest Bearing Loans and Borrowings	120,099	120,000	99	0	
Employee Benefits	336,942	560,503	(223,561)	(40)	20
Provision for Landfill Rehabilitation	7,647,687	5,734,497	1,913,190	33	21
Total Non-Current Liabilities	14,576,670	12,886,943	1,689,727	13	
Total Liabilities	23,161,192	22,553,068	608,124	3	
Net Assets	494,664,032	559,158,087	(64,494,055)	(12)	
Equity					
Accumulated Surplus	171,511,380	168,450,018	3,061,362	2	
Restricted Reserves	1,262,937	1,269,087	(6,150)	(1)	
Asset Revaluation Reserve	321,889,715	389,438,982	(67,549,267)	(17)	22
Total Equity	494,664,032	559,158,087	(64,494,055)	(12)	

VARIANCE EXPLANATION REPORT

<u>Item</u>	<u>Ref</u>	<u>Commentary</u>
Cash assets	13	Mainly due to Flood Emergency funding.
Land held for resale	14	No purchase of land for resale was made in the current financial year.
Trade and Other Receivables	15	All actual Trade and Other Receivables fall due within one year due to diligent follow-up.
Property, Plant Equipment and Infrastructure	16	Decrease mainly due to correction of unit rates of Road asset.
Trade and Other Payables	17	Mainly due to Fire Services Levy payable not budgeted for.
Trust Funds and Deposits	18	Due to increase in refund of deposits on completion of the Building and Planning work processes during the current financial year.
Non-current Employee Benefits	20	Mainly due to long serving employees leaving organisation and Budgeted amount based on estimates.
Provision for Landfill Rehabilitation	19 & 21	Variance due to updated estimate of amounts required for Landfill rehabilitation.
Asset Revaluation Reserve	22	Council does not Budget for Asset Revaluation.

STATEMENT OF CASH FLOWS COMPARISON REPORT

FOR THE YEAR ENDED 30 JUNE 2014

	Actual 2013/14	Budget 2013/14 \$	Variance \$	%	Ref
Cash flows from operating activities					
Receipts from customers	32,714,269	32,499,110	215,159	1	
Payments to suppliers	(33,852,059)	(17,072,374)	(16,779,685)	98	23
Net cash inflow (outflow) from customers/suppliers	(1,137,790)	15,426,736	(16,564,526)	(107)	
Government receipts	26,490,968	9,972,027	16,518,941	166	24
Contributions	583,943	445,219	138,724	31	
Interest received	528,779	785,880	(257,101)	(33)	25
Proceeds from Sale of Land held for Resale	-	100,000	(100,000)	(100)	26
Other receipts	239,988	241,260	(1,272)	(1)	
Other payments	(5,719,444)	(4,020,356)	(1,699,088)	42	27
Net GST refund	3,308,069	-	3,308,069	100	28
Payment to employees	(17,257,877)	(17,259,851)	1,974	-	
Interest paid	(587,937)	(587,931)	(6)	-	
Payments for Purchase of Land held for resale	-	(300,124)	300,124	(100)	
Net cash inflow (outflow) from operating activities	6,448,699	4,802,860	1,645,839	33	
Cash flows from investing activities					
Proceeds from sale of assets	701,062	133,000	568,062	427	29
Proceeds from Sale of Assets held for Sale	-	-	-	-	
Payments for purchase of fixed assets	(7,302,843)	(10,105,873)	2,803,030	(28)	30
(Increase)/decrease in loan advances	15,000	15,000	-	-	
Net cash inflow (outflow) from investing activities	(6,586,781)	(9,957,873)	3,371,092	(34)	
Cash flows from financing activities					
Proceeds from borrowings					
Repayments of borrowings	(769,104)	(769,105)	1	-	
Increase / (decrease) Fire Services Levy dues to/from SRO	37,098	-	37,098		
Repayments of Non-Interest Bearing Liabilities	(60,000)	(60,000)		-	
Increase/(decrease) in trust funds and deposits	(324,843)	29,847	(354,690)	(1,188)	31
Net cash inflow (outflow) from financing activities	(1,116,849)	(799,258)	(317,591)	40	
Net increase/(decrease) in cash and cash equivalents	(1,254,931)	(5,954,271)	4,699,340	(79)	
Cash at the beginning of the year	15,693,080	12,923,413	2,769,667	21	
Cash and cash equivalents at the end of the year	14,438,149	6,969,142	7,469,007	107	32

VARIANCE EXPLANATION REPORT

<u>Item</u>	<u>Ref</u>	<u>Commentary</u>
Payment to suppliers	23	Mainly due to payment relating to Flood response management. Flood related expenses relating to Materials & Services and Contractors amounted to \$10.2 million and the outstanding Trade creditors payments of 2012/13 paid in 2013/14 to the extent of \$5 million.
Government receipts	24	Due to funding for Flood Recovery of \$15.8 million.
Interest received	25	Refer to Note 5 in the Standard Income Statement.
Proceeds from Land held for resale	26	There was no sale of Land held for resale in 2013/14.
Other expenses	27	Increase mainly due to actual and budgeted payables movements.
Net GST refund	28	GST not budgeted for.
Proceeds from sale of assets	29	More than budgeted sale of plant & equipment during the year.
Payments for purchase of fixed assets	30	Decrease primarily due to delay in delivering three projects - Rotary Club building at Yarrawonga, Numurkah Pre-school and the Landfill project.
Increase/(decrease) in trust funds and deposits	31	Mainly due to increase in refund of deposits on completion of the Building and Planning work processes during the current financial year.
Cash at the beginning of the year	32	Refer to Note 13 in the Standard Balance Sheet.

STATEMENT OF CAPITAL WORKS COMPARISON REPORT
FOR THE YEAR ENDED 30 JUNE 2014

	Actual 2013/14	Budget 2013/14	Variances		
		\$	\$	%	Ref
Land	8,052		8,052	100	
Plant and equipment	1,342,783	403,600	939,183	233	33
Buildings	1,330,026	1,592,531	(262,505)	(17)	34
Pumps	15,929	-	15,929	100	
Footpaths	136,528	63,669	72,859	114	35
Roads	3,562,215	3,777,797	(215,582)	(6)	36
Culvert and floodways	-	-	-	100	
Bridges	-	250,000	(250,000)	(100)	
Drainage	158,418	406,576	(248,158)	(61)	37
Kerb and guttering	237,809	200,000	37,809	19	38
Land improvements	139,989	2,834,200	(2,694,211)	(95)	39
Other	10,574	577,500	(566,926)	(98)	40
Work in progress	360,520	-	360,520	100	41
Total capital works	7,302,843	10,105,873	(2,803,030)	(28)	
Represented by:					
Renewal	5,369,949	5,991,866	(621,917)	(10)	42
Upgrade	891,475	2,772,107	(1,880,632)	(68)	43
Expansion	1,041,419	1,341,900	(300,481)	(22)	44
Total non-current assets	7,302,843	10,105,873	(2,803,030)	(28)	

VARIANCE EXPLANATION REPORT

	<u>Item</u>	<u>Ref</u>	<u>Commentary</u>
Plant & Equipment		33	Following a strategic review of Councils light fleet, a decision was made to implement a three year programme to purchase and own light fleet items rather than lease them. The expenditure relates to Year 1 implementation which provided for the disposal and replacement of most of Council's owned light fleet. The additional expenditure was met by the proceeds of sales.
Buildings		34	The change is primarily due to the delays in two projects, in implementation of the Rotary Club building at the Yarrowonga showgrounds. The building has been tendered and is currently being constructed to lock up stage. With respect to the Numurkah preschool the contract has been awarded and the builder is well advanced with completion in August 2014.
Footpaths		35	Variance mainly due to projects being budgeted for as projects then when capitalised the expenditure has been attributed to assets constructed as part of the projects. Predominantly Nathalia Flood Plain Upgrade Levee Banks project, which comprised mainly the construction of a concrete footpath in Nathalia.
Roads		36	Variance predominantly due to rescheduling of Karook Street works till 2014/15 due to rescoping of the project to meet the required funding.
Drainage		37	Variance primarily due to the delay in implementation of the Rowe Street retention basin project. The project was designed and tendered and a contract accepted by Council, however the successful contractor was not able to implement the works till September 2014.
Kerb & Guttering		38	Variance mainly due to projects not being budgeted for in 2013/14 Budget.
Land Improvements		39	Variation due to less work being carried out than was scheduled.
Other		40	Variance mainly due to the designation of capital works overheads as "other assets" in the budget. Subsequently allocated to the respective projects.
Work in Progress		41	It is assumed that all works included in the budget will be completed by year-end. Therefore, work in progress is budgeted to be \$nil.
Renewal		42	Variance predominantly due to initial allocation being project based and subsequently refined as projects were completed and capitalised.
Upgrade		43	Variance primarily due to rescheduling of the following projects ,Showgrounds Community Building/Mens Shed, Rowe Street Retention Basin, Numurkah and Road Reconstruction, Dookie Rd.
Expansion		44	Variance primarily due to rescheduling of the following project, Karook Street Safety Work.

FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2014

CERTIFICATION OF FINANCIAL STATEMENTS

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



Warren Brown
Principal Accounting Officer

17 September 2014
Cobram

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

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

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



Peter Mansfield
Mayor

17 September 2014
Cobram



Ed Cox
Councillor

17 September 2014
Cobram



Mark Henderson
Chief Executive Officer

17 September 2014
Cobram

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COMPREHENSIVE INCOME STATEMENT

	Notes	2014 \$	2013 \$
INCOME			
Rates and Charges	2.1	28,916,674	27,691,718
Grants - Operating (recurrent)	2.2	6,125,743	9,794,486
Grants - Operating (non-recurrent)	2.2	15,989,928	29,829,961
Grants - Capital (recurrent)	2.2	4,169,885	5,746,083
Contributions - cash	2.3	583,943	307,952
Contributions - non-monetary assets	2.3	2,018,041	826,038
Reimbursements and Subsidies		82,991	85,526
User Fees	2.4	2,726,841	2,724,289
Statutory Fees and Fines		992,152	883,170
Interest		525,679	614,568
Net gain on disposal of asset held for sale		-	182,385
Recognition of assets under Council control	27	4,569,882	3,393,432
Share of net profit of investments in Associates accounted for by the equity method:			
- Goulburn Valley Regional Library Corporation	5.1	33,254	45,459
- Moira Arts and Culture Inc.,	5.2	13,251	-
Other	2.5	239,988	425,374
Total Income		66,988,252	82,550,441
EXPENSES			
Employee Costs	3.1	17,289,533	16,563,788
Materials and Services		13,682,710	43,448,865
Loss on disposal of infrastructure assets	10.1	2,287,179	3,936,962
Work in Progress expensed		-	2,383,776
External Contract Services		11,179,423	8,127,409
Utilities		1,218,437	1,034,778
Bad and Doubtful Debts	3.2	-	11,120
Depreciation	3.3	9,725,604	8,688,263
Interest on Borrowings		587,100	649,282
Interest on Unwinding of Discount on Provisions		265,407	276,228
Fair Value Adjustment of Intangible Asset	25	108,565	29,222
Net loss on Disposal of Property, Plant & Equipment	4	130,632	19,400
Other Expenses	3.4	4,078,053	3,895,155
Total Expenses		60,552,643	89,064,248
Surplus / (Deficit) for the year		6,435,609	(6,513,807)
Other Comprehensive Income			
Net asset revaluation increment (decrement)	15	(94,437,654)	26,888,387
Total Comprehensive Result		(88,002,045)	20,374,580

The above Comprehensive Income statement should be read in conjunction with the accompanying notes set out in pages 109 to 155

BALANCE SHEET

AS AT JUNE 30 JUNE 2014

	Notes	2014 \$	2013 \$
ASSETS			
Current Assets			
Cash and Cash Equivalents	6	14,438,149	15,693,080
Trade and Other Receivables	7	3,445,019	2,719,234
Inventories		423,563	591,670
Other Assets	9	121,032	271,043
Total Current Assets		18,427,763	19,275,027
Non-Current Assets			
Trade and Other Receivables	7	-	225,262
Property, Plant, Equipment and Infrastructure	10	497,838,787	590,346,701
Intangible Assets	25	909,901	1,018,466
Investments in Associates	5	648,773	602,268
Total Non-Current Assets		499,397,461	592,192,697
TOTAL ASSETS		517,825,224	611,467,724
LIABILITIES			
Current Liabilities			
Trade and Other Payables	11	2,808,079	7,803,604
Trust Funds and Deposits	12	548,769	873,613
Interest-Bearing Loans and Borrowings	13.1	829,560	769,105
Non-interest Bearing Loans	13.2	60,000	60,000
Provisions	14	4,338,114	5,070,180
Total Current Liabilities		8,584,522	14,576,502
Non-Current Liabilities			
Interest-Bearing Loans and Borrowings	13.1	6,471,942	7,301,502
Non-interest Bearing Loans	13.2	120,099	180,099
Provisions	14	7,984,629	6,743,544
Total Non-Current Liabilities		14,576,670	14,225,145
TOTAL LIABILITIES		23,161,192	28,801,647
NET ASSETS		494,664,032	582,666,077
EQUITY			
Accumulated Surplus		171,511,380	165,100,571
Restricted Reserves	15	1,262,937	1,238,137
Asset Revaluation Reserves	15	321,889,715	416,327,369
TOTAL EQUITY		494,664,032	582,666,077

The above Balance sheet should be read in conjunction with the accompanying notes set out in pages 109 to 155

STATEMENT OF CHANGES IN EQUITY

	Notes	Total \$	Accumulated Surplus \$	Restricted Reserves \$	Asset Revaluation Reserves \$
2013					
Balance at beginning of the financial year		562,291,497	171,643,428	1,209,087	389,438,982
Comprehensive result		20,374,580	(6,513,807)	-	26,888,387
Transfers (to)/from restricted reserves	15	-	(29,050)	29,050	-
2014					
Balance at beginning of the financial year		582,666,077	165,100,571	1,238,137	416,327,369
Comprehensive result		(88,002,045)	6,435,609	-	(94,437,654)
Transfers (to)/from restricted reserves	15	-	(24,800)	24,800	-
Balance at the end of the financial year		494,664,032	171,511,380	1,262,937	321,889,715

The above Statement of changes in Equity should be read in conjunction with the accompanying notes set out in pages 109 to 155

STATEMENT OF CASH FLOWS

	Note	2014 Inflows/ (Outflows) \$	2013 Inflows/ (Outflows) \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Rates and charges		28,562,653	27,623,068
Grants - operating		22,321,083	39,350,305
Grants - capital		4,169,885	5,746,083
Contributions		583,943	326,110
Reimbursements and Subsidies		91,290	93,487
User Fees		3,091,455	2,610,501
Statutory Fees and Fines		968,870	920,685
Interest Received		528,779	651,250
Other Receipts		239,988	425,374
Net GST refund/payment		3,308,069	5,684,118
Employee Costs		(17,257,877)	(16,546,249)
Payments to Suppliers		(39,571,502)	(60,393,770)
Interest Paid		(587,937)	(650,173)
Net Cash Provided by Operating Activities	21	6,448,699	5,840,789
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Sale of Fixed Assets	4	701,062	83,564
Proceeds from Sale of Asset Held for Sale		-	30,000
Community Organisations - Loan Repayment	7	15,000	15,000
Payments for property, infrastructure, plant and equipment	10.2	(7,302,843)	(7,831,836)
Net Cash Used in Investing Activities		(6,586,781)	(7,703,272)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	13.1	-	-
Repayment of borrowings	13.1	(829,104)	(916,031)
Fire Services levy		37,098	-
Increase/(decrease) in trust funds and deposits		(324,843)	52,389
Net Cash used in Financing Activities		(1,116,849)	(863,642)
NET CHANGE IN CASH AND CASH EQUIVALENTS		(1,254,931)	(2,726,125)
Cash and cash equivalents at beginning of financial year		15,693,080	18,419,205
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	6	14,438,149	15,693,080

The above statement of cash flows should be read in conjunction with the accompanying notes set out in pages 109 to 155

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Introduction

The Moira Shire Council was established by an Order of the Governor in Council on 18 November 1994 and is a body corporate. The Council's main office is located at 44 Station Street, Cobram.

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.

The following information is provided:

External Auditor - Auditor-General of Victoria

Internal Auditor - AFS & Associates Pty Ltd

Solicitors - Russell Kennedy

Bankers - National Australia Bank Limited

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

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

Note 1 Significant Accounting Policies

1.1 Basis of Accounting

This financial report has been prepared on the accrual basis as a going concern under the convention of historical cost accounting, with the exception of certain non-current assets as referred to in Notes 1.8, 1.12, 1.13, 1.14, 1.16 and 1.18.

Unless otherwise stated, all accounting policies applied are consistent with those of the prior year. Where appropriate, comparative figures have been amended to accord with current presentation. There have been no material changes to the comparatives.

All entities through which the Council controls resources to carry on its functions have been included in the financial statements forming part of this financial report. In the process of reporting on the Council as a single unit, all transactions and balances between funds (for example, transactions between Council and Section 86 Committees) have been eliminated.

1.2 Change in accounting policies

AASB 13 Fair Value Measurement

Council has applied AASB 13 for the first time in the current year. AASB 13 establishes a single source of guidance for fair value measurements. The fair value measurement requirements of AASB 13 apply to both financial instrument items and non-financial instrument items for which other A-IFRS require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of AASB 2 Share-based Payment, leasing transactions that are within the scope of AASB 17 Leases, and measurements that have some similarities to fair value but not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

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

AASB 13 requires prospective application from 1 January 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. In accordance with these transitional provisions, Council has not made any new disclosures required by AASB 13 for the 2012 comparative period (please see Note 10.1 disclosure).

Other than the additional disclosures, the application of AASB 13 has not had any material impact on the amounts recognised in the financial statements.

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

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

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

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

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT)

Note 1 Significant Accounting Policies (Cont'd)

1.3 Revenue recognition

Revenue is measured at fair value or the consideration received or receivable. Revenue is measured on major income categories as follows:

Rates, Grants and Contributions

Rates, grants and contributions (including developer contributions) are recognised as revenues when the Council obtains control over the assets comprising these receipts. Control over assets acquired from rates is obtained at the commencement of the rating year as it is an enforceable debt linked to the rateable property or, where earlier, upon receipt of the rates.

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

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

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

Where grants or contributions, recognised as revenues during the financial year, were obtained on condition they would 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 2.2. The note also discloses the amount of unused grant or contribution from prior years that were expended on Council's operations during the current year.

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

User Fees, Statutory Fees and Fines

User fees, statutory fees and fines (including parking fees and fines) are recognised as revenue when the penalty has been applied, the service has been provided, or payment is received, whichever first occurs.

A provision for doubtful debts is recognised when collection in full is no longer probable.

Sale of Property, Plant and Equipment and Infrastructure

The profit or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer.

Rental

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

Interest

Interest is recognised as it is earned.

1.4 Trade and other receivables and inventories

Receivables are carried at amortised cost using the effective interest rate method.

A provision for doubtful debts is recognised when there is objective evidence that an impairment has occurred.

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

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

1.5 Depreciation and Amortisation of Property, Plant and Equipment, Infrastructure and Intangibles

Buildings, land improvements, heritage assets, infrastructure, plant and equipment, and other assets having limited useful lives are systematically depreciated over their useful lives to the Council in a manner which reflects consumption of the service potential embodied in those assets.

Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed annually. Depreciation rates and methods are reviewed annually.

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

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT)

Note 1 Significant Accounting Policies (Cont'd)

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

Class of Asset	Period (2014)
Bridges	
- Timber	80 years
- Steel and concrete	150 years
Buildings	65/90 years
Main drains	100 years
Pumps	30 years
Plant and equipment	3 to 25 years
Furniture and fittings	3 to 30 years
Playground equipment	20 years
Sealed roads and streets:	
- Seal	18 years
- Pavement	80 years
- Formation	not depreciated
Unsealed roads	
- Pavement	15 to 25 years
- Formation	not depreciated
Footpaths - concrete	60 years
Footpaths - gravel	20 years
Kerb and guttering	75 years
Improvements to parks and gardens	20 years
Culverts and floodways	100 years
Land improvements	20 years
Other infrastructure assets	10 to 100 years
Motor vehicles	7 years

1.6 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.

1.7 Borrowing Costs

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

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

1.8 Web Site Costs

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

1.9 Leases

Finance Leases

Leases of assets where substantially all the risks and benefits incidental to ownership of the asset are transferred to the Council, are classified as finance leases. Finance leases are capitalised, recording an asset and a liability at the lower of the fair value of the asset and the present value of the minimum lease payments, including any guaranteed residual value. Lease payments are allocated between the reduction of the lease liability and the interest expense. Leased assets are depreciated on a straight line basis over their estimated useful lives to the Council where it is likely that Council will obtain ownership of the asset, or, over the term of the lease, whichever is the shorter.

Operating Leases

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease, rather than expensed in the year in which they are incurred.

1.10 Accounting for Investments in an Associate

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 entity. 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 entity. The Council's share of the financial result of the entity is recognised in the comprehensive income statement.

1.11 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 with original maturities of three months or less, net of outstanding bank overdrafts.

1.12 Non-current Assets Held for Sale

A non-current asset held for sale (including disposal groups) is measured at the lower of its carrying amount and fair value less costs to sell, and are not subject to depreciation. Non-current assets, disposal groups and related liabilities assets are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset's sale (or disposal group sale) is expected to be completed within 12 months from the date of classification.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT)

Note 1 Significant Accounting Policies (Cont'd)

1.13 Recognition and Measurement of Assets

Acquisition

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

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

The following classes of assets have been recognised in Note 10. In accordance with Council's policy, the threshold of \$2,000 has been applied when recognising assets within an applicable asset class and, unless otherwise stated, are consistent with the prior year.

Class of Asset

Land
Buildings
Plant and Equipment
Leased Plant and Equipment
Furniture and Fittings
Leased Furniture and Fittings
Playground Equipment
Pumps
Footpaths
Roads
Culverts and Floodways
Bridges
Drainage Works
Kerbs and Channels
Land Improvements
Other Infrastructure Assets

Landfill Restoration Costs

When a landfill site is commissioned, an asset is recognised for the costs of restoring the site, which are provided for at present value in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets.

Land Under Roads

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

Revaluation of Non-Current Assets

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value, being the amount for which the assets could be exchanged between knowledgeable willing parties in an arms length transaction.

At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date the class of asset was revalued.

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 3 to 4 years. The valuation is performed either by experienced council officers or independent experts.

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

More details about the valuation techniques and inputs used in determining the fair value of non-financial physical assets are discussed in Note 10.1 Property, Plant, Equipment & Infrastructure.

1.14 Impairment of Assets

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT)

Note 1 Significant Accounting Policies (Cont'd)

1.15 Investments

Investments other than investments in an associate are measured at cost.

1.16 Financial Assets

Financial assets are valued at fair value, being market value, at balance date. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.

1.17 Provisions

A provision exists when there is a legal, equitable or constructive obligation to make a future sacrifice of economic benefits as a result of past transactions or events and the amount or timing of the sacrifice of economic benefits that will be made to satisfy the present obligation is uncertain. A provision must be recognised when it is probable that a sacrifice of economic benefits will be required and the amount can be measured reliably.

Site restoration - landfills

In accordance with the Council's published environmental policy and applicable legal requirements, a provision for site restoration is recognised.

At each reporting date the rehabilitation is re-measured in line with changes in discount rates, and timing or amount of the costs to be incurred. Changes in the liability relating to rehabilitation of landfills are added to or deducted from related assets, other than the unwinding of the discount which is recognised as a finance cost in the income statement as it occurs.

The provision is the best estimate of the present value of the expenditure required to settle the restoration obligation at the reporting date, based on current legal requirements and technology. Future restoration costs are reviewed annually and any changes are reflected in the present value of the restoration provision at the end of the reporting period.

The amount of the provision for future restoration costs is capitalised and is depreciated over the period of time of the useful life of the landfill. The unwinding of the effect of discounting on the provision is recognised as a finance cost.

1.18 Employee Costs

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

Wages and Salaries and Annual Leave

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

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

Long Service Leave

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

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

The components of this current liability are measured at :

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

Classification of employee costs

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

This non-current LSL liability is measured at present value. Gain or loss following revaluation to the present value of non-current LSL liability due to changes in bond interest rates is recognised as an other economic flow.

Termination Benefits

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

Employee Benefits On-Costs

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT)

Note 1 Significant Accounting Policies (Cont'd)

Superannuation

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. In addition Council may, periodically be required to contribute to the defined benefits schemes for current and former employees. Details of these arrangements are recorded in Note 17.

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

1.19 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 12).

1.20 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.

1.21 Related Party Disclosures

Related party disclosures are in accordance with the Minister's directive. Responsible Persons have been determined to be Councillors and the Chief Executive Officer. Senior Officers are determined to be staff during the year, whose annualised total remuneration consisting of salary, superannuation, motor vehicle benefits, bonuses and allowances exceeded \$130,000. Disclosures are made at Note 19.

1.22 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.

GST recoverable from and payable to the Australian Taxation Office (ATO) is included in the Balance Sheet.

Cash flows are presented in the Cash Flow Statement on a gross basis (inclusive of GST where applicable), except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

1.23 Rounding

Unless otherwise stated, amounts in the financial report have been rounded to the nearest dollar.

1.24 Contingent Assets and Liabilities and Commitments

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT)

Note 1 Significant Accounting Policies (Cont'd)

1.25 Pending Accounting Standards

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

Pronouncement	Summary	Application date	Impact on Council
AASB 9 Financial Instruments	<p>AASB 9 standard is one of a series of amendments that are expected to eventually completely replace AASB 139. During 2010-11, the standard will be expanded to include new rules on measurement of financial liabilities and hedge accounting. Currently the existing provisions of AASB 139 will continue to apply in these areas.</p> <p>AASB 9 simplifies the classifications of financial assets into those to be carried at amortised cost and those to be carried at fair value – the 'available for sale' and 'held-to-maturity' categories no longer exists. AASB 9 also simplifies requirements for embedded derivatives and removes the tainting rules associated with held-to-maturity assets.</p> <p>The new categories of financial assets are:</p> <ul style="list-style-type: none"> * Amortised cost - those assets with 'basic' loan features. * Fair value through other comprehensive income - this treatment is optional for equity instruments not held for trading (this choice is made at initial recognition and is irrevocable). * Fair Value through profit and Loss - everything that does not fall into the above two categories. <p>The following changes also apply:</p> <ul style="list-style-type: none"> * Investments in unquoted equity instruments must be measured at fair value. However, cost may be the appropriate measure of fair value where there is insufficient more recent information available to determine a fair value. * There is no longer any requirement to consider whether 'significant or prolonged' decline in the value of financial assets has occurred. The only impairment testing will be on those assets held at amortised cost, and all impairments will be eligible for reversal. <p>Similarly, all movements in the fair value of a financial asset now go to the income statement, or, for equity instruments not held for trading, other comprehensive income. There is no longer any requirement to book decrements through the income statement, and increments through equity.</p>	01-July-2015	<p>The impact is not likely to be extensive in the local government sector. Although it will vary considerably between entities. While the rules are less complex than those of AASB 139, the option to show equity instruments at cost has been largely removed, which is likely to lead to greater volatility within the income statement. However it may also lead to an improved financial position for some entities.</p> <p>This will also create a requirement to measure some instruments annually that has not previously existed.</p>
AASB 10 Consolidated Financial Statements	<p>This Standard forms the basis for determining which entities should be consolidated into an entity's financial statements. AASB 10 defines 'control' as requiring exposure or rights to variable returns and the ability to affect those returns through power over an investee, which may broaden the concept of control for public sector entities.</p> <p>The AASB has issued an exposure draft ED 238 Consolidated Financial Statements – Australian Implementation Guidance for Not-for-Profit Entities that explains and illustrates how the principles in the Standard apply from the perspective of not-for-profit entities in the private and public sectors.</p>	01-July-2014	<p>The AASB have finalised deliberations on ED 238 and any modifications made to AASB 10 for not-for-profit entities, Council will need to re-assess the nature of its relationships with other entities, including those that are currently not consolidated.</p>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT)

Pronouncement	Summary	Application date	Impact on Council
AASB 11 Joint Arrangements	This Standard deals with the concept of joint control, and sets out a new principles-based approach for determining the type of joint arrangement that exists and the corresponding accounting treatment. The new categories of joint arrangements under AASB 11 are more aligned to the actual rights and obligations of the parties to the arrangement.	01-July-2014	The AASB have finalised deliberations and any modifications made to AASB 11 for not-for-profit entities, Council will need to assess the nature of arrangements with other entities in determining whether a joint arrangement exists in light of AASB 11.
AASB 12 Disclosure of Interests in Other Entities	This Standard requires disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on the financial statements. This Standard replaces the disclosure requirements in AASB 127 Separate Financial Statements and AASB 131 Interests in Joint Ventures. The exposure draft ED 238 proposes to add some implementation guidance to AASB 12, explaining and illustrating the definition of a 'structured entity' from a not-for-profit perspective.	01-July-2014	Impacts on the level and nature of the disclosures will be assessed based on the eventual implications arising from AASB 10, AASB 11 and AASB 128 Investments in Associates and Joint Ventures.
AASB 128 Investments in Associates and Joint Ventures	This revised Standard sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.	01-July-2014	The impact of this standard will need to be assessed in line with the final deliberations by the AASB on the application of this standard to not for profit entities.
AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounts Standard arising from Reduced Disclosure Requirements	These standards set out the tiers of financial reporting and the reduced disclosure framework.	01-July-2014	Council has yet to determine the impact of this standard

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT)

Note 2 Income	2014 \$	2013 \$
2.1 Rate Revenue		
General	11,544,099	11,946,392
Commercial	1,691,392	1,587,314
Industrial	846,999	195,098
Farm Rates	4,710,800	4,468,138
Cultural and Recreational	1,439	1,390
Municipal Charge	4,688,209	4,441,890
Garbage Charge	1,184,978	1,084,195
Recycling Charge	1,038,465	968,955
Environmental Levy	3,210,293	2,998,346
	<u>28,916,674</u>	<u>27,691,718</u>

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

The valuation base used to calculate general rates for 2013/14 was \$4,954,968,400 (2012/13 \$4,883,368,600). The 2013/14 rate in the CIV dollar was 0.003647 (2012/13 was 0.003530).

For rating purposes in the financial year 2013/14, Council used the general revaluation which was returned on 1 January 2012.

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2012 and the valuation was first applied in the rating year commencing 1 July 2012.

The date of the previous 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.

2.2 Grants	2014 \$	2013 \$
Summary of grants		
Federally funded grants	17,710,241	34,979,225
State funded grants	8,575,315	8,806,745
Others	-	1,584,560
Total	<u>26,285,556</u>	<u>45,370,530</u>

Grants were received in respect of the following:

Operating Recurrent

Community Development	951,406	872,704
Economic Development	69,091	-
Environment	169,604	65,037
Finance & Administration	3,072,710	5,520,629
Operations	1,862,932	3,336,116
Total Recurrent	<u>6,125,743</u>	<u>9,794,486</u>

Operating Non-recurrent

Community Development	50,587	145,271
Economic Development	12,500	185,500
Environment	58,050	105,000
Governance	15,045	13,119
Infrastructure Planning	66,667	147,929
Operations **	15,787,079	29,233,142
Total Non-recurrent	<u>15,989,928</u>	<u>29,829,961</u>

Total Operating

	<u>22,115,671</u>	<u>39,624,447</u>
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**Flood Emergency Response Grants of \$15.8 million (2013/14) is included under Operations. (2012/13 amounted to \$29.2 million)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT)

Note 2 Income (Cont'd)

	2014	2013
	\$	\$
Capital Non-Recurrent		
Community Development	1,158,685	1,774,262
Operations	1,401,200	1,991,821
Infrastructure Planning	1,610,000	1,980,000
Total Non-Recurrent	<u>4,169,885</u>	<u>5,746,083</u>
Total Capital	<u>4,169,885</u>	<u>5,746,083</u>
Total Grants Received	<u>26,285,556</u>	<u>45,370,530</u>

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

Recurrent		
Community Development	95,030	924
Environment	10,375	-
Total Recurrent	<u>105,405</u>	<u>924</u>
Non-Recurrent		
Community Development	561,670	697,905
Total Non-Recurrent	<u>561,670</u>	<u>697,905</u>
Total	<u>667,075</u>	<u>698,829</u>

Grants which were recognised as revenues in prior years and were expended during the current year in the manner specified by the grantor were:

Recurrent		
Community Development	27,521	204,649
Total Recurrent	<u>27,521</u>	<u>204,649</u>
Non-Recurrent		
Community Development	315,130	68,652
Environment	-	7,200
Economic Development	-	41,539
Infrastructure Planning	-	10,108
Operations	-	2,797,894
Total Non-Recurrent	<u>315,130</u>	<u>2,925,393</u>
Total	<u>342,651</u>	<u>3,130,042</u>
Net Increase / (Decrease) in Restricted Assets resulting from grant revenues for the year.	<u>324,424</u>	<u>(2,431,213)</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT)

Note 2 Income (Cont'd)

	2014	2013
	\$	\$
2.3 Contributions		
<u>Cash Contributions</u>		
Economic Development	27,750	-
Community Development	447,644	177,237
Development Services	4,800	29,248
Finance	83,226	34,844
Environment	16,523	46,007
Operating	4,000	20,616
	<u>583,943</u>	<u>307,952</u>
<u>Non-cash Contributions</u>		
Land	1,327	11,247
Buildings	13,583	58,841
Playground Equipment	16,896	-
Footpaths	427,001	97,100
Roads	620,721	334,310
Drainage works	319,694	165,215
Kerbs & Channels	315,588	140,539
Land improvements	-	18,786
Bridges	303,231	-
Total Non-cash Contributions	<u>2,018,041</u>	<u>826,038</u>
	<u>2,601,984</u>	<u>1,133,990</u>
2.4 User Fees		
Caravan Park Fees	254,686	253,018
Community Services Charges	63,335	55,246
Rent	3,646	10,671
Section 86 Committees	443,747	565,955
User Charges	1,961,427	1,839,399
	<u>2,726,841</u>	<u>2,724,289</u>
2.5 Other Revenue		
Energy Rebate Scheme	59,858	27,998
Other Revenue	180,130	397,376
	<u>239,988</u>	<u>425,374</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT)

Note 3	Expenses	2014 \$	2013 \$
3.1	Employee Costs		
	Wages and Salaries	14,778,657	14,591,499
	Superannuation Expenses	1,321,057	1,162,169
	Work Cover	211,277	217,094
	Fringe Benefit Tax	225,044	97,768
	Annual leave and long service leave	753,498	495,258
		<u>17,289,533</u>	<u>16,563,788</u>
	Wages and Salaries include other employee-related costs - training, conferences and professional affiliations.		
3.2	Bad and Doubtful Debts		
	Sundry Debtors	-	11,120
		<u>-</u>	<u>11,120</u>
3.3	Depreciation		
	Buildings	1,527,731	1,528,924
	Plant and Equipment	333,526	346,561
	Furniture and Fittings	9,861	9,861
	Playground Equipment	94,757	93,915
	Pumps	53,250	53,174
	Footpaths	296,822	301,228
	Roads	5,565,961	4,514,480
	Culverts and Floodways	73,123	64,400
	Bridges	198,923	200,762
	Drainage Works	265,785	474,722
	Kerbs and Channels	337,832	294,057
	Land Improvements	834,754	702,625
	Other Infrastructure Assets	133,279	103,554
		<u>9,725,604</u>	<u>8,688,263</u>
3.4	Other Expenses		
	Contributions and Donations	1,752,404	1,587,677
	Auditors remuneration (see Note 23)	96,996	67,381
	Councillor's Allowances	227,983	272,470
	Insurance	537,166	515,828
	Legal Costs	348,266	20,115
	Other	1,115,238	1,431,684
		<u>4,078,053</u>	<u>3,895,155</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT)

Note 4 Net Gain/(Loss) on Disposal of Property, Plant and Equipment

	Proceeds From Disposals	Written Down Value Of Assets Disposed Of	Net Gain/(Loss) From Disposals
	\$	\$	\$
2014			
Motor Vehicles	525,055	694,293	(169,238)
Plant	176,007	137,401	38,606
	<u>701,062</u>	<u>831,694</u>	<u>(130,632)</u>
2013			
Industrial Land	300,000	117,615	182,385
	<u>300,000</u>	<u>117,615</u>	<u>182,385</u>
2013			
Motor Vehicle	60,146	88,265	(28,119)
Plant	23,418	1,540	21,878
Small plant written off	-	13,159	(13,159)
	<u>83,564</u>	<u>102,964</u>	<u>(19,400)</u>

Note 5 Investment in Associates

5.1 Goulburn Valley Regional Library Corporation

Background

Goulburn Valley Regional Library Corporation operates a regional library. Its ownership is shared between several local councils in the area, including the Moira Shire Council with a stakeholding of 28.86%.

	2014 \$	2013 \$
Council's Share of Reserves		
Council's share of accumulated deficit at start of year	(218,492)	(263,951)
Council's share of reported surplus/(deficit) for year	33,254	45,459
Council's share of accumulated deficit at end of year	<u>(185,238)</u>	<u>(218,492)</u>
Council's Share of Member Contributions		
Council's share of member contributions at start of year	820,760	820,760
Council's share of movement in member contributions	-	-
Council's share of member contributions at end of year	<u>820,760</u>	<u>820,760</u>
Movement in Carrying Value of Investment		
Carrying value of investment at start of year	602,268	556,809
Council's share of reported surplus/(deficit) for year	33,254	45,459
Carrying value of investment at end of year	<u>635,522</u>	<u>602,268</u>
Council's Share of Commitments	2,003	13,178

Council's Share of Contingent Assets and Liabilities

No contingent assets or liabilities were disclosed by Goulburn Valley Regional Library Corporation

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT)

5.2 Moira Arts and Culture Inc.

Background

Moira Arts & Culture Inc., was incorporated to promote Arts & Culture in the Shire. Moira Shire Council has a 20% stakeholding with two directors on the Board of Moira Arts and Culture Inc.

	2014 \$	2013 \$
Council's Share of Reserves		
Council's share of accumulated surplus at start of year	-	-
Council's share of reported surplus/(deficit) for year	13,251	-
Council's share of accumulated surplus at end of year	<u>13,251</u>	<u>-</u>
Council's Share of Member Contributions		
Council's share of member contributions at start of year	-	-
Council's share of movement in member contributions	-	-
Council's share of member contributions at end of year	<u>-</u>	<u>-</u>
Movement in Carrying Value of Investment		
Carrying value of investment at start of year	-	-
Council's share of reported surplus/(deficit) for year	13,251	-
Carrying value of investment at end of year	<u>13,251</u>	<u>-</u>
Council's Share of Commitments	-	-
Council's Share of Contingent Assets and Liabilities		
No contingent assets or liabilities were disclosed by Moira Arts and Culture Inc.		

Note 6	2014 \$	2013 \$
Cash and Cash Equivalents		
Cash and Cash Equivalents		
Cash in Hand	6,150	5,850
Cash at Bank	1,656,401	2,486,808
Cash Investments - At Call	2,000,000	7,500,000
Cash Investments - Term Deposits	10,775,598	5,700,422
Total Cash and Cash Equivalents	<u>14,438,149</u>	<u>15,693,080</u>
Cash at the End of the Period as shown in the Cash Flow Statement	14,438,149	15,693,080
Unrestricted	9,961,922	11,050,779
Subject to External Restrictions	4,476,227	4,642,301
	<u>14,438,149</u>	<u>15,693,080</u>
The following restrictions have been imposed on cash or cash equivalents by regulations or other externally imposed restrictions, or by commitments made by Council		
Restricted Reserves (Note 15)	1,262,937	1,238,137
Unexpended Grants (Note 2.2)	667,075	698,829
Long Service Leave - Current (Note 14)	1,660,504	1,337,475
Long Service Leave - Non-Current (Note 14)	336,942	494,247
Trust Funds and Deposits (Note 12)	548,769	873,613
	<u>4,476,227</u>	<u>4,642,301</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT)

Note 7 Trade and Other Receivables	2014	2013
	\$	\$
Current		
Rates Debtors	1,769,327	1,310,465
Fire Service Levy	427,207	-
Other Debtors		
- Infringement Control	138,340	115,059
- GST	431,685	436,020
- Sundry Debtors	671,510	833,682
- Loans - Economic Development	7,500	15,000
- Special Rate Assessment Debtors	-	9,558
Less: Provision for Doubtful Debts - Other Debtors	(550)	(550)
Total Current	<u>3,445,019</u>	<u>2,719,234</u>
Non Current		
Other Debtors		
- Loans- Economic Development	-	7,500
- Sale of Land	-	180,000
- Special Rate Assessment Debtors	-	37,762
Total Non-Current	<u>-</u>	<u>225,262</u>
Total Receivables	<u>3,445,019</u>	<u>2,944,496</u>
Note 8 Land Held for Sale		
Current		
Cost of Acquisition	-	-
Capitalised Development Costs	-	-
Total Current	<u>-</u>	<u>-</u>
Note 9 Other Assets		
Current		
Prepayments	75,726	46,764
Accrued Income	45,306	224,279
Total Other Assets	<u>121,032</u>	<u>271,043</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT)

Note 10 Fixed Assets

10.1 Property, Plant, Equipment and Infrastructure	2014 \$	2013 \$
Summary		
At Cost	3,394,448	4,163,608
At Fair Value as at 30 June 2009	-	460,869,464
At Fair Value as at 30 June 2011	-	147,219,553
At Fair Value as at 30 June 2012	85,200,981	111,218,631
At Fair Value as at 30 June 2013	106,060,989	81,923,624
Less Accumulated Depreciation	<u>(36,714,636)</u>	<u>(215,048,179)</u>
	157,941,782	590,346,701
At Fair Valuation as at 30 June 2014	482,147,225	-
Less Accumulated Depreciation	<u>(142,250,220)</u>	-
	339,897,005	-
Total	497,838,787	590,346,701
Non-Infrastructure Assets		
Land		
Crown Land - at Valuation	<u>30,892,174</u>	<u>30,845,090</u>
Freehold Land - at Valuation	52,462,366	52,522,942
Land under Roads	<u>4,575,207</u>	<u>1,172,634</u>
	57,037,573	53,695,576
	87,929,747	84,540,666
Plant and Equipment		
Plant and Equipment - at Cost	2,913,012	2,899,939
Less: Accumulated Depreciation	<u>(968,471)</u>	<u>(1,132,961)</u>
	1,944,541	1,766,978
Furniture and Fittings		
Furniture and Fittings - at Cost	120,917	120,917
Less: Accumulated Depreciation	<u>(60,281)</u>	<u>(50,420)</u>
	60,636	70,497
Total Non-Infrastructure Assets	89,934,924	86,378,141
Infrastructure Assets		
Buildings		
Buildings - at Valuation	127,271,699	123,200,377
Less: Accumulated Depreciation	<u>(52,599,040)</u>	<u>(48,153,868)</u>
	74,672,659	75,046,509
Playground Equipment		
Playground Equipment - at Valuation	1,846,441	1,829,545
Less: Accumulated Depreciation	<u>(339,888)</u>	<u>(245,131)</u>
	1,506,553	1,584,414
Pumps		
Pumps - at Valuation	1,610,855	1,635,158
Less: Accumulated Depreciation	<u>(283,889)</u>	<u>(230,833)</u>
	1,326,966	1,404,325
Footpaths		
Footpaths - at Valuation	15,488,120	15,110,892
Less: Accumulated Depreciation	<u>(3,019,427)</u>	<u>(2,727,031)</u>
	12,468,693	12,383,861
Roads		
Roads - at Valuation	287,566,984	432,780,041
Less: Accumulated Depreciation	<u>(68,547,416)</u>	<u>(117,614,819)</u>
	219,019,568	315,165,222
Culverts and Floodways		
Culverts and Floodways - at Valuation	7,381,316	7,381,318
Less: Accumulated Depreciation	<u>(3,038,887)</u>	<u>(2,965,766)</u>
	4,342,429	4,415,552
Bridges		
Bridges - at Valuation	26,260,593	24,019,177
Less: Accumulated Depreciation	<u>(8,504,430)</u>	<u>(4,188,195)</u>
	17,756,163	19,830,982
Drainage Works		
Drainage Works - at Valuation	46,445,140	45,965,124
Less: Accumulated Depreciation	<u>(14,230,337)</u>	<u>(13,967,094)</u>
	32,214,803	31,998,030

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT)

10.1 Property, Plant, Equipment and Infrastructure (Cont'd)	2014	2013
Infrastructure Assets (Cont'd)	\$	\$
Kerbs and Channels		
Kerbs and Channels – at Valuation	25,364,003	24,848,420
Less: Accumulated Depreciation	(11,340,527)	(11,109,421)
	14,023,476	13,738,999
Land Improvements		
Land Improvements - at Valuation	36,472,746	30,175,549
Less: Accumulated Depreciation	(12,599,334)	(9,362,990)
	23,873,412	20,812,559
Other Infrastructure Assets		
Other Infrastructure Assets - at Valuation	9,771,550	9,745,003
Less: Accumulated Depreciation	(3,432,929)	(3,299,650)
	6,338,621	6,445,353
Total Infrastructure Assets	407,543,343	502,825,806

Details of the Council's Property, Plant, Equipment & Infrastructure fair value hierarchy as at 30 June 2014 are as follows:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Non-infrastructure Assets				
Crown Land	-	-	30,892,174	30,892,174
Freehold Land	-	52,020,430	-	52,020,430
Industrial land held for resale	441,936	-	-	441,936
Land under Roads	-	-	4,575,207	4,575,207
Plant and equipment	1,944,541	-	-	1,944,541
Furniture and fixtures	60,636	-	-	60,636
	2,447,113	52,020,430	35,467,381	89,934,924
Infrastructure Assets				
Buildings	-	-	74,672,659	74,672,659
Playground Equipment	-	-	1,506,553	1,506,553
Pumps	-	-	1,326,966	1,326,966
Footpaths	-	-	12,468,693	12,468,693
Roads	-	-	219,019,568	219,019,568
Culverts & Floodways	-	-	4,342,429	4,342,429
Bridges	-	-	17,756,163	17,756,163
Drainage Works	-	-	32,214,803	32,214,803
Kerbs & Channels	-	-	14,023,476	14,023,476
Land Improvements	-	-	23,873,412	23,873,412
Other Infrastructure Assets	-	-	6,338,621	6,338,621
	-	-	407,543,343	407,543,343
TOTAL	2,447,113	52,020,430	443,010,724	497,478,267

Reconciliation of Level 3 Fair Value

2014	Non-infrastructure	Infrastructure	Total
Opening Balance	32,064,808	502,825,806	534,890,614
Acquisitions - Capital Works & Purchases	-	5,591,488	5,591,488
Acquisitions - Contributed By Developers	1,327	2,016,714	2,018,041
Acquisitions Found	4,569,882	-	4,569,882
Asset adjustment for Landfill provision increase	-	904,995	904,995
Disposals	-	(2,287,179)	(2,287,179)
Net Asset revaluation increment (decrement)	(1,168,636)	(93,269,018)	(94,437,654)
Depreciation	-	(9,382,217)	(9,382,217)
Reclassifications of Assets	-	1,142,755	1,142,755
Closing Balance	35,467,381	407,543,344	443,010,725

Description of significant unobservable inputs into level 3 valuations

	Valuation Technique	Significant Unobservable Inputs	Range	Sensitivity
Non- Infrastructure				
Crown Land	Not depreciated. Value determined by external valuers every 2 years.	Individual asset values. Revaluation last conducted in 2012/13.	\$0.10 to \$600.00 m ² .	Valuation affected by market factors.
Land Under Roads	Valued annually using Englobo Method provided in DPCD Circular 15/11.	Unit Rate \$0.058 per m ² based on 2013/14 revaluation.	\$0.058 per m ²	Changes to land values and amount of development will affect value.
Infrastructure				
Playground Equipment	Depreciated based on condition assessed every 3 years. Assets valued individually.	Individual asset values based on 2011/12 valuation.	\$48 to \$217,887	Change to condition or effective life will affect value.
Pumps	Depreciated based on condition assessed every 3 years. Assets valued individually.	Individual asset values based on 2012/13 valuation.	\$55 to \$65,543	Change to condition or effective life will affect value.
Footpaths	Depreciated based on condition assessed every 3 years. Replacement cost.	Unit Rate for brick, concrete & bitumen \$86.45 per m ² gravel \$23.77 m ² based on 2012/13 revaluation.	\$23.77 to \$86.45	Change to condition or unit rate will affect value.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT)

Note 10 Fixed Assets (Cont'd)

	Valuation Technique	Significant Unobservable Inputs	Range	Sensitivity
Infrastructure				
Roads - Gravel Pavements	Depreciated based on condition assessed every 2 years. Replacement cost.	Unit Rate \$2.47 m ² based on 2013/14 revaluation.	\$2.47 m ²	Change to condition or effective life will affect value.
Roads - Wearing Course	Depreciated based on condition assessed every 3 years. Replacement cost.	Unit Rate \$4.66 m ² based on 2013/14 revaluation.	\$4.66 m ²	Change to condition or effective life will affect value.
Roads - Subgrade	Not depreciated.	Unit Rate \$2.69 m ² based on 2013/14 revaluation.	\$2.69 m ²	Change to condition or effective life will affect value.
Roads - Sealed Pavement	Depreciated based on condition assessed every 3 years. Replacement cost.	Unit Rate \$32.00 m ² for sealed roads and \$7.77 m ² for dust suppression pavements based on 2013/14 revaluation.	\$7.77 to \$32.00	Change to condition or effective life will affect value.
Laneways	Depreciated based on condition assessed every 3 years. Replacement cost.	Unit Rate for concrete \$86.25 and bitumen \$6.66 m ² based on 2013/14 revaluation.	\$6.66 to \$86.25	Change to condition or effective life will affect value.
Culverts & Flood ways	Depreciated based on condition assessed every 3 years. Assets valued individually.	Individual asset values. Valuation last conducted in 2012/13.	\$103 to \$95,914	Change to condition will affect value.
Bridges	Depreciated based on condition assessed every 3 years. Replacement Cost	Unit Rate for Wholly Owned Bridges \$2,393. Unit Rate for Shared Bridges \$1,196.50 based on valuation conducted in 2013/14.	\$1,196 or \$2,393	Change to unit rate and condition will impact on WDV.
Drainage	Value reviewed annually. Aged based depreciation of individually valued assets.	Individual asset values based on 2012/13 valuation	\$398 to \$562,814	Change in effective life will impact on value
Land Improvements	Majority of LI assets are valued individually and depreciated based on condition assessed every 3 years. Landfill assets depreciated based on age.	Individual asset values based on 2013/14 revaluation.	\$364 to \$2,156,408	Change to effective life, unit rate or condition will impact value.
Kerb & Channel	Depreciated based on condition assessed every 3 years. Replacement Cost	Unit Rate \$89.13 per m ² based on 2011/12 valuation.	One rate of \$89.13	Change to effective life, unit rate or condition will impact value.
Other Assets	All assets valued individually. Some depreciated on condition and others by age.	Individual asset values based on 2012/13 valuation.	\$1,441 to \$1,091,746	Change to effective life, unit rate or condition will impact value.

	2014 \$	2013 \$
Works in Progress		
Building	138,580	899,008
Land improvements	-	36,275
Parks & Gardens	68,173	-
Roads	134,977	-
Drainage	18,790	-
Footpaths	-	36,050
Kerbs & Channels	-	155,448
Other Assets	-	15,973
Total Works in Progress	360,520	1,142,754
Total Property, Plant, Equipment and Infrastructure	497,838,787	590,346,701

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT)

Note 10 Fixed Assets (Cont'd)

Valuation of Assets

The 2013/14 valuation of assets owned and controlled by the Moira Shire Council, except the valuation of land and buildings, was undertaken by Council's engineering and asset management staff under the supervision of Mr Mark Foord, Executive Engineer. The valuation of land and buildings was conducted by a qualified independent valuer, Mr Marcus Hann of LG Valuations Pty Ltd. Mr Hann is a member of the Australian Institute of Valuers. The valuation of bridges, buildings, land improvements, land under roads and sealed roads was based on condition assessments conducted by qualified external consultants or Council's own engineering staff.

The unit rates and effective lives of all asset classes were reviewed where applicable by Council's asset management and engineering staff using actual rates or benchmark data from the Municipal Association of Victoria (MAV Step Program) and the North East Asset Management Group (NEAMG).

Bridges were valued at 30 June 2014 by Council's asset management staff under the supervision and direction of Mr Mark Foord, Executive Engineer of Moira Shire Council. Valuation was based on a condition assessment conducted by Land Management Surveys Pty Ltd an experienced bridge engineering firm who have expertise in this field. Valuation is at fair value based on replacement cost less accumulated depreciation and is due next in 2016/17.

Buildings and Land were valued at 30 June 2014 by LG Valuation Services in accordance with AASB 113 and AASB 116 as a component of the valuation works to be provided under Moira Shire Council Contract C168/10. The valuation of land and buildings is at fair value being market value based on highest and best use permitted by relevant land planning provisions. The valuation process involved an inspection of each asset to identify and value each building component to determine each property's fair value. Buildings will be re-valued again in 2016/17.

Culverts and Floodways were last valued at 30 June 2013 by Council's qualified engineering staff. The valuation was at fair value based on replacement cost less accumulated depreciation as at the date of valuation and is due again in 2015/16.

Drainage assets were valued at 30 June 2013 by Council's qualified engineering staff. The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation and is due again in 2015/16.

Footpaths were valued at 30 June 2013 by Council's qualified engineering staff. The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation and is due again in 2015/16.

Kerbs and Channels were valued at 30 June 2013 by Council's qualified engineering staff. The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation and is due again in 2014/15.

Land assets were valued by LG Valuation Services Pty Ltd in 2011/12. The valuation of land is at fair value being market value based on highest and best use permitted by relevant land planning provisions. The valuation process involved an inspection of each asset to identify and value each property's fair value. Valuation of land assets is due again in 2015/16.

Land Improvements were valued at 30 June 2014 based on a condition assessment conducted by Mr Gary Hodgkiss Superintendent Works & Services Moira Shire Council and Mr Clayton Drysdale, consultant engineer. Mr Hodgkiss hold a Bachelor of Engineering (Civil) and a Graduate Diploma of Municipal Engineering. Mr Drysdale holds a Bachelor of Engineering (Civil). The basis of the valuation is depreciated replacement cost and will occur again in 2016/17.

Land under Roads was valued at 30 June 2014 by Mr Bruce Berg von Lindhe Asset Executive for Moira Shire in accordance with the "Englobo Method" of calculation provided in the Department of Planning and Community Development Circular 15/11. The Englobo Method of valuation of land under roads is a calculation based on the area and the unimproved value of all land within the municipality discounted by 90% multiplied by the area of land under roads. The value of land under roads will be re-calculated every year.

Office Equipment was valued at 30 June 2012 by Council's qualified engineering staff. The valuation is based on the purchase price depreciated evenly over the effective life of the listed assets. Valuation of office equipment assets occurs every year.

Other Infrastructure Assets, which comprises swimming pools, were valued at 30 June 2013 Council's qualified engineering staff. The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation and is due again in 2015/16.

Plant & Equipment was valued at 30 June 2014 by Council's qualified engineering staff. The valuation is based on the purchase price depreciated evenly over the effective life of the listed assets. Valuation of plant and equipment occurs every year.

Playground Equipment was valued at 30 June 2012 by Ray Hutchinson & Associates, consultants in this field. The basis of the valuation was depreciated replacement cost and will occur again in 2014/15.

Pumps were valued at 30 June 2013 by Council's qualified engineering staff. The valuation is fair value based on replacement cost less accumulated depreciation at the date of valuation and is due again in 2015/16.

Roads were valued by at 30 June 2014 based on a condition assessment conducted by Moloney Asset Management Systems. A unit rate and effective life review conducted by Mr Bruce Berg von Lindhe, Asset Executive for Moira Shire Council. The basis of the valuation was depreciated replacement cost. This asset class is due to be re-valued again in 2016/17.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT)

Note 10 Fixed Assets (Cont'd)

10.2 - Fixed Assets - Transaction Summary 2014

	Land	Plant and Equipment	Furniture and Fittings
2014	\$	\$	\$
Balance at beginning of financial year	84,540,666	1,766,978	70,497
Acquisitions - Capital Works & Purchases	8,052	1,342,783	-
Acquisitions - Contributed By Developers	1,327	-	-
Acquisitions Found	4,569,882	-	-
Industrial Land Reclassified	-	-	-
Disposals	(21,544)	(831,694)	-
Net Asset revaluation increment (decrement)	(1,168,636)	-	-
Flood impairment	-	-	-
Depreciation	-	(333,526)	(9,861)
Capital Works in Progress expensed	-	-	-
Reclassifications of Assets	-	-	-
Balance at end of financial year	87,929,747	1,944,541	60,636

	Culverts and Floodways	Bridges	Drainage Works
2014	\$	\$	\$
Balance at beginning of financial year	4,415,552	19,830,982	31,998,030
Acquisitions - Capital Works & Purchases	-	-	158,418
Acquisitions - Contributed By Developers	-	303,231	319,694
Acquisitions Found	-	-	-
Asset adjustment for Landfill provision increase	-	-	-
Disposals	-	(238,672)	(30,737)
Net Asset revaluation increment (decrement)	-	(1,940,455)	-
Flood impairment	-	-	-
Depreciation	(73,123)	(198,923)	(265,785)
Capital Works in Progress expensed	-	-	-
Reclassifications of Assets	-	-	35,183
Balance at end of financial year	4,342,429	17,756,163	32,214,803

	Total Non-Infrastructure Assets	Buildings	Playground Equipment	Pumps	Footpaths	Roads
	\$	\$	\$	\$	\$	\$
	86,378,141	75,046,509	1,584,414	1,404,325	12,383,861	315,165,222
	1,350,835	1,330,026	-	15,929	136,528	3,562,215
	1,327	13,583	16,896	-	427,001	620,721
	4,569,882	-	-	-	-	-
	-	-	-	-	-	-
	(853,238)	(212,887)	-	(4,855)	(217,925)	(1,492,572)
	(1,168,636)	(875,849)	-	-	-	(93,270,057)
	-	-	-	-	-	-
	(343,387)	(1,527,731)	(94,757)	(53,250)	(296,822)	(5,565,961)
	-	-	-	-	-	-
	-	899,008	-	(35,183)	36,050	-
	89,934,924	74,672,659	1,506,553	1,326,966	12,468,693	219,019,568

	Kerbs and Channels	Land Improvements	Other Infrastructure Assets	Total Infrastructure Assets	Capital Works In Progress	Total Fixed Assets 2014
	\$	\$	\$	\$	\$	\$
	13,738,999	20,812,559	6,445,353	502,825,806	1,142,754	590,346,701
	237,809	139,989	10,574	5,591,488	360,520	7,302,843
	315,588	-	-	2,016,714	-	2,018,041
	-	-	-	-	-	4,569,882
	-	904,995	-	904,995	-	904,995
	(86,536)	(2,995)	-	(2,287,179)	-	(3,140,417)
	-	2,817,343	-	(93,269,018)	-	(94,437,654)
	-	-	-	-	-	-
	(337,832)	(834,754)	(133,279)	(9,382,217)	-	(9,725,604)
	-	-	-	-	-	-
	155,448	36,275	15,973	1,142,754	(1,142,754)	-
	14,023,476	23,873,412	6,338,621	407,543,343	360,520	497,838,787

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT)

10.2 - Fixed Assets - Transaction Summary 2013

	Land	Plant and Equipment	Furniture and Fittings
2013	\$	\$	\$
Balance at beginning of financial year	84,491,771	1,690,150	80,358
Acquisitions - Capital Works & Purchases	33,004	524,079	-
Acquisitions - Contributed By Developers	11,247	-	-
Acquisitions Found	-	-	-
Industrial Land Reclassified	90,000	-	-
Disposals	(117,615)	(102,963)	-
Net Asset revaluation increment (decrement)	-	-	-
Flood impairment	-	-	-
Depreciation	-	(346,561)	(9,861)
Capital Works in Progress expensed	-	-	-
Reclassifications of Assets	32,259	2,273	-
Balance at end of financial year	84,540,666	1,766,978	70,497

	Culverts and Floodways	Bridges	Drainage Works
2013	\$	\$	\$
Balance at beginning of financial year	3,691,576	19,551,064	24,695,054
Acquisitions - Capital Works & Purchases	50,103	42,652	46,267
Acquisitions - Contributed By Developers	-	-	165,215
Acquisitions Found	-	-	2,783,954
Industrial Land Reclassified	-	-	-
Disposals	(9,700)	-	(16,599)
Net Asset revaluation increment (decrement)	805,409	-	4,062,017
Flood impairment	-	440,184	714,492
Depreciation	(64,400)	(200,762)	(474,722)
Capital Works in Progress expensed	-	-	-
Reclassifications of Assets	(57,436)	(2,156)	22,352
Balance at end of financial year	4,415,552	19,830,982	31,998,030

	Total Non-Infrastructure Assets	Buildings	Playground Equipment	Pumps	Footpaths	Roads
	\$	\$	\$	\$	\$	\$
	86,262,279	76,220,138	1,960,160	734,792	10,671,743	303,597,064
	557,083	1,398,526	-	114,676	407,238	3,525,437
	11,247	58,841	-	-	97,100	334,311
	-	-	-	-	-	609,478
	90,000	-	-	-	-	-
	(220,578)	(1,380,931)	-	(37,225)	(52,003)	(2,401,135)
	-	-	-	610,289	631,519	-
	-	278,859	-	-	929,492	13,981,699
	(356,422)	(1,528,924)	(93,915)	(53,174)	(301,228)	(4,514,480)
	-	-	-	-	-	-
	34,532	-	(281,831)	34,967	-	32,848
	86,378,141	75,046,509	1,584,414	1,404,325	12,383,861	315,165,222

	Kerbs and Channels	Land Improvements	Other Infrastructure Assets	Total Infrastructure Assets	Capital Works In Progress	Total Fixed Assets 2013
	\$	\$	\$	\$	\$	\$
	11,551,577	20,047,613	5,092,187	477,812,968	2,471,316	566,546,563
	389,013	80,280	97,307	6,151,499	1,123,254	7,831,836
	140,539	18,786	-	814,792	-	826,039
	-	-	-	3,393,432	-	3,393,432
	-	-	-	-	-	90,000
	(38,494)	(847)	-	(3,936,934)	-	(4,157,512)
	1,990,421	-	1,359,413	9,459,068	-	9,459,068
	-	1,084,593	-	17,429,319	-	17,429,319
	(294,057)	(702,625)	(103,554)	(8,331,841)	-	(8,688,263)
	-	-	-	-	(2,383,781)	(2,383,781)
	-	284,759	-	33,503	(68,035)	-
	13,738,999	20,812,559	6,445,353	502,825,806	1,142,754	590,346,701

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT)

Note 11	Trade and Other Payables	2014	2013
		\$	\$
	Current		
	Trade Creditors	1,784,114	7,339,191
	Fire Services Levy	464,302	-
	Accrued Expenses	559,663	464,413
	Total Current liabilities	<u>2,808,079</u>	<u>7,803,604</u>
	Non-Current	-	-
	Total Payables	<u>2,808,079</u>	<u>7,803,604</u>
Note 12	Trust Funds and Deposits		
	Contract Retention	119,573	142,152
	Refundable Security Deposits	125,976	222,777
	Refundable Asset Protection Deposits	134,060	181,000
	Refundable Building Deposits	29,370	46,863
	Refundable Subdivision Deposits	59,863	61,008
	Miscellaneous Refundable Deposits	79,927	219,813
	Total Trusts	<u>548,769</u>	<u>873,613</u>
Note 13.1	Interest-Bearing Loans and Borrowings		
	Borrowings		
	Borrowings are secured over the general and special rates of Council.		
	Current		
	Loans - Secured	829,560	769,105
	Total Current	<u>829,560</u>	<u>769,105</u>
	Non-Current		
	Loans - Secured	6,471,942	7,301,502
	Total Non-Current	<u>6,471,942</u>	<u>7,301,502</u>
	Total Interest Bearing Liabilities	<u>7,301,502</u>	<u>8,070,607</u>
	The Council's borrowings are repayable:		
	Not later than 1 year	829,560	769,105
	Later than 1 year, not later than 5 years	4,022,567	3,729,084
	Later than 5 years	2,449,375	3,572,418
		<u>7,301,502</u>	<u>8,070,607</u>
Note 13.2	Non-interest-Bearing Loans and Borrowings		
	Current		
	Land acquisition - Secured	60,000	60,000
	Total Current	<u>60,000</u>	<u>60,000</u>
	Non-Current		
	Land acquisition - Secured	120,099	180,099
	Total Non-Current	<u>120,099</u>	<u>180,099</u>
	Total Interest Bearing Liabilities	<u>180,099</u>	<u>240,099</u>
	The Council's borrowings are repayable:		
	Not later than 1 year	60,000	60,000
	Later than 1 year, not later than 5 years	120,099	180,099
	Later than 5 years	-	-
		<u>180,099</u>	<u>240,099</u>
Note 13.3	Financing arrangements		
	Bank overdraft	-	-
	Used facilities	-	-
	Unused facilities	<u>-</u>	<u>-</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT)

Note 14 Provisions

	Annual Leave and Loading \$	Long Service Leave \$	Rostered Days Off \$	Landfill Site Rehabilitation \$	Total \$
2014					
Balance at the beginning of the financial year	1,450,625	1,831,722	120,666	8,410,711	11,813,724
Provision Write back	(6,044)	(74,721)	-	-	(80,765)
Additional provisions raised	127,044	362,697	30,329	1,170,401	1,690,471
Amounts used	-	(122,252)	-	(978,435)	(1,100,687)
Decrease in the discounted amount arising because of time and the effect of any changes in the discount rate	-	-	-	-	-
Balance at the end of the financial year	1,571,625	1,997,446	150,995	8,602,677	12,322,743
2013					
Balance at the beginning of the financial year	1,366,344	1,885,931	104,000	8,449,910	11,806,185
Provision Write back	-	-	-	(30,691)	(30,691)
Additional provisions raised	84,281	-	16,666	-	100,947
Amounts used	-	29,347	-	(284,736)	(255,389)
Decrease in the discounted amount arising because of time and the effect of any changes in the discount rate	-	(83,556)	-	-	(83,556)
Balance at the end of the financial year	1,450,625	1,831,722	120,666	8,410,711	11,813,724

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT)

Note 14 Provisions (Cont'd)

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

Weighted average increase in employee costs
 Weighted average discount rates
 Weighted average settlement period

	2013/14	2012/13
	4.8%	4.8%
	3.79%	3.79%
	12	12

	Annual Leave and Loading	Long Service Leave	Rostered Days Off	Landfill Site Rehabilitation	Total 2014
	\$	\$	\$	\$	\$
	993,087	1,660,504	150,995	954,990	3,759,576
	578,538	-	-	-	578,538
	1,571,625	1,660,504	150,995	954,990	4,338,114
(i) Current					
All annual leave and the long service leave entitlements					
- Short-term employee benefits, that fall due within 12 months after the end of the period measured at nominal value					
- Other long-term employee benefits that do not fall due within 12 months after the end of the period measured at present value					
(ii) Non-current					
Long service leave representing less than 7 years of continuous service measured at present value	-	336,942	-	-	336,942
Landfill site rehabilitation	-	-	-	7,647,687	7,647,687
	-	336,942	-	7,647,687	7,984,629
Total	1,571,625	1,997,446	150,995	8,602,677	12,322,743

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT)

Note 14 Provisions (Cont'd)

	Annual Leave and Loading	Long Service Leave	Rostered Days Off	Landfill Site Rehabilitation	Total 2013
	\$	\$	\$	\$	\$
2013					
(i) Current					
All annual leave and the long service leave entitlements					
- Short-term employee benefits, that fall due within 12 months after the end of the period measured at nominal value	978,754	1,337,475	120,666	2,161,414	4,598,309
- Other long-term employee benefits that do not fall due within 12 months after the end of the period measured at present value	471,871	-	-	-	471,871
	1,450,625	1,337,475	120,666	2,161,414	5,070,180
(ii) Non-current					
Long service leave representing less than 7 years of continuous service measured at present value	-	494,247	-	-	494,247
Landfill site rehabilitation	-	-	-	6,249,297	6,249,297
	-	494,247	-	6,249,297	6,743,544
Total	1,450,625	1,831,722	120,666	8,410,711	11,813,724

Council is obligated to restore (landfill) site to a particular standard. Current projections indicate that the site will cease operation in (2025) and restoration work is expected to commence shortly thereafter. The forecast life of the site is based on current estimates of remaining capacity and the forecast rate of infill. The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT)

Note 15 Reserves

Restricted Reserves	Total Restricted Reserves \$	Recreation Open Space Reserve \$	Car Parking Reserve \$	Net Gain Native Vegetation Reserve \$
Balance at 1 July 2012	1,209,087	895,451	273,636	40,000
Transfers to restricted reserves	29,050	29,050	-	-
Balance at 30 June 2013	1,238,137	924,501	273,636	40,000
Transfers to restricted reserves	24,800	4,800	-	20,000
Balance at 30 June 2014	1,262,937	929,301	273,636	60,000

Asset Revaluation Reserves	Total Asset Revaluation Reserves \$	Land Revaluation Reserve \$	Buildings Revaluation Reserve \$	Playground Equipment Revaluation Reserve \$	Pumps Revaluation Reserve \$
Balance at 1 July 2012	389,438,982	34,238,442	51,482,341	884,594	129,583
Net asset revaluation increment / (decrement)	9,459,068	-	-	-	610,289
Flood impairment	17,429,319	-	278,859	-	-
Balance at 30 June 2013	416,327,369	34,238,442	51,761,200	884,594	739,872
Net asset revaluation increment / (decrement)	(94,437,654)	(1,168,636)	(875,849)	-	-
Balance at 30 June 2014	321,889,715	33,069,806	50,885,351	884,594	739,872

Nature and Purpose of Reserves

Asset Revaluation Reserve is established in accordance to Australian Accounting Standards and is used to record increased/decreased (net) value of Council's assets over time.

Recreation Open Space Reserve has been established in accordance with the Sub-division Act 1988 and is used to develop strategically located parks and reserves for the benefit of the residents in the municipality.

Car Parking Reserve has been established under the Planning and Environment Act 1987 and is used to provide adequate car parking spaces within the municipality.

Net Gain Native Vegetation Reserve has been established to be used to fulfil Council's obligation in regard to net gain planting of native vegetation in accordance to the Planning and Environment Act 1987.

Footpaths Revaluation Reserve	Roads Revaluation Reserve	Culverts and Floodways Revaluation Reserve	Bridges Revaluation Reserve	Drainage Works Revaluation Reserve	Kerbs and Channels Revaluation Reserve	Land Improvements Revaluation Reserve	Other Infrastructure Assets Revaluation Reserve
\$	\$	\$	\$	\$	\$	\$	\$
7,549,154	251,021,747	2,597,959	10,088,402	16,037,199	6,369,909	7,264,109	1,775,543
631,519	-	805,409	-	4,062,017	1,990,421	-	1,359,413
929,492	13,981,699	-	440,184	714,492	-	1,084,593	-
9,110,165	265,003,446	3,403,368	10,528,586	20,813,708	8,360,330	8,348,702	3,134,956
-	(93,270,057)	-	(1,940,455)	-	-	2,817,343	-
9,110,165	171,733,389	3,403,368	8,588,131	20,813,708	8,360,330	11,166,045	3,134,956

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT)

Note 16 Commitments for Expenditure

All commitments are exclusive of GST.

16.1 Contracted Expenditure

At the reporting date the Council had entered into the following services and material contracts with external parties:

	Not later than 1 Year 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
	\$	\$	\$	\$	\$
2014					
Community Development	840,914	-	-	-	840,914
Governance	212,957	880,000	-	-	1,092,957
Operations	1,433,862	1,341,400	1,935,839	56,326	4,767,427
Waste & Recycling Collection	113,564	113,564	151,418	-	378,546
Asset Maintenance	110,787	-	-	-	110,787
	2,712,084	2,334,964	2,087,257	56,326	7,190,631
2013					
Capital Works	75,601	-	-	-	75,601
Community Development	851,794	955,784	-	-	1,807,578
Consultancy	575,941	575,941	-	-	1,151,882
Flood Emergency Response	194,957	-	-	-	194,957
Governance	168,836	547,255	4,698	-	720,789
Operations	2,150,961	1,181,655	252,452	-	3,585,068
Revenue	205,269	205,270	89,969	-	500,508
Tips / Transfer Stations	213,603	-	-	-	213,603
Waste & Recycling Collection	1,334,206	1,540,545	5,934,695	-	8,809,446
Asset Maintenance	150,476	59,458	81,932	-	291,866
	5,921,644	5,065,908	6,363,746	-	17,351,298

16.2 Operating Leases

Council leases a light motor vehicle fleet, heavy plant, photocopiers and computer equipment. At the reporting date, obligations under non-cancellable operating leases are:

	Not later than 1 Year 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
	\$	\$	\$	\$	\$
2014					
Motor Vehicles	288,016	105,029	51,999	-	445,044
Heavy Plant	1,122,163	878,824	1,863,441	191,985	4,056,413
Photocopiers	6,250	4,688	-	-	10,938
Computer Equipment	174,850	71,616	26,054	-	272,520
	1,591,279	1,060,157	1,941,494	191,985	4,784,915
2013					
Motor Vehicles	295,686	158,808	35,790	-	490,284
Heavy Plant	1,111,839	998,057	2,020,688	66,822	4,197,406
Photocopiers	17,790	6,250	4,167	-	28,207
Computer Equipment	223,739	223,739	44,815	-	492,293
	1,649,054	1,386,854	2,105,460	66,822	5,208,190

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT)

Note 17 Superannuation

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

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

Accumulation

The Fund's accumulation category, Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2014, this was 9.25% required under Superannuation Guarantee Legislation). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

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

Defined Benefits Plan

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

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

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

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

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

Unfunded Superannuation Liability - Funding Calls

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

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

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

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

The next full actuarial investigation of the Fund's liability for accrued benefits will be based on the Fund's position as at 30 June 2014. The anticipated completion date of this actuarial investigation is 19 December 2014

The complexity and timing of actuarial calculations required to allocate assets and liabilities to individual Council's results in it being impractical to determine the necessary information to account for the fund as defined benefit fund within the financial statements, as such Council accounts for the fund as a contribution plan. Council expects to make the following contributions in 2014-15: \$33,398 towards defined benefits and \$1,308,063 toward non-defined benefit funds.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT)

Superannuation contributions

Contributions by Moira Shire Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2014 are detailed below:

Scheme	Type of scheme	Rate	2014 \$'000	2013 \$'000
Vision Super	Defined benefits	9.25%	29	983
Vision Super	Accumulation	9.25%	1068	179
Others	Accumulation	9.25%	223	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT)

Note 18 Financial Ratios (Performance Indicators)	2014	2014	2013	2012										
18.1 Debt Servicing Ratio														
To identify the capacity of a Council to service its outstanding debt														
<table border="0" style="width: 100%;"> <tr> <td style="width: 40%;"><u>Debt Servicing Costs</u></td> <td style="width: 20%; text-align: right;"><u>\$587,100</u></td> <td style="width: 20%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> </tr> <tr> <td>Total Revenue</td> <td style="text-align: right;">\$66,988,252</td> <td style="text-align: right;">0.88%</td> <td style="text-align: right;">0.79%</td> <td style="text-align: right;">1.24%</td> </tr> </table>	<u>Debt Servicing Costs</u>	<u>\$587,100</u>				Total Revenue	\$66,988,252	0.88%	0.79%	1.24%				
<u>Debt Servicing Costs</u>	<u>\$587,100</u>													
Total Revenue	\$66,988,252	0.88%	0.79%	1.24%										
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.														
18.2 Debt Commitment Ratio														
To identify a Council's debt redemption strategy														
<table border="0" style="width: 100%;"> <tr> <td style="width: 40%;">Debt Servicing and Redemption <u>Costs</u></td> <td style="width: 20%; text-align: right;"><u>\$1,416,204</u></td> <td style="width: 20%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> </tr> <tr> <td>Rate Revenue</td> <td style="text-align: right;">\$28,916,674</td> <td style="text-align: right;">4.90%</td> <td style="text-align: right;">5.65%</td> <td style="text-align: right;">5.88%</td> </tr> </table>	Debt Servicing and Redemption <u>Costs</u>	<u>\$1,416,204</u>				Rate Revenue	\$28,916,674	4.90%	5.65%	5.88%				
Debt Servicing and Redemption <u>Costs</u>	<u>\$1,416,204</u>													
Rate Revenue	\$28,916,674	4.90%	5.65%	5.88%										
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.														
18.3 Revenue Ratio														
To identify Council's dependence on non-rate income														
<table border="0" style="width: 100%;"> <tr> <td style="width: 40%;"><u>Rate Revenue</u></td> <td style="width: 20%; text-align: right;"><u>\$28,916,674</u></td> <td style="width: 20%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> </tr> <tr> <td>Total Revenue</td> <td style="text-align: right;">\$66,988,252</td> <td style="text-align: right;">43.17%</td> <td style="text-align: right;">33.55%</td> <td style="text-align: right;">46.33%</td> </tr> </table>	<u>Rate Revenue</u>	<u>\$28,916,674</u>				Total Revenue	\$66,988,252	43.17%	33.55%	46.33%				
<u>Rate Revenue</u>	<u>\$28,916,674</u>													
Total Revenue	\$66,988,252	43.17%	33.55%	46.33%										
The level of Council's reliance on rate revenue is determined by assessing rate revenue as a proportion of the total revenue of Council.														
18.4 Debt Exposure Ratio														
To identify Council's exposure to debt														
<table border="0" style="width: 100%;"> <tr> <td style="width: 40%;"><u>Total Indebtedness</u></td> <td style="width: 20%; text-align: right;"><u>\$23,161,192</u></td> <td style="width: 20%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> </tr> <tr> <td>Total Realisable Assets</td> <td style="text-align: right;">\$152,143,172</td> <td style="text-align: right;">15.22%</td> <td style="text-align: right;">19.19%</td> <td style="text-align: right;">17.88%</td> </tr> </table>	<u>Total Indebtedness</u>	<u>\$23,161,192</u>				Total Realisable Assets	\$152,143,172	15.22%	19.19%	17.88%				
<u>Total Indebtedness</u>	<u>\$23,161,192</u>													
Total Realisable Assets	\$152,143,172	15.22%	19.19%	17.88%										
For the purpose of the calculation of financial ratios, realisable assets are those assets which can be sold and which are not subject to any restriction on realisation or use.														
18.5 Working Capital Ratio														
To assess Council's ability to meet current commitments														
<table border="0" style="width: 100%;"> <tr> <td style="width: 40%;"><u>Current Assets</u></td> <td style="width: 20%; text-align: right;"><u>\$18,427,763</u></td> <td style="width: 20%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> </tr> <tr> <td>Current Liabilities</td> <td style="text-align: right;">\$8,584,522</td> <td style="text-align: right;">2.15</td> <td style="text-align: right;">1.32</td> <td style="text-align: right;">2.00</td> </tr> </table>	<u>Current Assets</u>	<u>\$18,427,763</u>				Current Liabilities	\$8,584,522	2.15	1.32	2.00				
<u>Current Assets</u>	<u>\$18,427,763</u>													
Current Liabilities	\$8,584,522	2.15	1.32	2.00										
The ratio expresses the level of current assets the Council has available to meet its current liabilities.														
18.6 Adjusted Working Capital Ratio														
To assess Council's ability to meet current commitments														
<table border="0" style="width: 100%;"> <tr> <td style="width: 40%;"><u>Current Assets</u></td> <td style="width: 20%; text-align: right;"><u>\$18,427,763</u></td> <td style="width: 20%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> </tr> <tr> <td>Current Liabilities</td> <td style="text-align: right;">\$6,924,018</td> <td style="text-align: right;">2.66</td> <td style="text-align: right;">1.46</td> <td style="text-align: right;">2.32</td> </tr> </table>	<u>Current Assets</u>	<u>\$18,427,763</u>				Current Liabilities	\$6,924,018	2.66	1.46	2.32				
<u>Current Assets</u>	<u>\$18,427,763</u>													
Current Liabilities	\$6,924,018	2.66	1.46	2.32										
The ratio expresses the level of current assets the Council has available to meet its current liabilities.														
Current liabilities have been reduced to reflect the long service leave that is shown as a current liability because Council does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date, but is not likely to fall due within 12 months after the end of the period.														

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT)

Note 19 Related Party Disclosures

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

Title	Name	Period
Mayor	Brian Keenan	01/07/2013 - 06/11/2013
Mayor	Peter Mansfield	07/11/2013 - 30/06/2014
Councillor	Kevin Bourke	01/07/2013 - 30/06/2014
Councillor	Wendy Buck	01/07/2013 - 30/06/2014
Councillor	Gary Cleveland	01/07/2013 - 30/06/2014
Councillor	Ed Cox	01/07/2013 - 30/06/2014
Councillor	Brian Keenan	07/11/2013 - 30/06/2014
Councillor	Peter Mansfield	01/07/2013 - 06/11/2013
Councillor	Marie Martin	01/07/2013 - 30/06/2014
Councillor	Robert McPhee	01/07/2013 - 30/06/2014
Councillor	Alex Monk	01/07/2013 - 30/06/2014
Chief Executive Officer	Gary Arnold	01/07/2013 - 23/10/2013
Acting Chief Officer	Peter Bertolus	24/10/2013 - 18/05/2014
Chief Executive Officer	Mark Henderson	19/05/2014 - 30/06/2014

19.2 Remuneration of Responsible Persons

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

Income Range	2014		2013	
	Numbers		Numbers	
\$10,000 - \$19,999	1		7	
\$20,000 - \$29,999	5		3	
\$30,000 - \$39,999	2		1	
\$40,000 - \$49,999	1		1	
\$50,000 - \$59,999	-		1	
\$60,000 - \$69,999	1		-	
\$190,000 - \$200,000	1		-	
\$200,000 - \$239,999	-		1	
TOTAL	11		14	

Total remuneration for the reporting period for Responsible Persons, included above, amounted to:

\$520,499 \$554,180

19.3 Senior Officers Remuneration

A Senior Officer other than a Responsible Officer, is an officer of Council who has management responsibilities and reports directly to the Chief Executive Officer or whose total annual remuneration exceeds \$133,000.

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

Income Range	2014		2013	
	Numbers		Numbers	
Less than \$133,000	2		3	
\$133,000 - \$139,999	-		1	
\$140,000 - \$149,999	-		3	
\$150,000 - \$159,999	-		2	
\$160,000 - \$169,999	2		1	
\$190,000 - \$200,000	2		-	
TOTAL	6		10	

Total remuneration for the reporting period for Senior Officers included above, amounted to:

\$872,794 \$1,268,313

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT)

Note 19 Related Party Disclosures (cont'd)

19.4 Retirement Benefits

No retirement benefits have been made by Council to a Responsible Person.

19.5 Loans

No loans have been made, guaranteed or secured by the Council to a Responsible Person of the Council during the reporting period. (2013/14 \$Nil)

19.6 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 (2013/14, Nil).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT)

Note 20 Financial Instruments

20.1 Accounting Policy, Terms and Conditions

The Council's accounting policies, including the terms and conditions of each class of financial asset, financial liability and equity instrument, both recognised and unrecognised at 30 June 2014, are as follows:

Recognised Financial Instruments	Note	Accounting Policy	Terms and Conditions
(i) Financial Assets			
Cash and Cash Equivalents	6	For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts.	Deposits at call have a weighted average effective interest rate of 2.75%
Cash Investments	6	Short-term deposits are stated at the lower of cost and net realisable value. Interest is recognised in the Statement of Financial Performance when earned. Certain investments are restricted as noted in Note 6.	Term deposits have an average maturity of 94 days with weighted average effective interest rates of 3.59%
Receivables and Inventories	7	Receivables are carried at a amortised cost using the effective interest rate method. A provision for doubtful debts is recognised when there is objective evidence that an impairment has occurred. Inventories held for distribution are measured at cost adjusted when applicable for any loss of service potential. Other inventories are measured at the lower of cost and net realisable value	Sundry sales are on 30 day terms and no interest is calculated on overdue amounts. Rate receivables are on statutory terms payable either in full by 30 September or by quarterly instalments due end September, November, February and May. Interest is charged on unpaid amounts at 11.5%.
(ii) Financial Liabilities			
Payables	11	Trade Creditors and accruals are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.	Trade liabilities are normally settled on 30 day terms.
Trust Funds	12	Monies are held by way of deposit or in trust for Governments or other persons.	Deposits are returned when the service has been completed.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT)

20.1 Accounting Policy, Terms and Conditions cont...			
Borrowings - Loans and Finance Lease	13	Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council. Except where specific borrowings are obtained for the purpose of specific asset acquisition, the weighted average interest rate applicable to borrowings at balance date, excluding borrowings associated with superannuation, is used to determine the borrowing costs to be capitalised.	Borrowings are repayable monthly with multiple final instalment dates. Interest is charged at various fixed rates. Details of the security over the borrowings is set out in Note 13.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT)

NOTE 20 Financial Instruments (Cont'd)

20.2 Interest Rate Risk

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

Financial Instruments	Fixed Interest Rate Maturing in:					
	Floating Interest Rate		1 Year or Less		Over 1 to 5 Years	
	2014 \$	2013 \$	2014 \$	2013 \$	2014 \$	2013 \$
(i) Financial Assets						
Cash Assets	1,662,551	2,492,658	12,775,598	13,200,422	-	-
Other Financial Assets	-	-	-	-	-	-
Receivables	-	-	-	9,558	-	37,762
Accrued Income	-	-	-	-	-	-
Total Financial Assets	1,662,551	2,492,658	12,775,598	13,209,980	-	37,762

Financial Instruments	Fixed Interest Rate Maturing in:					
	Floating Interest Rate		1 Year or Less		Over 1 to 5 Years	
	2014 \$	2013 \$	2014 \$	2013 \$	2014 \$	2013 \$
(ii) Financial Liabilities						
Payables	-	-	-	-	-	-
Trusts	-	-	-	-	-	-
Loans	-	-	829,560	769,105	4,022,567	3,729,084
Total Financial Liabilities	-	-	829,560	769,105	4,022,567	3,729,084

Fixed Interest Rate Maturing in:								
	More than 5 Years		Non-Interest Bearing		Total Carrying Amount as per the Balance Sheet		Weighted Average Effective Interest Rate	
	2014 \$	2013 \$	2014 \$	2013 \$	2014 \$	2013 \$	2014 \$	2013 \$
	-	-	-	-	14,438,149	15,693,080	3.55%	3.98%
	-	-	75,726	46,764	75,726	46,764	N/A	N/A
	-	-	816,800	1,150,691	816,800	1,198,011	N/A	N/A
	-	-	45,306	224,279	45,306	224,279	N/A	N/A
	-	-	937,832	1,421,734	15,375,981	17,162,134	3.55%	3.98%

Fixed Interest Rate Maturing in:								
	More than 5 Years		Non-Interest Bearing		Total Carrying Amount as per the Balance Sheet		Weighted Average Effective Interest Rate	
	2014 \$	2013 \$	2014 \$	2013 \$	2014 \$	2013 \$	2014 \$	2013 \$
	-	-	2,181,585	7,136,405	2,181,585	7,136,405	N/A	N/A
	-	-	548,769	873,613	548,769	873,613	N/A	N/A
	2,449,375	3,572,418	180,099	240,099	7,481,601	8,310,706	7.61%	7.23%
	2,449,375	3,572,418	2,910,453	8,250,117	10,211,955	16,320,724	7.61%	7.23%

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT)

Note 20 Financial Instruments (Cont)

20.3 Net Fair Values

The aggregate net fair values of financial assets and financial liabilities, both recognised and unrecognised, at 30 June 2014, are as follows:

	Total Carrying Amount as per the Balance Sheet		Aggregate Net Fair Value (i)	
	2014 \$	2013 \$	2014 \$	2013 \$
Financial Assets				
Cash Assets	14,438,149	15,693,080	14,438,149	15,693,080
Other Financial Assets	75,726	46,764	75,726	46,764
Receivables	816,800	1,198,011	816,800	1,198,011
Accrued Income	45,306	224,279	45,306	224,279
Total Financial Assets	15,375,981	17,162,134	15,375,981	17,162,134

Financial Liabilities				
Payables	2,181,585	7,136,405	2,181,585	7,136,405
Trusts	548,769	873,613	548,769	873,613
Borrowings	7,481,601	8,310,706	7,481,601	8,310,706
Total Financial Liabilities	10,211,955	16,320,724	10,211,955	16,320,724

(i) *The following methods and assumptions are used to determine the net fair values of financial assets and liabilities.*

Recognised Financial Instruments

Cash Assets: The carrying amount approximates fair value because of their short-term to maturity.

Other Financial Assets, Receivables, Accrued Income, Payables, Trusts and Finance Leases: The carrying amount approximates fair value.

Borrowings: The fair values of long-term borrowings are estimated using discounted cash flow analysis, based on government bond rates issued by the Department of Treasury and Finance.

20.4 Credit Risk Exposures

The Council's maximum exposures to credit risk at balance date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Balance Sheet.

Concentrations of Credit Risk

The Council minimises concentrations of credit risk in relation to receivables by undertaking transactions with a large number of customers.

Credit risk in receivables is managed in the following ways:

- payment terms are either statutory or 30 days,
- a first charge over property applies to rate debtors.

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 risk and no exposure to foreign currency risk. Components of market risk to which Council is exposed are discussed below.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT)

Note 20 Financial Instruments (Cont)

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 Council uses. Non derivative interest bearing assets are predominantly short term liquid assets. Council's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes us to fair value rate risk.

Council's loan borrowings are sourced from major Australian banks by a tender process. Council manages interest rate risk on its 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;

Council manages the interest rate exposure on its net debt portfolio by appropriate budgeting strategies and long term financial planning.

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

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

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

Credit risk

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

- Council has a policy for establishing credit limits for the entities it deals with;
- Council may require collateral where appropriate ; and
- Council only invests surplus funds with financial institutions which are included on the APRA "List of Authorised Deposit Taking Institutions".

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 debtors are State and Federal Governments. Apart from the Governments, Council does not have any significant credit risk exposure to a single customer or group of customers. Ongoing credit evaluation is performed on the financial condition of customers and, where appropriate, an allowance for doubtful debts is raised. Rate debtors are effectively secured by the property upon which they're levied and do not represent a significant credit risk.

Movement in Provisions for Doubtful Debts

	2014	2013
	\$	\$
Balance at the beginning of the year	550	550
New Provisions recognised during the year	-	-
Amounts already provided for and written off as uncollectible	-	-
Amounts provided for but recovered during the year	-	-
Balance at end of year	550	550

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT)

Note 20 Financial Instruments (Cont'd)

Ageing of Trade and Other Receivables

At balance date other debtors representing financial assets were past due but not impaired. These amounts relate to a number of independent customers for whom there is no recent history of default.

The ageing of the Council's Trade & Other Receivables was:

	2014	2013
	\$	\$
Current (not yet due)	541,092	457,498
Past due by up to 30 days	117,613	351,950
Past due between 31 and 180 days	12,805	24,234
Past due between 181 and 365 days	-	-
Past due by more than 1 year	-	-
Total Trade & Other Receivables	671,510	833,682

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 asset at all.

To help reduce these risks Council:

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

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

The table below lists the contractual maturities for Financial Liabilities

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

	6 months or less	6-12 months	1-2 years	2-5 years	> 5 years	Contracted Cash Flow
2014	\$	\$	\$	\$	\$	\$
Trade and other payables	2,808,079	-	-	-	-	2,808,079
Trust fund and deposits	68,596	68,596	137,192	274,385	-	548,769
Interest-bearing loans and borrowings	639,324	717,713	1,357,037	4,071,110	2,754,779	9,539,962
Total financial liabilities	3,515,999	786,309	1,494,229	4,345,495	2,754,779	12,896,810

	6 months or less	6-12 months	1-2 years	2-5 years	> 5 years	Contracted Cash Flow
2013	\$	\$	\$	\$	\$	\$
Trade and other payables	7,803,604	-	-	-	-	7,803,604
Trust fund and deposits	109,202	109,202	218,403	436,807	-	873,613
Interest-bearing loans and borrowings	678,518	678,518	1,357,037	4,071,110	4,111,815	10,896,999
Total financial liabilities	8,591,324	787,720	1,575,440	4,507,917	4,111,815	19,574,216

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT)

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 + 1% and -2% in market interest rates (AUD) from year-end rates of %.

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.

2014		Interest rate risk			
		+1%		-2%	
	\$	Profit \$	basis points 'Equity \$	Profit \$	basis points 'Equity \$
Financial assets:					
Cash and cash equivalents	14,438,149	144,381	144,381	(288,763)	(288,763)
Trade and other receivables	816,800	8,168	8,168	(16,336)	(16,336)
Financial liabilities:					
Interest bearing loans and borrowings	7,481,601	(74,816)	(74,816)	149,632	149,632

2013		Interest rate risk			
		+1%		-2%	
	\$	Profit \$	basis points 'Equity \$	Profit \$	basis points 'Equity \$
Financial assets:					
Cash and cash equivalents	15,693,080	156,931	156,931	(313,862)	(313,862)
Trade and other receivables	1,198,011	11,980	11,980	(23,960)	(23,960)
Financial liabilities:					
Interest bearing loans and borrowings	8,310,706	(83,107)	(83,107)	166,214	166,214

Fair Value Hierarchy

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT)

Note 21	Reconciliation of Cash Flows from Operating Activities to Surplus/Deficit	2014	2013
		\$	\$
	Surplus/(Deficit) for the year	6,435,609	(6,513,807)
	Remove non-cash items in surplus for year:		
	Depreciation	9,725,604	8,688,263
	Net Loss/(Gain) on Disposal of Property, Plant and Equipment	130,632	6,241
	Written Down Value of Land Sold	-	117,615
	Loss on disposal of infrastructure assets	2,287,179	3,936,962
	Work in Progress-prior year expensed	-	2,352,826
	Assets Contributed	(2,018,041)	(826,038)
	Bad and Doubtful Debts	-	11,120
	Work in Progress expensed	-	30,950
	Small plant write off	-	13,159
	Share of net profit of investments in Associates accounted for by the equity method:	(46,505)	(45,459)
	Interest on Unwinding of Discount on Provisions	265,407	276,228
	Fair value adjustment of Intangible Asset	108,565	29,222
	Net Previously unrecognised asset	(4,569,882)	(3,393,432)
	Changes in assets and liabilities (changes in assets and liabilities that related to operating activities):		
	Decrease / (Increase) in Trade and Other Receivables	(88,315)	(518,502)
	Decrease / (Increase) in Inventories	168,106	(124,469)
	Decrease / (Increase) in Other Assets	150,010	(206,698)
	Increase / (Decrease) in Trade and Other Payables	(5,437,309)	2,275,297
	Increase / (Decrease) in Provisions	(662,361)	(268,689)
	Net Cash Provided by Operating Activities	<u>6,448,699</u>	<u>5,840,789</u>

Note 22 Special Committees

Council has established several committees in accordance with section 86 of the Local Government Act 1989. Revenue and expenses transacted by these committees have been included in the Council's financial statements:

Revenue	596,810	645,369
Expenses	<u>745,525</u>	<u>1,053,604</u>
	<u>(148,715)</u>	<u>(408,235)</u>

Note 23 Auditor's Remuneration

Audit fee to conduct external audit - Victorian Auditor-General	61,478	39,900
Internal audit fees - AFS Pty Ltd	<u>35,518</u>	<u>27,481</u>
	<u>96,996</u>	<u>67,381</u>

Note 24 Events Occurring After Balance Date

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

Note 25 Intangible Assets

Opening Balance	1,018,466	1,047,688
Fair value adjustments	<u>(108,565)</u>	<u>(29,222)</u>
At fair value as at 30 June 2014	<u>909,901</u>	<u>1,018,466</u>

The useful lives of the assets are infinite.

In recent years the Council has undertaken research to determine what legal entitlements to water rights it holds. This research has been concluded and the asset has been brought to account in 2011.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT)

Note 26 Contingent Liabilities and Contingent Assets

Contingent Liabilities

Council has requested a private ruling from ATO in regards to the impact of FBT on an issue that an external consultant brought to Council's attention. Council does not agree with this assessment and as at 30 June 2014, was still waiting on confirmation from the ATO. Given this difference of opinion a figure cannot be reasonably established in relation to FBT provision and consequently no amount has been stated under Contingent Liabilities.

Contingent Assets

Developer contributions expected to be received in respect of property sub-divisions currently under development total \$200,000 (2012/13 \$200,0000).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT)

Note 27 Capital expenditure

	2014	2013
	\$	\$
Capital expenditure areas		
Bridges	-	42,652
Buildings	1,330,026	1,398,520
Culverts & Floodways	-	50,103
Drainage	158,418	46,267
Footpath	136,528	407,238
Kerb & Guttering	237,809	389,013
Land	8,052	33,004
Land Improvements	139,989	80,280
Other Assets	10,574	97,305
Plant & Equipment	1,342,783	524,077
Pumps	15,929	114,693
Roads	3,562,215	3,525,430
Work in Progress	360,520	1,123,254
Total capital works	<u>7,302,843</u>	<u>7,831,836</u>
Represented by:		
Renewal of infrastructure	5,369,949	5,026,790
Upgrade of infrastructure	891,475	1,893,793
Expansion of infrastructure	1,041,419	911,253
Total capital works	<u>7,302,843</u>	<u>7,831,836</u>

Property, plant and equipment, infrastructure movement

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

Total capital works	7,302,843	7,831,836
Assets Found	4,569,882	3,393,432
Asset revaluation movement	(94,437,654)	9,459,068
Flood impairment	-	17,429,319
Depreciation	(9,725,604)	(8,688,263)
Written down value of assets sold/write off	(3,140,417)	(4,157,512)
Industrial land reclassified	-	90,000
Asset adjustment for Landfill provision increase	904,995	-
Capital Work in progress expensed	-	(2,383,781)
Contributions - non-monetary assets	2,018,041	826,039
Net movement in property, plant and equipment, infrastructure	<u>(92,507,914)</u>	<u>23,800,138</u>

(a) Renewal

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

(b) Upgrade

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

(c) Expansion

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

Refer to Notes 10.1 and 10.2 for more details.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT)

Note 28 Income, Expenses and Assets by Function/Activities

	Community Development		Finance and Business Development		Shire Development		Grand Total	
	2014	2013	2014	2013	2014	2013	2014	2013
	\$	\$	\$	\$	\$	\$	\$	\$
Income								
Grants	16,789,072	30,251,117	9,268,830	14,949,376	227,654	170,037	26,285,556	45,370,530
Other	137,057	226,103	27,870,697	29,504,399	7,947,919	7,449,409	35,955,673	37,179,911
Total Income	16,926,129	30,477,220	37,139,527	44,453,775	8,175,573	7,619,446	62,241,229	82,550,441
Expenses	16,791,475	46,098,079	32,356,700	36,943,443	6,657,447	6,022,726	55,805,622	89,064,248
Surplus (deficit) for the year	134,654	(15,620,859)	4,782,827	7,510,332	1,518,126	1,596,720	6,435,607	(6,513,807)
Assets attributed to functions / activities *	300,498	635,228	1,713,877	1,744,636	5,288,468	5,451,993	7,302,843	7,831,857

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

Community Development

Community Development promotes and enhances community wellbeing through funding programs, advocacy, service provision, community partnerships and regulatory activity.

The Function includes the following activities :

Community Family & Health Services	Community Relations & Engagement
Community Recreational Facilities	Disaster Recovery

Finance and Business Development

Finance and Business Development is responsible for providing a range of strategic, operational and financial services to business units and the Council as a whole, also regional business development and the construction, renewal and maintenance of community assets and facilities.

The Function includes the following activities :

Financial Services	Regional Business Development
Information Systems	Community Facilities Management
Governance	Assets
Organisational Development	

Shire Development

Shire Development manages Shire planning compliance, land use and building safety, also manages garbage & recyclable collection, waste management & environmental sustainability, community safety and local laws.

The Function includes the following activities :

Shire Building & Planning	Community Safety
Environmental Services	Local Laws
Waste Management	

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CUSTOMER SERVICE AGENCIES

Barmah Forest Heritage and Education Centre, Nathalia

Numurkah Visitor Information Centre, Numurkah

INFORMATION AGENCIES

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