

RECEIVED

15 APR 2013

Joseph St,
Kaniwa 2419

13-7-16

BY:.....

West Wimmera Shire,
25 Baker St,
Kaniwa,

Dear Council Members,

We read in the local paper about the application from Robert Cameron to conduct a barber business in Commercial Street Kaniwa.

I believe such a shop in our town would be detrimental to our town & district.

I believe that that applications for shops in several South Australian towns have been rejected.

Yours sincerely
P. H. Crouch

RECEIVED
15 JUL 2013

2 Joseph SA,
Kaniva

13-9-16

BY:.....

West Wimmera Shire,
25 Baker St.
Kaniva,

Dear Sir, Cadam,

I wish to submit my
objection for the planning permit for the
Sutton Paddock to open in our town.

What concerns me is the fact that they
were not given permission to practice in
Bordertown & other S.A. towns. So they
came across the border.

We do not need them here, for the
youth of our town.

Yours sincerely
Joy Couch.



West Wimmera Shire Council
ANNUAL FINANCIAL REPORT

For the Year Ended 30 June 2016

West Wimmera Shire Council

Financial Report

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Comprehensive Income Statement For the Year Ended 30 June 2016

	Note	2016 \$	2015 \$
Income			
Rates and charges	3	6,804,194	6,360,168
Statutory fees and fines	4	111,923	135,558
User fees	5	440,264	519,080
Grants - operating	6	3,976,536	9,108,055
Grants - capital	6	3,488,457	2,112,604
Contributions - monetary	7	62,076	7,341
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	8	119,506	56,624
Share of net profits (or loss) of associates and joint ventures	15	844	21,990
Other income	9	2,649,383	2,965,151
Total income		17,653,183	21,286,571
Expenses			
Employee costs	10	6,348,683	6,505,894
Materials and services	11	5,140,923	6,220,390
Depreciation and amortisation	12	6,367,575	6,663,316
Borrowing costs	13	13,634	23,315
Other expenses	14	308,346	268,825
Total expenses		18,179,161	19,681,740
Surplus/(deficit) for the year		(525,978)	1,604,831
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment/(decrement)	21	-	423,852
Share of other comprehensive income of associates and joint ventures	15	(11,206)	12,925
Items that may be reclassified to surplus or deficit in future periods			
Total comprehensive result		(537,184)	2,041,608

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



Balance Sheet As at 30 June 2016

	Note	2016	2015
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	16	8,559,221	8,760,478
Trade and other receivables	17	609,110	588,913
Inventories	18	171,981	166,043
Non-current assets classified as held for sale	19	14,000	20,000
Other assets	20	20,889	179,876
Total current assets		9,375,201	9,715,310
Non-current assets			
Investments in associates and joint ventures	15	392,875	403,235
Property, infrastructure, plant and equipment	21	167,468,735	167,527,190
Total non-current assets		167,861,610	167,930,425
Total assets		177,236,811	177,645,735
Liabilities			
Current liabilities			
Trade and other payables	22	836,954	648,218
Trust funds and deposits	24	35,655	73,397
Provisions	24	1,946,717	1,893,508
Interest-bearing loans and borrowings	25	287,524	117,399
Total current liabilities		3,106,850	2,732,522
Non-current liabilities			
Provisions	24	227,036	185,580
Interest-bearing loans and borrowings	25	-	287,524
Total non-current liabilities		227,036	473,104
Total liabilities		3,333,886	3,205,626
Net assets		173,902,925	174,440,109
Equity			
Accumulated surplus		36,114,986	37,509,190
Reserves	26	137,787,939	136,930,919
Total Equity		173,902,925	174,440,109

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



Statement of Changes in Equity For the Year Ended 30 June 2016

	Note	Total	Accumulated Surplus	Revaluation Reserve	Other Reserves
2016					
Balance at beginning of the financial year		174,440,109	37,509,190	136,091,285	839,634
Surplus/(deficit) for the year		(537,184)	(537,184)	-	-
Net asset revaluation increment/(decrement)	26(a)	-	-	-	-
Transfers to other reserves	26(b)	-	(960,428)	-	960,428
Transfers from other reserves	26(b)	-	103,408	-	(103,408)
Balance at end of the financial year		173,902,925	36,114,986	136,091,285	1,696,654

		Total \$	Accumulated Surplus \$	Revaluation Reserve \$	Other Reserves \$
2015					
Balance at beginning of the financial year		172,398,501	35,978,417	135,667,433	752,651
Surplus/(deficit) for the year		1,617,756	1,617,756	-	-
Net asset revaluation increment/(decrement)	26(a)	423,852	-	423,852	-
Transfers to other reserves	26(b)	-	(107,657)	-	107,657
Transfers from other reserves	26(b)	-	20,674	-	(20,674)
Balance at end of the financial year		174,440,109	37,509,190	136,091,285	839,634

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



Statement of Cash Flows For the Year Ended 30 June 2016

		2016 Inflows/ (Outflows) \$	2015 Inflows/ (Outflows) \$
	Note		
Cash flows from operating activities			
Rates and charges		6,803,817	6,387,548
Statutory fees and fines		123,115	135,558
User fees		462,488	519,080
Grants - operating		3,976,536	9,108,055
Grants - capital		3,488,457	3,162,604
Contributions - monetary		62,076	7,341
Interest received		195,454	170,402
Trust funds and deposits taken		-	450
Other receipts		2,791,713	2,924,365
Net GST refund/payment		(41,371)	(47,558)
Employee costs		(6,254,018)	(6,331,574)
Materials and services		(5,451,135)	(6,144,687)
Trust funds and deposits repaid		(37,742)	(6,636)
Other payments		-	(268,825)
Net cash provided by/(used in) operating activities	27	6,119,390	9,616,123
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	21	(6,471,722)	(6,417,988)
Proceeds from sale of property, infrastructure, plant and equipment		282,108	172,635
Loans and advances made		-	(15,000)
Net cash provided by/(used in) investing activities		(6,189,614)	(6,260,353)
Cash flows from financing activities			
Finance costs		(13,634)	(23,315)
Proceeds from borrowings		(117,399)	-
Repayment of borrowings		-	(111,529)
Net cash provided by/(used in) financing activities		(131,033)	(134,844)
Net increase (decrease) in cash and cash equivalents		(201,257)	3,220,926
Cash and cash equivalents at the beginning of the financial year		8,760,478	5,539,552
Cash and cash equivalents at the end of the financial year		8,559,221	8,760,478
Financing arrangements	28		
Restrictions on cash assets	16		

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



Statement of Capital Works For the Year Ended 30 June 2016

	Note	2016 \$	2015 \$
Property			
Land improvements		17,867	474,597
Total land		<u>17,867</u>	<u>474,597</u>
Buildings		489,226	767,409
Total buildings		<u>489,226</u>	<u>767,409</u>
Total property		<u>507,093</u>	<u>1,242,006</u>
 Plant and equipment			
Plant, machinery and equipment		908,165	1,129,604
Fixtures, fittings and furniture		42,596	23,924
Total plant and equipment		<u>950,761</u>	<u>1,153,528</u>
 Infrastructure			
Roads		4,412,817	3,754,942
Bridges		432,102	127,535
Footpaths and cycleways		103,220	105,202
Drainage		55,727	33,915
Parks, open space and streetscapes		-	12,820
Total infrastructure		<u>5,003,867</u>	<u>4,034,414</u>
 Total capital works expenditure		<u>6,461,721</u>	<u>6,429,948</u>
 Represented by:			
New asset expenditure		344,824	609,855
Asset renewal expenditure		5,422,039	4,264,216
Asset expansion expenditure		-	256,930
Asset upgrade expenditure		694,858	1,298,947
Total capital works expenditure		<u>6,461,721</u>	<u>6,429,948</u>

The above statement of capital works should be read in conjunction with the accompanying notes.



Introduction

The West Wimmera Shire Council was established by an Order of the Governor in Council on 20th January 1995 and is a body corporate.

The Council's main office is located at 49 Elizabeth Street, Edenhope, Vic 3318.

Statement of compliance

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

Note 1 Significant accounting policies

(a) Basis of accounting

The accrual basis of accounting has been used in the preparation of these financial statements, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated judgements are based on professional judgement derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AAS's that have significant effects on the financial statements and estimates relate to:

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 1 (m))
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 1 (n))
- the determination of employee provisions (refer to Note 1 (t))

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

(b) Changes in accounting policies

There have been no changes in accounting policies from the previous period.

(c) Principles of consolidation

The consolidated financial statements of Council incorporate all entities controlled by Council as at 30 June 2016, and their income and expenses for that part of the reporting period in which control existed.

Subsidiaries are all entities over which Council has control. Council controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Council. They are deconsolidated from the date that control ceases.

Where dissimilar accounting policies are adopted by entities and their effect is considered material, adjustments are made to ensure consistent policies are adopted in these financial statements.

In the process of preparing consolidated financial statements all material transactions and balances between consolidated entities are eliminated.

There are no entities consolidated into Council.

(d) Committees of management

All entities controlled by Council that have material revenues, expenses, assets or liabilities, such as committees of management, have been included in this financial report. Any transactions between these entities and Council have been eliminated in full.



Note 1 Significant accounting policies (cont.)

(e) Accounting for investments in associates and joint arrangements

Associates

Associates are all entities over which Council has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement.

(i) Joint operations

Council recognises its direct right to, and its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate headings.

(ii) Joint ventures

Interests in joint ventures are accounted for using the equity method. Under this method, the interests are initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise Council's share of the post-acquisition profits or losses and movements in other comprehensive income in profit or loss and other comprehensive income respectively.

(f) Revenue recognition

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.

Rates and Charges

Annual rates and charges are recognised as revenues when Council issues annual rates notices.

Supplementary rates are recognised when a valuation and reassessment is completed and a supplementary rates notice issued.

Statutory fees and fines

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

User fees

User fees are recognised as revenue when the service has been provided or the payment is received, whichever first occurs.

Grants

Grant income is recognised when Council obtains control of the contribution. This 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.

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in Note 6. The note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

Contributions

Monetary and non monetary contributions are recognised as revenue when Council obtains control over the contributed asset.

Sale of property, infrastructure, plant and equipment

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

Interest

Interest is recognised as it is earned.

Dividends

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

Other Income

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



Note 1 Significant accounting policies (cont.)

(g) Fair value measurement

Council measures certain assets and liabilities at fair value where required or permitted by Australian Accounting Standards. AASB 13 Fair value measurement, aims to improve consistency and reduce complexity by providing a definition of fair value and a single source of fair value measurement and disclosure requirements for use across Australian Accounting Standards.

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 between market participants at the measurement date. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within a 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.

(h) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of 90 days or less, net of outstanding bank overdrafts.

(i) Trade and other receivables

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

(j) Other financial assets

Other financial assets are valued at fair value, being market value, at balance date. Term deposits are measured at amortised cost. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.

(k) Inventories

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

All other inventories, including land held for sale, are measured at the lower of cost and net realisable value.

Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

(l) Non-current assets classified as held for sale

A non-current asset classified as 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 and 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.

(m) Recognition and measurement of property, plant and equipment, infrastructure, intangibles

Acquisition

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

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

In accordance with Council's policy, the threshold limits detailed in Note 1 n have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.



Note 1 Significant accounting policies (cont.)

(m) Recognition and measurement of property, plant and equipment, infrastructure, intangibles (cont'd)

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value, being the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date, the class of asset was revalued.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. Further details regarding the fair value hierarchy are disclosed at Note 22 Property, infrastructure, plant and equipment.

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 1 to 3 years. The valuation is performed either by experienced council officers or independent experts.

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

Land under roads

No land under roads have been acquired after 30 June 2008. Council does not recognise land under roads that it controlled prior to that period in its financial report.

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

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

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

Road earthworks are not depreciated on the basis that they are assessed as not having a limited useful life. Straight line depreciation is charged based on the residual useful life as determined each year.

Depreciation periods used are listed below and are consistent with the prior year unless otherwise stated.



Note 1 Significant accounting policies (cont.)

(n) Depreciation and amortisation of property, infrastructure plant and equipment and intangibles (cont'd)

Asset recognition thresholds and depreciation periods

	Depreciation Period	Threshold Limit
Property		
land	-	5,000
land improvements	6 - 50 years	5,000
Buildings		
buildings	30 - 120 years	5,000
building improvements	30 - 120 years	5,000
leasehold improvements	30 - 120 years	5,000
Plant and Equipment		
plant, machinery and equipment	3 - 40 years	1,000
fixtures, fittings and furniture	3 - 10 years	1,000
computers and telecommunications	3 - 10 years	1,000
Infrastructure		
road pavements and seals	17 - 75 years	5,000
road substructure	75 years	5,000
road formation and earthworks	75 years	5,000
road kerb, channel and minor culverts	50 - 70 years	5,000
bridges deck	35 - 80 years	5,000
bridges substructure	35 - 80 years	5,000
footpaths and cycleways	25 - 50 years	5,000
drainage	70 - 80 years	5,000

(o) 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.

(p) Investment property

Investment property, comprising freehold office complexes, is held to generate long-term rental yields. Investment property is measured initially at cost, including transaction costs. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefit in excess of the originally assessed performance of the asset will flow to the Council. Subsequent to initial recognition at cost, investment property is carried at fair value, determined annually by independent valuers. Changes to fair value are recorded in the comprehensive income statement in the period that they arise. Rental income from the leasing of investment properties is recognised in the comprehensive income statement on a straight line basis over the lease term.

(q) Impairment of assets

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

(r) Trust funds and deposits

Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited (refer to Note 24).

(s) Borrowings

Borrowings are initially measured at fair value, being the cost of the interest bearing liabilities, net of transaction costs. The measurement basis subsequent to initial recognition depends on whether the Council has categorised its interest-bearing liabilities as either financial liabilities designated at fair value through the profit and loss, or financial liabilities at amortised cost. Any difference between the initial recognised amount and the redemption value is recognised in net result over the period of the borrowing using the effective interest method. The classification depends on the nature and purpose of the interest bearing liabilities. The Council determines the classification of its interest bearing liabilities at initial recognition.

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.



Note 1 Significant accounting policies (cont.)

(t) Employee costs and benefits

The calculation of employee costs and 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 the 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 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 wholly settled within 12 months.
- nominal value - component that is expected to be wholly settled within 12 months.

Classification of employee costs

Non-current liability - conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, 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.

(u) Leases

Finance leases

Leases of assets where substantially all the risks and rewards 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 the Council will obtain ownership of the asset or over the term of the lease, whichever is the shorter. At 30 June 2016 Council has no finance leases.

Operating leases

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

(v) Goods and Services Tax (GST)

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

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

(w) Financial guarantees

Financial guarantee contracts are not recognised as a liability in the balance sheet unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probable that the right will be exercised. Details of guarantees that Council has provided, that are not recognised in the balance sheet, are disclosed at Note 33 contingent liabilities and contingent assets.

(x) Contingent assets and contingent liabilities and commitments

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

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



Note 1 Significant accounting policies (cont.)

(y) Pending accounting standards

Certain new AAS's have been issued that are not mandatory for the 30 June 2016 reporting period. Council has assessed these pending standards and has identified that no material impact will flow from the application of these standards in future reporting periods.

(z) Rounding

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



Note 2 Budget comparison

The budget comparison notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 100 percent or \$100,000 where further explanation is warranted. 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 detailed below are those adopted by Council on Day Month Year. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for income and expense targets in this budget in order to meet Council's planning 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.

These notes are prepared to meet the requirements of the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

(a) Income and Expenditure

	Budget 2016 \$	Actual 2016 \$	Variance 2016 \$	Ref
Income				
Rates and charges	6,852,280	6,804,194	(48,086)	
Statutory fees and fines	128,900	111,923	(16,977)	1
User fees	2,000,131	440,264	(1,559,867)	2
Grants - operating	5,813,434	3,976,536	(1,836,898)	3
Grants - capital	2,500,360	3,488,457	988,097	4
Contributions - monetary	97,300	62,076	(35,224)	5
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	158,920	119,506	(39,414)	6
Share of net profits/(losses) of associates and joint ventures	-	844	844	
Other income	573,600	2,649,383	2,075,783	7
Total income	18,124,925	17,653,183	(471,742)	
Expenses				
Employee costs	6,334,361	6,348,683	(14,322)	
Materials and services	5,460,473	5,140,923	319,550	8
Depreciation and amortisation	6,260,106	6,367,575	(107,469)	9
Borrowing costs	18,893	13,634	5,259	
Other expenses	312,392	308,346	4,046	
Total expenses	18,386,225	18,179,161	207,064	
Surplus/(deficit) for the year	(261,300)	(525,978)	(264,678)	

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Statutory fees and fines	Funds collected through Statutory Fees and Fines have returned 13.2% less than originally budgeted. The major contributor to this decline was in the area of building fees, which were considerably lower (\$13,197) than the previous year as a result of lower building activity recorded.



2	User Fees	<p>The original budget placed reimbursements from VicRoads (\$1,633,000) into User Fees rather than Other Income. Removing these from User Fees original budget leaves a variance of \$73,133 or 20% over budget. The major Variances here include:</p> <p>→ Private Works which provided Council with \$122,711 income which was not budgeted.</p> <p>→ Pre-school fee revenue was \$45,004 below the budgeted level which was offset by drought assistance grants received by Council.</p>
3	Grants - Operating	<p>Operating grants show a significant variance of 31.6% below the anticipated amount. This was fundamentally a result of the Federal Governments decision to prepay 50% of the 2015-16 Financial Assistance Grants allocation to Council on June 30 2015, resulting in that payments being receipted in the 2014-15 accounts. Council's budget for 2015-16 included all of the payment to be received during 2015-16. This action of the FEderal Government led to Council receipting \$2,479,051 less in 2015-16 than budgeted. This shortfall was partially offset by increased grants received in the following areas:</p> <p>→ Community Projects Grants \$344,499.48 more than budgeted (relating to the Kaniva Community Hub project);</p> <p>→ Pre-School revenue received from drought assistance programs \$155,688 more than budgeted;</p> <p>→ Pest Control grants received by Council \$86,595 more than budgeted.</p>
4	Grants - Capital	<p>Capital grants show a significant variance of 39.5% above the originally budgeted amount. The major variance here relates to the fact that Council has received \$901,468 additional funds under the Roads to Recovery program than was originally budgeted. This is a result of the Federal Government allocating additional funds for 2015-16 year which were not included in Council's initial budget.</p> <p>There also significantly more grant funds received for building renewal projects than budgeted - relating to the Henley park redevelopment project (\$126,000) and the Seasonal Pools program (\$100,500). These increases were partly offset by budgeted grants amounts not received relating to bridge works which were rescoped (\$140,000)</p>
5	Contributions - Monetary	<p>Contributions received by Council were 36.2% lower than originally budgeted. The only contribution received during 2015-16 was from the Kaniva community as part of the Kaniva community Hub project.</p>
6	Net gain/(loss) on disposal of property, infrastructure, plant and equipment	<p>Council recorded a net gain on the disposal of property, infrastructure, plant and equipment which was 24.8% lower than budgeted. This is largely due to Council deciding for operational reasons to defer renewal of one patching truck (budgeted gain on sale of \$30,000).</p>
7	Other Income	<p>The original budget placed reimbursements from VicRoads (\$1,633,000) into User Fees rather than Other Income. Adding the \$1,633,000 budget for reimbursements to Other Income results in a variance of \$442,780 or 20%. The major variances included here include:</p> <p>→ Reimbursements from VicRoads for state road maintenance works were \$199,474 higher than budgeted, as a result of a higher level of works undertaken than anticipated;</p> <p>→ Interest earned on investments was \$90,454 higher than budgeted, as a result of Council holding higher cash balanes at the start of the year due to the pre-payment of 50% of the 2015/16 Financial Assistance Grants on 30 June 2015, as well as a high focus on investment management by Council;</p> <p>→ Reimbursements from Quarry Operations were \$65,702 higher than budgeted, representing greater turnover of materials.</p>
8	Materials & Services	<p>Materials & Services show a \$319,550 variance below budget for the year. A number of factors contributed to this, including:</p> <p>→ External Plant Hire was \$86,798 below budget, as Council's own plant was sufficeint for requirements over the year;</p> <p>→ Fuel costs were \$55,240 below budget due in main to significantly lower pricing than was included in the budget;</p> <p>→ Sundry expenses were \$77,017 below budget due to significantly tighter controls being placed on spending. The major functional areas where this saving was made include Community Support (\$17,308), Youth Services (\$14,276), Halls & Community Centres (\$9,821), Children's Services (\$9,500), Pre-Schools (\$6,348), Swimming Pools (\$6,160) and Bores Maintenance (\$6,000).</p> <p>→ Council's contribution to the 'Lighting the Regions' project to install LED street lighting was \$64,620 under budget, as a result of the program expenses being considerably lower than anticipated.</p> <p>→ Electricity costs were \$32,166 lower than originally budgeted as the full effect of upgrading Council's streetlight to LED was realised.</p>
9	Depreciation	<p>Depreciation expense for 2015-16 was \$107,466 over initial expectations. Depreciation is an accounting measure representing the consumption of Council's Assets. Council increased its Assets by \$6.46 million over the year (as represented by the Capital Works Statement). This represents an additional capital spend of \$944,821 over budget (\$5.52 million), resulting in a higher than anticipated depreciation expense.</p>



Note 2 Budget comparison (cont)

(b) Capital Works

	Budget 2016	Actual 2016	Variance 2016	Ref
Property				
Land improvements	-	10,427	10,427	1
Total Land	-	10,427	10,427	
Buildings	325,000	489,226	164,226	2
Total Buildings	325,000	489,226	164,226	
Total Property	325,000	499,653	174,653	
Plant and Equipment				
Plant, machinery and equipment	1,132,500	908,165	(224,335)	3
Fixtures, fittings and furniture	40,000	42,596	2,596	
Total Plant and Equipment	1,172,500	950,761	(221,739)	
Infrastructure				
Roads	3,571,800	4,412,817	841,017	4
Bridges	280,000	432,102	152,102	5
Footpaths and cycleways	102,600	103,220	620	
Drainage	50,000	55,727	5,727	6
Parks, open space and streetscapes	15,000	7,440	(7,560)	7
Total Infrastructure	4,019,400	5,011,307	991,907	
Total Capital Works Expenditure	5,516,900	6,461,721	944,821	
Represented by:				
New asset expenditure	132,000	344,824	212,824	
Asset renewal expenditure	4,835,900	5,422,039	586,139	
Asset expansion expenditure	451,000	-	(451,000)	
Asset upgrade expenditure	98,000	694,858	596,858	
Total Capital Works Expenditure	5,516,900	6,461,721	944,821	



(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Land Improvements	Land Improvements involved minor works on Township signage and necessary repairs to a Council owned bore site which were not budgeted.
2	Buildings	Buildings capital works show a significant 50% overspend on budget. The majority of this came from projects which were transferred from Works In Progress for which it was not possible to include in the original budget. These include: → Henley Park redevelopment \$193,381 → Kaniva Men's Shed \$25,227 There was also additional unbudgeted expenditure relating to the replacement of fencing for the former Kaniva aerodrome site (\$14,775) which was required before the site could be leased. These amounts are partially offset by a reduction in other projects which for operational reasons were not undertaken during 2015-16, including: → Fencing at Kaniva Band Park (\$90,000) → Kaniva Hall air conditioning (\$15,000)
3	Plant, Machinery and Equipment	The Plant, Machinery and Equipment area show an actual capital spend of 20% below budget. This was due to the deferral of the purchase of a patching truck.
4	Roads	Roads show a significant variance to budget with an overspend of \$841,016. There were a number of projects contributing to this. These were funded by additional grants under the Roads to Recovery program, which was significantly expanded for the 2015-16 year by the Federal Government, and also by reductions to local road resheets (\$194,379) and general sealing jobs (\$65,401).
5	Bridges	Bridges show a significant 54% overspend to budget. This was the result of the Dorodong Road bridge requiring significantly more works than first anticipated. The additional works were funding from the enhanced 2015-16 Roads to Recovery program.
6	Drainage	Drainage shows a variance of \$5,727 over original budget, which equates to 11.5% of original budget. This occurred as essential works returned a slightly higher than anticipated cost.
7	Parks, Open Space and Streetscapes	The original budget for Parks, Open Space and Streetscapes called for \$15,000 of works in renewing play equipment at Council's various playgrounds. Over the year Council spent \$7,440 on this task.



	2016 \$	2015 \$
Note 3 Rates and charges		
Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The Capital Improved Value of a property is its current market value determined by Council's contract valuer.		
The valuation base used to calculate general rates for 2015/16 was \$1,773.75 million (2014/15 \$1,640.21 million).		
General Rates	5,959,011	5,640,742
Municipal charge	399,224	378,596
Waste management charge	445,959	340,830
Total rates and charges	6,804,194	6,360,168
The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2016, and the valuation will be first applied in the rating year commencing 1 July 2016.		
Note 4 Statutory fees and fines		
Animal management	28,928	28,836
Building fees	18,803	36,753
Permits	16,346	13,155
Town planning fees	14,217	15,598
Infringements and costs	3,157	3,349
Court recoveries	-	3,857
Other	30,472	34,010
Total statutory fees and fines	111,923	135,558
Note 5 User fees		
Community services user charges	217,075	264,825
Private and contract works	122,711	61,853
Refuse disposal fees	43,707	123,103
User charges	25,264	28,625
Caravan park fees	20,511	21,307
Other fees and charges	10,996	19,367
Total user fees	440,264	519,080



	2016 \$	2015 \$
Note 6 Grants		
Grants were received in respect of the following :		
Summary of grants		
Commonwealth funded grants	5,454,617	8,603,127
State funded grants	2,010,376	2,617,532
Total grants received	7,464,993	11,220,659
Operating Grants		
Recurrent - Commonwealth Government		
Victoria Grants Commission	2,377,789	7,455,860
Recurrent - State Government		
HACC programs	405,856	380,724
Preschool operating	299,174	239,183
Maternal and child health	159,221	144,006
Pest & weed control	116,595	50,000
Preschool cluster management	57,128	45,001
Meals services	39,587	35,985
Senior Citizens	36,746	39,245
Youth initiatives FreeZa program	19,600	19,600
Other	41,028	21,729
Total recurrent operating grants	3,552,724	8,431,333
Non-recurrent - Commonwealth Government		
Ausnac/Workco - Apprenticeship scheme	-	15,000
Non-recurrent - State Government		
Kaniva Hub	300,000	-
Drought Response program	55,000	-
Fire Service Levy Implementation Grant	38,193	37,097
Public Hall Upgrades	10,000	-
Lake Wallace Boating Safety	9,304	-
One Tree per Child program	3,315	-
Douglas Tennis Club (DHHS)	3,300	29,700
Harrow/Goroke Precinct Plan	3,000	27,000
Connewirricoo Tennis Club (DHHS)	1,700	15,300
Kaniva Industrial Estate	-	191,000
Community Planning Grant (VASP - DELWP)	-	175,000
Apsley Recreation Reserve Upgrade (DHS)	-	90,000
Regional Living Expo	-	20,000
Vulnerable Persons Co-ordination Funding	-	20,000
Anzac Commemorative	-	17,375
Icons of Edenhope (DEDJTR)	-	15,000
Kaniva Streetlife	-	8,148
Edenhope Streetlife	-	8,102
Edenhope/Apsley Community Precinct Plan	-	3,000
Kaniva Community Precinct Plan	-	3,000
Community Facility Funding - Lighting Grant	-	2,000
Total non-recurrent operating grants	423,812	676,722
Total operating grants	3,976,536	9,108,055
Capital Grants		
Recurrent - Commonwealth Government		
Roads to recovery	3,076,828	1,132,267
Total recurrent capital grants	3,076,828	1,132,267
Non-recurrent - Commonwealth Government		
Add additional grants grouped by type as appropriate		
Non-recurrent - State Government		
Henley Park (DEDJTR)	126,000	84,000
Better Pools program	100,500	-
Kaniva Playspace	90,000	-
Edenhope Transfer Station (Sustain Vic)	24,000	6,000
Kaniva Transfer Station (Sustain Vic)	23,200	5,800
Local Government Infrastructure Program (DELWP)	20,453	705,000
War Memorial Restoration Grants	19,476	-
Kaniva Men's Shed	8,000	-
Signage Grant (DEDJTR)	-	108,000
Vicroads Fullarton's Road	-	66,462
Fire Access Grant	-	5,075
Total non-recurrent capital grants	411,629	980,337
Total capital grants	3,488,457	2,112,604



Note 6 Grants (Contd)

Unspent grants received on condition that they be spent in a specific manner

Balance at start of year	162,780	-
Received during the financial year and remained unspent at balance date	322,120	162,780
Received in prior years and spent during the financial year	77,960	-
Balance at year end	<u>406,940</u>	<u>162,780</u>

2016	2015
\$	\$

Note 7 Contributions

Monetary	62,076	7,341
Non-monetary	-	-
Total contributions	<u>62,076</u>	<u>7,341</u>

Note 8 Net gain/(loss) on disposal of property, infrastructure, plant and equipment

Proceeds of sale	282,108	172,635
Written down value of assets disposed	(162,602)	(116,011)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	<u>119,506</u>	<u>56,624</u>

Note 9 Other income

Reimbursements - VicRoads	1,749,474	1,963,861
Quarry operations	340,703	332,829
Reimbursements - other	196,839	244,820
Interest	195,454	170,403
Insurance refunds	55,759	114,662
Rent	44,987	43,995
Fuel tax refund	43,707	40,857
Gain on valuation of inventory land	4,000	8,040
Recyclable sales	-	2,074
Transfer stations scrap metal sales	-	25,073
Other	18,460	18,537
Total other income	<u>2,649,383</u>	<u>2,965,151</u>

Note 10 (a) Employee costs

Wages and salaries	5,572,797	5,767,865
WorkCover	106,448	100,911
Superannuation	591,508	579,193
Fringe benefits tax	77,930	57,925
Total employee costs	<u>6,348,683</u>	<u>6,505,894</u>

Note 10 (b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	65,489	76,757
Employer contributions - other funds	-	-
	<u>65,489</u>	<u>76,757</u>

Employer contributions payable at reporting date.	-	-
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Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	251,358	491,049
Employer contributions - other funds	274,661	11,387
	<u>526,019</u>	<u>502,436</u>

Employer contributions payable at reporting date.	-	-
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Refer to note 35 for further information relating to Council's superannuation obligations.



	2016 \$	2015 \$
Note 11 Materials and services		
Contract payments	2,710,188	2,872,755
Plant and equipment maintenance	715,505	807,448
Utilities	336,910	347,917
Office administration	53,201	50,204
Information technology	192,559	71,951
Insurance	292,096	317,791
Consultants	72,356	255,196
Other materials and services	768,108	1,497,128
Total materials and services	5,140,923	6,220,390
Note 12 Depreciation and amortisation		
Property	715,138	658,614
Plant and equipment	868,597	902,956
Infrastructure	4,783,840	5,101,746
Total depreciation	6,367,575	6,663,316
Intangible assets	-	-
Total depreciation and amortisation	6,367,575	6,663,316
<i>Refer to note 23 and 25 for a more detailed breakdown of depreciation and amortisation charges</i>		
Note 13 Borrowing costs		
Interest - Borrowings	13,634	23,315
Less capitalised borrowing costs on qualifying assets	-	-
Total borrowing costs	13,634	23,315
Note 14 Other expenses		
Councillors' allowances	135,204	128,428
Operating lease rentals	85,818	90,706
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	30,195	29,895
Auditors' remuneration - Internal	16,875	10,250
Other	40,254	9,546
Total other expenses	308,346	268,825



	2016 \$	2015 \$
Note 15 Investments in associates, joint ventures and subsidiaries		
Investments in associates accounted for by the equity method are:		
- Wimmera Regional Library Corporation	357,361	368,397
- Wimmera Development Association	-	34,838
Wimmera Regional Library Corporation		
<i>Background</i>		
Council's investment in the Wimmera Regional Library Corporation is based on the equity method of accounting. Refer Note 1 (e).		
Council's interest in equity.	11.43%	11.79%
Fair value of Council's investment in Wimmera Regional Library Corporation	<u>-</u>	<u>368,397</u>
Council's share of accumulated surplus/(deficit)		
Council's share of accumulated surplus(deficit) at start of year	164,492	204,395
Reported surplus(deficit) for year	169	16,551
Transfers (to) from reserves	1,383	(13,599)
Change in equity share apportionment	(4,970)	(42,855)
Council's share of accumulated surplus(deficit) at end of year	<u>161,074</u>	<u>164,492</u>
Council's share of reserves		
Council's share of reserves at start of year	203,904	134,491
Transfers (to) from reserves	(1,383)	13,599
Change in equity share apportionment	(6,234)	55,814
Council's share of reserves at end of year	<u>196,287</u>	<u>203,904</u>
Movement in carrying value of specific investment		
Carrying value of investment at start of year	368,397	338,887
Share of surplus(deficit) for year	169	16,551
Share of asset revaluation	-	-
Change in equity share apportionment	(11,205)	12,959
Carrying value of investment at end of year	<u>357,361</u>	<u>368,397</u>
Council's share of expenditure commitments		
Operating commitments	-	-
Capital commitments	-	-
Council's share of expenditure commitments	<u>-</u>	<u>-</u>

2015
\$

7.76%

34.838

29.433

5.439

(406)

(10.345)

$$\frac{(10,343)}{24\ 121}$$

24,121

—

406

10.311

10.717

29.433

5.439

-

(34)

34,838

—

-

<<detail any significant restrictions on the ability of associate or joint arrangement to transfer assets to Council in the form of dividends or to repay loans or advances made by Council.>>



	2016	2015
	\$	\$
Note 16 Cash and cash equivalents		
Cash on hand	1,270	1,270
Cash at bank	2,469,333	7,792,027
Cash deposits	6,088,619	967,181
	<u>8,559,222</u>	<u>8,760,478</u>
Councils cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:		
- Unspent Grants (Note 6)	406,940	162,780
- Trust funds and deposits (Note 24)	35,655	72,012
Total restricted funds	<u>442,595</u>	<u>234,792</u>
Total unrestricted cash and cash equivalents	<u>8,116,627</u>	<u>8,525,686</u>
Intended allocations		
Although not externally restricted the following amounts have been allocated for specific future purposes by Council:		
- Cash held to fund carried forward capital works	714,450	388,000
- Cash held to fund long service leave provision	1,289,849	1,188,620
- Cash held for 2015-2016 grant revenue received in advance	-	2,477,842
- Other discretionary reserves	1,696,654	839,634
Total funds subject to intended allocations	<u>3,700,953</u>	<u>4,894,096</u>
Note 17 Trade and other receivables		
Current		
Rates debtors	254,526	254,149
Provision for doubtful debts - rates	(83,070)	(83,070)
Loans and advances to community organisations	7,500	15,000
Other debtors		
- Sundry Debtors	393,616	358,833
- GST Receivable	41,371	47,558
- Employee Superannuation	(1,416)	(140)
Provision for doubtful debts - other debtors	(3,417)	(3,417)
Total current trade and other receivables	<u>609,110</u>	<u>588,913</u>
Total trade and other receivables	<u>609,110</u>	<u>588,913</u>
(a) Ageing of Receivables		
At balance date other sundry 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 (excluding statutory receivables) was:		
Current (not yet due)	317,546	9,728
Past due by up to 30 days	21,812	237,665
Past due between 31 and 180 days	336	13,758
Past due between 181 and 365 days	2,760	54,289
Past due by more than 1 year	41,185	43,393
Total trade & other receivables	<u>383,639</u>	<u>358,833</u>
(b) Movement in provisions for doubtful debts		
Balance at the beginning of the year	86,487	86,487
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	<u>86,487</u>	<u>86,487</u>
Note 18 Inventories		
Inventories held for distribution	171,981	166,043
Total inventories	<u>171,981</u>	<u>166,043</u>



	2016 \$	2015 \$
Note 19 Non current assets classified as held for sale		
Fair value of land held for resale	14,000	20,000
Total non current assets classified as held for sale	14,000	20,000
 Note 20 Other assets		
Prepayments	20,889	84,093
Accrued income	-	95,783
Total other assets	20,889	179,876



Note 21 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2016	Accumulated Depreciation	WDV 30 June 2016	At Fair Value 30 June 2015	Accumulated Depreciation	WDV 30 June 2015
Land	4,100,500	(915,173)	3,185,327	3,930,514	(791,386)	3,139,128
Buildings	31,885,213	(16,360,651)	15,524,562	30,924,460	(15,769,300)	15,155,160
Plant and Equipment	9,055,612	(5,867,411)	3,188,202	8,902,308	(5,646,408)	3,255,900
Infrastructure	223,067,701	(77,637,146)	145,430,556	218,126,018	(72,853,306)	145,272,712
Work in progress	140,088	-	140,088	704,291	-	704,291
	<u>268,249,114</u>	<u>(100,780,381)</u>	<u>167,468,735</u>	<u>262,587,591</u>	<u>(95,060,400)</u>	<u>167,527,191</u>

Summary of Work in Progress

	Opening WIP	Additions	Transfers	Write Offs	Closing WIP
Buildings	624,646	1,000	(624,646)	-	1,000
Plant and Equipment	33,799	31,058	(33,799)	-	31,058
Infrastructure	45,846	108,030	(45,846)	-	108,030
Total	<u>704,291</u>	<u>140,088</u>	<u>(704,291)</u>	<u>-</u>	<u>140,088</u>



Note 21 Property, infrastructure, plant and equipment (cont'd)

		Land - specialised	Land - non specialised	Land improvements	Total Land	Heritage buildings	Buildings - specialised	Buildings - non specialised	Total Buildings	Work In Progress	Total Property
Land and Buildings	Note										
At fair value 1 July 2015		952,900	66,000	2,911,614	3,930,514	58,800	29,653,160	1,212,500	30,924,460	624,646	35,479,620
Accumulated depreciation at 1 July 2015		-	-	(791,386)	(791,386)	(45,044)	(15,196,327)	(527,929)	(15,769,300)	-	(16,560,686)
		952,900	66,000	2,120,228	3,139,128	13,756	14,456,833	684,571	15,155,160	624,646	18,918,934
Movements in fair value											
Acquisition of assets at fair value		-	-	17,867	17,867	-	489,226	-	489,226	-	507,093
Revaluation increments/decrements		-	-	-	-	-	-	-	-	-	-
Fair value of assets disposed		-	-	-	-	-	-	-	-	-	-
Impairment losses recognised in operating result		-	-	-	-	-	-	-	-	-	-
Transfers		-	-	152,119	152,119	-	471,527	-	471,527	(623,646)	-
		-	-	169,986	169,986	-	960,753	-	960,753	(623,646)	507,093
Movements in accumulated depreciation											
Depreciation and amortisation		-	-	(123,787)	(123,787)	(1,058)	(568,289)	(22,004)	(591,351)	-	(715,138)
Accumulated depreciation of disposals		-	-	-	-	-	-	-	-	-	-
Impairment losses recognised in operating result		-	-	-	-	-	-	-	-	-	-
Transfers		-	-	-	-	-	-	-	-	-	-
		-	-	(123,787)	(123,787)	(1,058)	(568,289)	(22,004)	(591,351)	-	(715,138)
At fair value 30 June 2016		952,900	66,000	3,081,600	4,100,500	58,800	30,613,913	1,212,500	31,885,213	1,000	35,986,713
Accumulated depreciation at 30 June 2016		-	-	(915,173)	(915,173)	(46,102)	(15,764,616)	(549,933)	(16,360,651)	-	(17,275,824)
		952,900	66,000	2,166,427	3,185,327	12,698	14,849,297	662,567	15,524,562	1,000	18,710,889



Note 21 Property, infrastructure, plant and equipment (cont'd)

Plant and Equipment	Note	Plant machinery and equipment	Fixtures fittings and furniture	Work In Progress	Total plant and equipment
At fair value 1 July 2015		7,597,006	1,305,302	33,799	8,936,107
Accumulated depreciation at 1 July 2015		- 4,500,087	(1,146,321)	-	(5,646,408)
		<u>3,096,919</u>	<u>158,981</u>	<u>33,799</u>	<u>3,289,699</u>
Movements in fair value					
Acquisition of assets at fair value		908,165	42,596	-	950,761
Revaluation increments/decrements		-	-	-	-
Fair value of assets disposed		(800,198)	-	-	(800,198)
Impairment losses recognised in operating result		-	-	-	-
Transfers		33,799	(31,058)	(2,741)	-
		<u>141,766</u>	<u>11,538</u>	<u>(2,741)</u>	<u>150,563</u>
Movements in accumulated depreciation					
Depreciation and amortisation		(811,687)	(56,910)	-	(868,597)
Accumulated depreciation of disposals		647,594	-	-	647,594
Impairment losses recognised in operating result		-	-	-	-
Transfers		-	-	-	-
		<u>- 164,093</u>	<u>(56,910)</u>	<u>-</u>	<u>(221,003)</u>
At fair value 30 June 2016		7,738,772	1,316,840	31,058	9,086,670
Accumulated depreciation at 30 June 2016		(4,664,180)	(1,203,231)	-	(5,867,411)
		<u>3,074,592</u>	<u>113,609</u>	<u>31,058</u>	<u>3,219,259</u>



Note 21 Property, infrastructure, plant and equipment (cont'd)

Infrastructure	Note	Roads	Bridges	Footpaths and cycleways	Drainage	Work In Progress	Total Infrastructure
At fair value 1 July 2015		196,014,405	3,449,294	3,974,252	14,688,067	45,846	218,171,864
Accumulated depreciation at 1 July 2015		(61,974,449)	(1,761,111)	(630,102)	(8,487,644)	-	(72,853,306)
		134,039,956	1,688,183	3,344,150	6,200,423	45,846	145,318,558
Movements in fair value							
Acquisition of assets at fair value		4,412,817	432,102	103,220	55,727		5,003,867
Revaluation increments/decrements		-	-	-	-	-	-
Fair value of assets disposed		-	-	-	-	-	-
Impairment losses recognised in operating result		-	-	-	-	-	-
Transfers		(92,295)	30,111	-	-	62,184	-
		4,320,522	462,213	103,220	55,727	62,184	5,003,867
Movements in accumulated depreciation							
Depreciation and amortisation		(4,451,922)	(45,676)	(79,887)	(206,355)	-	(4,783,840)
Accumulated depreciation of disposals		-	-	-	-	-	-
Impairment losses recognised in operating result		-	-	-	-	-	-
Transfers		-	-	-	-	-	-
		(4,451,922)	(45,676)	(79,887)	(206,355)	-	(4,783,840)
At fair value 30 June 2016		200,334,927	3,911,507	4,077,472	14,743,794	108,030	223,175,731
Accumulated depreciation at 30 June 2016		(66,426,371)	(1,806,787)	(709,989)	(8,693,999)	-	(77,637,146)
		133,908,556	2,104,720	3,367,483	6,049,795	108,030	145,538,585



Note 21 Property, infrastructure, plant and equipment cont'd

Valuation of land and buildings

Valuation of land and buildings were undertaken by a qualified independent valuer [Mr Ian Wilson, Contract Valuer, Australian Property Institute member 7297]. 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. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

Any significant movements in the unobservable inputs for land and land under roads will have a significant impact on the fair value of these assets.

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2016 are as follows:

	Level 1	Level 2	Level 3
Land	-	66,000	-
Specialised land	-	-	952,900
Land improvements	-	-	2,166,427
Heritage buildings	-	-	12,698
Buildings - specialised	-	662,567	-
Buildings - non specialised	-	-	14,849,298
Total	-	728,567	18,709,980

Valuation of infrastructure

Valuation of infrastructure assets has been determined in accordance with a valuation undertaken by Mr Des White Adv Dip, E.T., Local Government Engineer as at 30 June 2014. The condition assessment and valuation of the roads was done by Mr Peter Moloney of Moloney Asset Management Systems.

The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2016 are as follows:

	Level 1	Level 2	Level 3
Roads	-	-	133,908,557
Bridges	-	-	2,104,720
Footpaths and cycleways	-	-	3,367,483
Drainage	-	-	6,049,795
-	-	-	-
Total	-	-	145,430,556



Note 21 Property, infrastructure, plant and equipment (cont'd)

2016
\$

2015
\$

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 30% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions.

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs is calculated on a square metre basis and ranges from \$350 to \$1,700 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 40 years to 60 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 1 years to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

Reconciliation of specialised land

Municipal Office Land	103,000	103,000
Waste Disposal Land	116,000	116,000
Community Services Land	83,500	83,500
Infrastructure and Works Operations Land	324,500	324,500
Recreational and Sundry Council Land	325,900	325,900
Total specialised land	952,900	952,900



	2016 \$	2015 \$
Note 22 Trade and other payables		
Trade payables	715,743	529,535
Accrued Salaries	119,434	51,441
Accrued expenses	1,777	67,242
Total trade and other payables	836,954	648,218

Note 23 Trust funds and deposits		
Refundable Trust Kaniva Rotary Club	15,000	15,000
Refundable deposits	5,796	3,796
Refundable Trust Newlands lake restoration	3,359	3,359
Refundable Trust Lake Wallace committee proceeds	2,274	2,274
Refundable Trust Edenhope skateboard park fund	960	960
Refundable Trust Kaniva skateboard park fund raising	55	55
Refundable Trust Kaniva R/Res improvement fund	-	46,118
Refundable Kindergarten Photography Deposits	-	450
Fire services levy	8,211	1,385
Total trust funds and deposits	35,655	73,397

Purpose and nature of items

Refundable deposits - Deposits are taken by council as a form of surety in a number of circumstances, including in relation to building works, tender deposits, contract deposits and the use of civic facilities.

Fire Service Levy - Council is the collection agent for fire services levy on behalf of the State Government. Council remits amounts received on a quarterly basis. Amounts disclosed here will be remitted to the state government in line with that process.

Retention Amounts - Council has a contractual right to retain certain amounts until a contractor has met certain requirements or a related warrant or defect period has elapsed. Subject to the satisfactory completion of the contractual obligations, or the elapsing of time, these amounts will be paid to the relevant contractor in line with Council's contractual obligations.

Note 24 Provisions	Annual Leave	Long Service Leave	Rostered Days Off	Time In Lieu	Total
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
2016					
Balance at beginning of the financial year	777,080	1,188,620	51,553	61,835	2,079,088
Additional provisions	454,869	164,953	203,309	59,729	882,860
Amounts used	(472,026)	(153,222)	(192,221)	(76,553)	(894,022)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	16,329	89,498	-	-	105,827
Balance at the end of the financial year	776,252	1,289,849	62,641	45,011	2,173,753
2015					
Balance at beginning of the financial year	668,536	1,135,117	48,349	52,646	1,904,648
Additional provisions	499,963	61,660	188,035	85,493	835,151
Amounts used	(398,187)	(101,369)	(184,831)	(76,304)	(760,691)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	6,768	93,212	-	-	99,980
Balance at the end of the financial year	777,080	1,188,620	51,553	61,835	2,079,088



Note 24 Provisions (cont'd)	2016	2015
	\$'000	\$'000
Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	496,428	495,646
Long service leave	140,771	131,801
Rostered Days Off	62,641	51,553
Time In Lieu	45,010	61,835
	744,850	740,835
Current provisions expected to be wholly settled after 12 months		
Annual leave	279,825	281,434
Long service leave	922,042	871,239
	1,201,867	1,152,673
Total current employee provisions	1,946,717	1,893,508
Non-current		
Long service leave	227,036	185,580
Annual leave	-	-
Total non-current employee provisions	227,036	185,580
Aggregate carrying amount of employee provisions:		
Current	1,946,717	1,893,508
Non-current	227,036	185,580
Total aggregate carrying amount of employee provisions	2,173,753	2,079,088

Note 25 Interest-bearing loans and borrowings

Current		
Bank overdraft	-	-
Borrowings - secured (1)	287,524	117,399
	287,524	117,399
Non-current		
Borrowings - secured (1)	-	287,524
	-	287,524
Total	287,524	404,923

(1) Borrowings are secured by a lien over Council's rate revenue.

(a) The maturity profile for Council's borrowings is:

Not later than one year	287,524	117,399
Later than one year and not later than five years	-	287,524
Later than five years	-	-
	287,524	404,923



Note 26 Reserves

	Balance at beginning of reporting period	Increment (decrement)	Share of increment (decrement) on revaluation by an associate	Balance at end of reporting period
	\$	\$	\$	\$
(a) Asset revaluation reserves				
2016				
Property				
Land	724,387	-	-	724,387
	198,041	-	-	198,041
Buildings	9,485,014	-	-	9,485,014
	10,407,442	-	-	10,407,442
Infrastructure				
Roads	115,390,721	-	-	115,390,721
Bridges	575,750	-	-	575,750
Footpaths and cycleways	5,808,546	-	-	5,808,546
Drainage	3,908,826	-	-	3,908,826
Recreational, leisure and community facilities	-	-	-	-
Waste management	-	-	-	-
Parks, open space and streetscapes	-	-	-	-
Other infrastructure	-	-	-	-
	125,683,843	-	-	125,683,843
Total asset revaluation reserves	136,091,285	-	-	136,091,285
2015				
Property				
Land	300,535	423,852	-	724,387
	198,041	-	-	198,041
Buildings	9,485,014	-	-	9,485,014
	9,983,590	423,852	-	10,407,442
Infrastructure				
Roads	115,390,721	-	-	115,390,721
Bridges	575,750	-	-	575,750
Footpaths and cycleways	5,808,546	-	-	5,808,546
Drainage	3,908,826	-	-	3,908,826
Recreational, leisure and community facilities	-	-	-	-
Waste management	-	-	-	-
Parks, open space and streetscapes	-	-	-	-
Other infrastructure	-	-	-	-
	125,683,843	-	-	125,683,843
Total asset revaluation reserves	135,667,433	423,852	-	136,091,285

The asset revaluation reserve is used to record the increased (net) value of Council's assets over time.

	Balance at beginning of reporting period	Transfer to accumulated surplus	Transfer from accumulated surplus	Balance at end of reporting period
	\$'000	\$'000	\$'000	\$'000
(b) Other reserves				
2016				
Plant replacement	270,647	-	68,777	339,424
Crabtree trust	25,961	-	649	26,610
Quarry restoration	101,593	-	2,540	104,133
Capital improvement	273,495	-	6,766	280,261
Rates revaluation	127,088	(103,408)	71,668	95,348
Elections	40,850	-	34,650	75,500
Kindergarten operation	-	-	60,928	60,928
Carried Forward Project Reserve	-	-	714,450	714,450
Total Other reserves	839,634	(103,408)	960,428	1,696,654
2015				
Plant replacement	264,046	-	6,601	270,647
Crabtree trust	25,328	-	633	25,961
Quarry restoration	99,115	-	2,478	101,593
Capital improvement	266,824	-	6,671	273,495
Rates revaluation	77,338	(20,674)	70,424	127,088
Elections	20,000	-	20,850	40,850
Total Other reserves	752,651	(20,674)	107,657	839,634



Note 26 Reserves (cont'd)

Description of nature and purpose of each of Council's discretionary reserves are:

- (i) The Plant Replacement is funded by the Plant Operating Surplus and is maintained to replace all Major Items of Plant and Equipment but excludes utility and fleet replacements.
- (ii) Crabtree Trust Reserve was bequeathed to Council to provide funds for the upgrade of facilities at the Lake Charlegrark Reserve.
- (iii) The Quarry Restoration Reserve was generated via a charge against the sale price of quarry stocks that was retained to restore the quarry sites to natural levels once quarrying has ceased. There have been no further charges (other than nominal interest) generated for this reserve since 1997/98 financial year as the retained reserve is considered adequate to undertake restoration works.
- (iv) Capital Improvement Reserve is generated via transfers from Surplus Funds from time to time as determined by council for use on any significant capital infrastructure projects.
- (v) Rates Revaluation Reserve provides funds to undertake each property revaluation for rating purposes every two years.
- (vi) The Elections Reserve provides funds to undertake Council Elections every 4th year.
- (vii) The Kindergarten Operation Reserve provides that unspent budgeted funds from each year are brought forward and made available for kindergarten spending in future years. In this way any negative effects of falling enrollments can be minimised.
- (viii) The Carried Forward Projects Reserve provides for all budgeted amounts which have not been spent as at 30 June and which are required to be carried forward to the next financial year and are not budgeted in the next financial year.



	2016 \$	2015 \$
Note 27 Reconciliation of cash flows from operating activities to surplus/(deficit)		
Surplus/(deficit) for the year	(525,978)	1,604,831
Depreciation/amortisation	6,367,575	6,663,316
Profit/(loss) on disposal of property, infrastructure, plant and equipment	(119,506)	(56,624)
Finance Costs	13,634	23,315
Share of net (profit)/loss of associates	(845)	(21,990)
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(20,198)	1,159,438
Decrease in prepayments	63,204	110,041
Increase/(decrease) in accrued income	101,783	(99,396)
Increase/(decrease) in trade and other payables	188,736	(6,186)
(Decrease)/increase in other liabilities	(37,742)	34,530
(Increase)/decrease in inventories	(5,938)	30,528
Increase/(Decrease) in provisions	94,665	174,320
Net cash provided by/(used in) operating activities	6,119,390	9,616,123
Note 28 Financing arrangements		
Bank overdraft	2,000,000	2,000,000
Credit card facilities	16,000	16,000
Total facilities	2,016,000	2,016,000
Used facilities	-	-
Unused facilities	2,016,000	2,016,000



Note 29 Commitments

The Council has entered into the following commitments

2016	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$	\$	\$	\$	\$
Operating					
Building Control Services	-	-	-	-	-
Caravan park caretaker	18,200	9,100	-	-	27,300
Cleaning of council buildings	221,384	-	-	-	221,384
Garbage collection	72,650	-	-	-	72,650
Grass maintenance	83,938	-	-	-	83,938
Meals for delivery	88,583	-	-	-	88,583
Recycling	71,775	-	-	-	71,775
Service of transfer station bins	63,996	-	-	-	63,996
Street cleaning services	203,176	-	-	-	203,176
Swimming pool management	141,700	-	-	-	141,700
Valuation services	11,418	102,764	-	-	114,182
Total	976,820	111,864	-	-	1,088,684
Capital					
Plant and Equipment	-	-	-	-	-
Total	-	-	-	-	-

2015	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$	\$	\$	\$	\$
Operating					
Building Control Services	34,560	-	-	-	34,560
Caravan park caretaker	18,200	18,200	9,100	-	45,500
Cleaning of council buildings	221,384	221,384	-	-	442,768
Garbage collection	145,300	72,650	-	-	217,950
Grass maintenance	41,349	-	-	-	41,349
Meals for delivery	106,300	88,583	-	-	194,883
Recycling	95,700	71,755	-	-	167,455
Service of transfer station bins	95,995	63,996	-	-	159,991
Street cleaning services	203,176	203,176	-	-	406,352
Swimming pool management	138,800	141,200	-	-	280,000
Valuation services	108,818	-	114,182	-	223,000
Total	1,209,582	880,944	123,282	-	2,213,808
Capital					
Plant and Equipment	60,000	-	-	-	60,000
Total	60,000	-	-	-	60,000



	2016	2015
	\$	\$
Note 30 Operating leases		
(a) Operating lease commitments		
At the reporting date, Council had the following obligations under non-cancellable operating leases for the lease of equipment and land and buildings for use within Council's activities (these obligations are not recognised as liabilities):		
Not later than one year	80,665	86,813
Later than one year and not later than five years	75,793	123,414
Later than five years	-	-
	<u>156,458</u>	<u>210,227</u>

Note 31 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. Obligations for contributions to the Fund are recognised as an expense in the Comprehensive Income Statement when they are made or due.

Accumulation

The Fund's accumulation categories, Vision MySuper/Vision Super Saver, receive 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 2016, this was 9.5% as required under Superannuation Guarantee legislation).

Defined Benefit

Council does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a pooled multi-employer sponsored plan.

There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

Funding arrangements

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary.

As at 30 June 2015, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 105.8%. To determine the VBI, the fund Actuary used the following long-term assumptions:

Net investment returns 7.0% pa
Salary information 4.25% pa
Price inflation (CPI) 2.5% pa.



Note 31 Superannuation (cont'd)

Vision Super has advised that the estimated VBI at 31 March 2016 was 102.4%. The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 2015 interim actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Employer contributions

Regular contributions

On the basis of the results of the 2015 interim actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2016, this rate was 9.5% of members' salaries (9.5% in 2014/2015). This rate will increase in line with any increase to the contribution rate. 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.

Funding calls

If the Defined Benefit category is in an unsatisfactory financial position at an actuarial investigation or the Defined Benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the Defined Benefit category 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. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%.

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Council) are required to make an employer contribution to cover the shortfall. Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up. If there is a surplus in the Fund, the surplus cannot be returned to the participating employers. In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

2015 Interim actuarial investigation surplus amounts

The Fund's interim actuarial investigation as at 30 June 2015 identified the following in the defined benefit category of which Council is a contributing employer:

- A VBI surplus of \$130.8 million; and
- A total service liability surplus of \$239 million.

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2015. The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses. Council was notified of the 30 June 2015 VBI during August 2015.

Future superannuation contributions

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2017 is \$121,400

Note 32 Contingent liabilities and contingent assets

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation are outlined in Note 32. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists. At this point in time it is not known if additional contributions will be required, their timing or potential amount.

Guarantees for loans to other entities

There are no loans to other entities at balance date

Contingent assets

Council has no contingent assets at balance date.



Note 33 Financial instruments

(a) Objectives and policies

The Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and bank borrowings. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in Note 1 of the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

(b) Market risk

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

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. Council's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes council to fair value interest rate risk / Council does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

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:

- diversification of investment product;
- monitoring of return on investment; and
- benchmarking of returns and comparison with budget.

There has been no significant change in the Council's exposure, or its objectives, policies and processes for managing interest rate risk or the methods used to measure this risk from the previous reporting period.

Interest rate movements have not been sufficiently significant during the year to have an impact on the Council's year end result.

(c) 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 have exposure to credit risk on some financial assets included in the balance sheet. To help manage this risk:

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

Receivables consist of a large number of customers, spread across the ratepayer, business and government sectors. Credit risk associated with the Council's financial assets is minimal because the main debtor is secured by a charge over the rateable property.

There are no material financial assets which are individually determined to be impaired.

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when Council provide a guarantee for another party. Details of our contingent liabilities are disclosed in Note 36.

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. Council does not hold any collateral.

(d) Liquidity risk

Liquidity risk includes the risk that, as a result of council's operational liquidity requirements it will not have sufficient funds to settle a transaction when required or will be forced to sell a financial asset at below value or may be unable to settle or recover a financial asset.

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 maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 34, and is deemed insignificant based on prior periods' data and current assessment of risk.

There has been no significant change in Council's exposure, or its objectives, policies and processes for managing liquidity risk or the methods used to measure this risk from the previous reporting period.

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 26.

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.



Note 33 Financial instruments (cont'd)

(e) Fair value

Fair value hierarchy

Council's financial assets and liabilities are not valued in accordance with the fair value hierarchy, Council's financial assets and liabilities are measured at amortised cost.

(f) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, Council believes the following movements are 'reasonably possible' over the next 12 months:

- A parallel shift of + 1% and -1% in market interest rates (AUD) from year-end rates of 3.0%.

These movements will not have a material impact on the valuation of Council's financial assets and liabilities, nor will they have a material impact on the results of Council's operations.



Note 34 Related party transactions

(i) Responsible Persons

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

Councillors	Councillor Annette Jones (Mayor) Councillor Ron Hawkins Councillor Bruce Meyer Councillor Richard Wait Councillor Warren Wait
Chief Executive Officer	Mr David Leahy (from 31 January 2016 to 30 June 2016) Mr Mark Crouch (from 1 July 2015 to 29 January 2016)

(ii) Remuneration of Responsible Persons

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

	2016 No.	2015 No.
\$10,000 - \$19,999	4	3
\$20,000 - \$29,999	-	1
\$30,000 - \$39,999	-	1
\$40,000 - \$49,999	1	-
\$70,000 - \$79,999	1	-
\$190,000 - \$199,999	-	1
\$200,000 - \$210,000	1	-
	<u>7</u>	<u>6</u>

Total Remuneration for the reporting year for Responsible Persons included above amounted to:

409,446 307,057

(iii) Senior Officers Remuneration

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

- a) has management responsibilities and reports directly to the Chief Executive; or
- b) whose total annual remuneration exceeds \$139,000

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

	2016 No.	2015 No.
Income Range:		
\$150,000 - \$159,999	2	2
	<u>2</u>	<u>2</u>

Total Remuneration for the reporting year for Senior Officers included above, amounted to

339,191 318,744

(iv) Responsible persons retirement benefits

The aggregate amount paid during the reporting period by Council in connection with the retirement of responsible persons was \$nil (2015 - \$nil)

(v) Loans to responsible persons

Council did not have any loans to responsible persons during 2015-2016.

(vi) Transactions with responsible persons

Council did not engage in any transactions with responsible persons during 2015-2016.

Note 35 Events occurring after balance date

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



Certification of the 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 2014*, Australian Accounting Standards and other mandatory professional reporting requirements.

Mr Ashley Roberts CPA
Principal Accounting Officer
Date : <Date>
Edenhope

In our opinion the accompanying financial statements present fairly the financial transactions of <Name> for the year ended 30 June 2016 and the financial position of the Council as at that date.

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

We have been authorised by the Council and by the *Local Government (Planning and Reporting) Regulations 2014* to certify the financial statements in their final form.

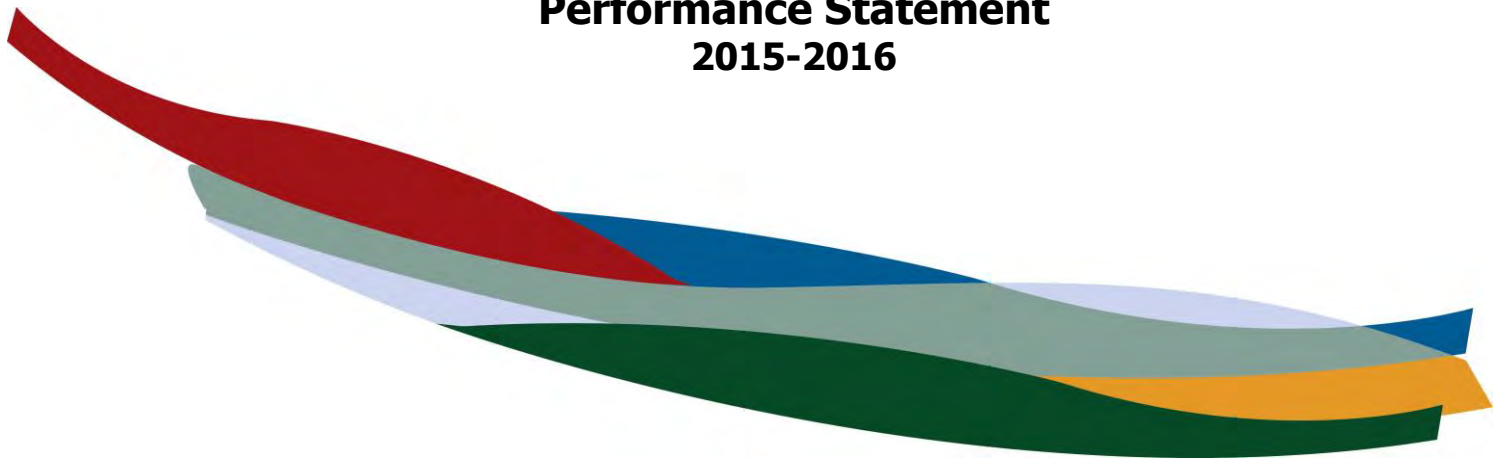
Cr Annette Jones
Mayor
Date : <Date>
Edenhope

Cr Ron Hawkins
Councillor
Date : <Date>
Edenhope

Mr David Leahy
Chief Executive Officer
Date : <Date>
Edenhope



**Performance Statement
2015-2016**

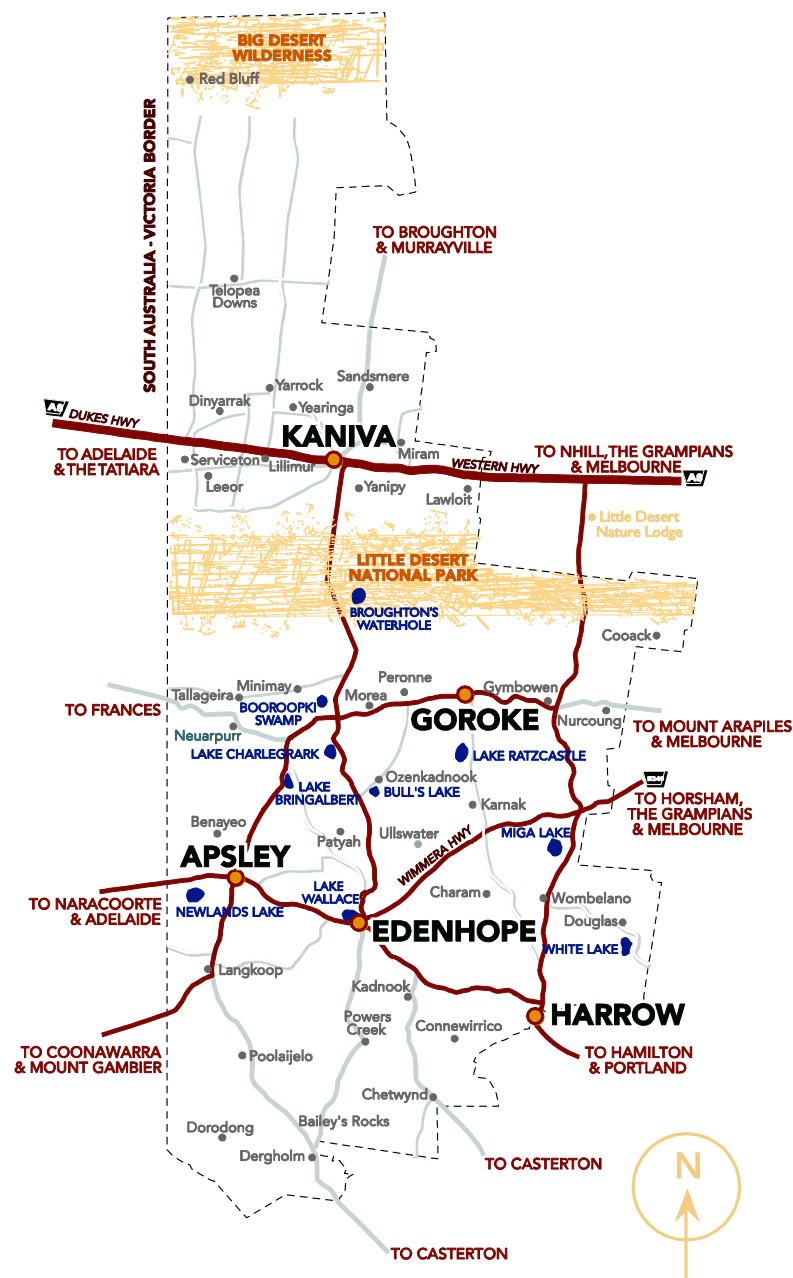


Performance Statement

For the year ended 30 June 2016

Description of municipality

West Wimmera Shire Council is located in Western Victoria and has a strong economy, primarily based on agriculture with growth sectors in health, education and retail. The Shire covers an area of 9,256 square kilometres and includes the townships of Apsley, Edenhope and Harrow to the south of the Shire and Goroke, Kaniva and Serviceton to the north.



Sustainable Capacity Indicators

For the year ended 30 June 2016

Indicator/measure	Results 2015	Results 2016	Material Variations
Population			
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$4,942.49	\$4,686.52	No material variations
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$42,071.07	\$42,352.15	No material variations
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	1.46	1.43	No material variations
Own-source revenue			
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$2,525.87	\$2,610.21	No material variations
Recurrent grants			
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$2,401.81	\$1,709.20	2014/15 Included FAG pre-payment
Disadvantage			
<i>Relative Socio-Economic Disadvantage</i> [Index of Relative Socio-Economic Disadvantage by decile]	5.00	5.00	No material variations

Definitions

"adjusted underlying revenue" means total income other than—

- (a) non-recurrent grants used to fund capital expenditure; and
- (b) non-monetary asset contributions; and
- (c) contributions to fund capital expenditure from sources other than those referred to in paragraphs (a) and (b)

"infrastructure" means non-current property, plant and equipment excluding land

"local road" means a sealed or unsealed road for which the council is the responsible road authority under the *Road Management Act 2004*

"population" means the resident population estimated by council

"own-source revenue" means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)

"relative socio-economic disadvantage", in relation to a municipality, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipality is located according to the Index of Relative Socio-Economic Disadvantage (Catalogue Number 2033.0.55.001) of SEIFA

"SEIFA" means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet website



Service Performance Indicators

For the year ended 30 June 2016

Service/indicator/measure	Results 2015	Results 2016	Material Variations
Aquatic Facilities			
Utilisation			
<i>Utilisation of aquatic facilities</i>	3.45	3.51	
[Number of visits to aquatic facilities / Municipal population]			
Animal Management			
Health and safety			
<i>Animal management prosecutions</i>	0.00	0.00	No prosecutions during 2015/16
[Number of successful animal management prosecutions]			
Food Safety			
Health and safety			
<i>Critical and major non-compliance outcome notifications</i>	100.00%	0.00%	
[Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100			
Governance			
Satisfaction			
<i>Satisfaction with council decisions</i>	58.00	56.00	
[Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]			
Home and Community Care (HACC)			
Participation			
<i>Participation in HACC service</i>	40.78%	52.53%	
[Number of people that received a HACC service / Municipal target population for HACC services] x100			
Participation			
<i>Participation in HACC service by CALD people</i>	6.96%	6.90%	
[Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100			
Libraries			
Participation			
<i>Active library members</i>	16.37%	13.38%	
[Number of active library members / Municipal population] x100			



Service/indicator/measure	Results 2015	Results 2016	Material Variations
Maternal and Child Health (MCH)			
Participation			
<i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	88.78%	72.04%	
Participation			
<i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	66.67%	100.00%	
Roads			
Satisfaction			
<i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	49	48	
Statutory Planning			
Decision making			
<i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	100.00%	0.00%	No VCAT appeals in 2015/16
Waste Collection			
Waste diversion			
<i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	17.77%	17.99%	



Definitions

"Aboriginal child" means a child who is an Aboriginal person

"Aboriginal person" has the same meaning as in the Aboriginal Heritage Act 2006

"active library member" means a member of a library who has borrowed a book from the library

"annual report" means an annual report prepared by a council under sections 131, 132 and 133 of the Act

"class 1 food premises" means food premises, within the meaning of the *Food Act 1984*, that have been declared as class 1 food premises under section 19C of that Act

"class 2 food premises" means food premises, within the meaning of the *Food Act 1984*, that have been declared as class 2 food premises under section 19C of that Act

"Community Care Common Standards" means the Community Care Common Standards for the delivery of HACC services, published from time to time by the Commonwealth

"critical non-compliance outcome notification" means a notification received by council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health

"food premises" has the same meaning as in the *Food Act 1984*

"HACC program" means the Home and Community Care program established under the Agreement entered into for the purpose of the Home and Community Care Act 1985 of the Commonwealth

"HACC service" means home help, personal care or community respite provided under the HACC program

"local road" means a sealed or unsealed road for which the council is the responsible road authority under the *Road Management Act 2004*

"major non-compliance outcome notification" means a notification received by a council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an authorized officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken

"MCH" means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age

"population" means the resident population estimated by council

"target population" has the same meaning as in the Agreement entered into for the purposes of the Home and Community Care Act 1985 of the Commonwealth

"WorkSafe reportable aquatic facility safety incident" means an incident relating to a council aquatic facility that is required to be notified to the Victorian WorkCover Authority under Part 5 of the *Occupational Health and Safety Act 2004*.



Financial Performance Indicators

For the year ended 30 June 2016

Dimension/indicator/measure	Results 2015	Results 2016	Forecasts				Material Variations and Comments
			2017	2018	2019	2020	
Efficiency							
Revenue level							
<i>Average residential rate per residential property assessment</i>	\$620.01	\$619.00	\$635.50	\$651.39	\$667.67	\$684.36	
[Residential rate revenue / Number of residential property assessments]							
Expenditure level							
<i>Expenses per property assessment</i>	\$4,152.11	\$3,635.80	\$3,773.00	\$3,848.80	\$3,939.40	\$4,033.80	Reductions in depreciation and materials & contracts
[Total expenses / Number of property assessments]							
Workforce turnover							
<i>Resignations and terminations compared to average staff</i>	12.90%	21.50%	12.15%	12.15%	12.15%	12.15%	
[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100							
Liquidity							
Working capital							
<i>Current assets compared to current liabilities</i>	355.60%	301.74%	378.63%	353.51%	364.97%	410.96%	Increased cash 2014/15 due to holding FAG prepayment
[Current assets / Current liabilities] x100							
Unrestricted cash							
<i>Unrestricted cash compared to current liabilities</i>	312.04%	238.24%	344.89%	319.69%	330.75%	376.65%	Increased cash 2014/15 due to holding FAG prepayment
[Unrestricted cash / Current liabilities] x100							



Dimension/indicator/measure	Results 2015	Results 2016	Forecasts				Material Variations and Comments
			2017	2018	2019	2020	
Obligations							
Asset renewal							
<i>Asset renewal compared to depreciation</i>	64.00%	85.16%	80.19%	86.40%	80.04%	66.53%	
[Asset renewal expense / Asset depreciation] x100							
Loans and borrowings							
<i>Loans and borrowings compared to rates</i>	6.35%	4.23%	2.35%	0.48%	0.00%	0.00%	
[Interest bearing loans and borrowings / Rate revenue] x100							
<i>Loans and borrowings repayments compared to rates</i>	2.12%	1.93%	1.93%	1.90%	0.46%	0.00%	
[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100							
Indebtedness							
<i>Non-current liabilities compared to own source revenue</i>	4.70%	2.24%	5.33%	5.04%	5.09%	5.13%	
[Non-current liabilities / Own source revenue] x100							
Operating position							
Adjusted underlying result							
<i>Adjusted underlying surplus (or deficit)</i>	3.06%	-5.44%	-2.81%	-3.56%	-7.14%	-7.25%	
[Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100							
Stability							
Rates concentration							
<i>Rates compared to adjusted underlying revenue</i>	31.33%	39.46%	38.02%	38.48%	39.87%	39.95%	
[Rate revenue / Adjusted underlying revenue] x100							
Rates effort							
<i>Rates compared to property values</i>	0.39%	0.41%	0.39%	0.40%	0.39%	0.40%	
[Rate revenue / Capital improved value of rateable properties in the municipality] x100							



Definitions

"adjusted underlying revenue" means total income other than—

- (a) non-recurrent grants used to fund capital expenditure; and
- (b) non-monetary asset contributions; and
- (c) contributions to fund capital expenditure from sources other than those referred to in paragraphs (a) and (b)

"adjusted underlying surplus (or deficit)" means adjusted underlying revenue less total expenditure

"asset renewal expenditure" means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability

"current assets" has the same meaning as in the AAS

"current liabilities" has the same meaning as in the AAS

"non-current assets" means all assets other than current assets

"non-current liabilities" means all liabilities other than current liabilities

"non-recurrent grant" means a grant obtained on the condition that it be expended in a specified manner and is not expected to be received again during the period covered by a council's Strategic Resource Plan

"own-source revenue" means adjusted underlying revenue other than revenue that is not under the control of council (including government grants

"population" means the resident population estimated by council

"rate revenue" means revenue from general rates, municipal charges, service rates and service charges

"recurrent grant" means a grant other than a non-recurrent grant

"residential rates" means revenue from general rates, municipal charges, service rates and service charges levied on residential properties

"restricted cash" means cash and cash equivalents, within the meaning of the AAS, that are not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year

"unrestricted cash" means all cash and cash equivalents other than restricted cash.



Other Information

For the year ended 30 June 2016

1. Basis of preparation

Council is required to prepare and include a performance statement within its annual report. The performance statement includes the results of the prescribed sustainable capacity, service performance and financial performance indicators and measures together with a description of the municipal district and an explanation of material variations in the results. This statement has been prepared to meet the requirements of the *Local Government Act 1989* and Local Government (Planning and Reporting) Regulations 2014.

Where applicable the results in the performance statement have been prepared on accounting bases consistent with those reported in the Financial Statements. The other results are based on information drawn from council information systems or from third parties (e.g. Australian Bureau of Statistics).

The performance statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by the council's strategic resource plan. The Local Government (Planning and Reporting) Regulations 2014 requires explanation of any material variations in the results contained in the performance statement. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.

The forecast figures included in the performance statement are those adopted by council in its strategic resource plan on 18 June 2015 and which forms part of the council plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The strategic resource plan can be obtained by contacting Council.



Certification of the performance statement

In my opinion, the accompanying performance statement has been prepared in accordance with the *Local Government Act 1989* and the Local Government (Planning and Reporting) Regulations 2014.

Mr Ashley Roberts B.Com CPA
Principal Accounting Officer
Dated: *(Date)*

In our opinion, the accompanying performance statement of the West Wimmera Shire Council for the year ended 30 June 2016 presents fairly the results of council's performance in accordance with the *Local Government Act 1989* and the Local Government (Planning and Reporting) Regulations 2014.

The performance statement contains the relevant performance indicators, measures and results in relation to service performance, financial performance and sustainable capacity.

At the date of signing, we are not aware of any circumstances that would render any particulars in the performance statement to be misleading or inaccurate.

We have been authorised by the council and by the Local Government (Planning and Reporting) Regulations 2014 to certify this performance statement in its final form.

(Councillor 1 Name)
Councillor
Dated: *(Date)*

(Councillor 2 Name)
Councillor
Dated: *(Date)*

Mr David Leahy
Chief Executive Officer
Dated: *(Date)*





ONE ONE ONE Eagle Street
111 Eagle Street Brisbane QLD 4000
GPO Box 9925 Brisbane QLD 4001
Tel +61 7 3228 9333
Fax +61 7 3228 9444
www.corrs.com.au

**CORRS
CHAMBERS
WESTGARTH**
lawyers

Sydney
Melbourne
Brisbane
Perth

West Wimmera Shire Council

National Australia Bank Limited

Lease Renewal and Variation

Front Two Rooms, Johnny Mullagh Cricket Centre,
Blair Street, Harrow, Victoria

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Date

Parties

West Wimmera Shire Council ABN 17 283 765 673 of 49 Elizabeth Street, Edenhope, Victoria (**Landlord**)

National Australia Bank Limited ABN 12 004 044 937 of C/- Cushman & Wakefield, Level 3, 111 Coventry Street, South Melbourne, Victoria (**Tenant**)

Background

- A The Tenant leases the Premises from the Landlord under the Lease.
 - B The parties have agreed to renew and vary the Lease on the terms in this document.
-

Agreed terms

1 Interpretation

1.1 Definitions

In this document, terms in **schedule 1** have the meaning set out against them and:

Business Day means a day other than a Saturday, Sunday or bank or public holiday in the State.

Lease means the document specified in **schedule 1** and includes any equitable lease or lease at law evidenced by the terms of the Lease, and irrespective of the Lease not being effective as a lease or not being registered. The expression includes, in the context of any of the Tenant's obligations or the Landlord's rights, any holding over period under or any renewal or extension of the Lease.

Renewal Date means the date specified in **schedule 1**.

State means the State or Territory of Australia where the Premises are located.

1.2 Definitions in Lease

Unless the context otherwise requires, terms defined in the Lease have the same meaning in this document.

1.3 Construction

Unless expressed to the contrary, in this document:

- (a) words in the singular include the plural and vice versa;
- (b) any gender includes the other genders;
- (c) if a word or phrase is defined its other grammatical forms have corresponding meanings;
- (d) if any form of the word “include” is used, it is to be read as if followed by the words “without limitation”;
- (e) no rule of construction will apply to a clause to the disadvantage of a party merely because that party put forward the clause or would otherwise benefit from it;
- (f) a reference to:
 - (i) a person includes a partnership, joint venture, unincorporated association, corporation and a government or statutory body or authority;
 - (ii) a person includes the person’s legal personal representatives, successors, assigns and persons substituted by novation;
 - (iii) any thing (including any amount) includes either the whole or any part of that thing;
 - (iv) any legislation includes subordinate legislation under it and includes that legislation and subordinate legislation as modified or replaced;
 - (v) an obligation includes a warranty or representation and a reference to a failure to comply with an obligation includes a breach of warranty or representation;
 - (vi) a right includes a benefit, remedy, discretion or power;
 - (vii) time is to local time in the capital city of the State;
 - (viii) “\$” or “dollars” is a reference to Australian currency;
 - (ix) this or any other document includes the document as novated, varied or replaced and despite any change in the identity of the parties;
 - (x) writing includes:
 - (A) any mode of representing or reproducing words in tangible and permanently visible form, and includes fax transmissions; and
 - (B) words created or stored in any electronic medium and retrievable in perceivable form;
 - (xi) a group of persons includes all of them together, any two or more of them together and each of them separately;
 - (xii) this document includes all schedules and annexures to it; and

- (xiii) a clause, schedule or annexure is a reference to a clause, schedule or annexure, as the case may be, of this document;
- (g) if the date on or by which any amount is payable under this document is not a Business Day, the payment must be made on or by the next Business Day; and
- (h) where time is to be calculated by reference to a day or event, that day or the day of that event is excluded.

1.4 Headings

Headings do not affect the interpretation of this document.

2 Renewal and variation

2.1 Variation of Lease

Subject to **clause 2.3**, the parties agree to renew and vary the Lease on and from the Renewal Date on the terms specified in **schedule 2**.

2.2 Lease terms to continue

The Landlord and the Tenant agree that all of the terms of the Lease continue to apply for the renewed term granted under **clause 2.1**, except for any terms that:

- (a) are varied by this document; or
- (b) relate to any exercised option to renew or extend the Lease.

2.3 Execution of document

The renewal and variation of the Lease under **clause 2.1** will only be effective on execution of this document (whether by counterparts or not) by all of the parties to it.

2.4 Obligations not affected

The renewal and variation of the Lease does not affect any of the obligations of the Tenant or the Landlord under the Lease before the Renewal Date.

3 Tenant's covenant

The Tenant must comply with all of the Tenant's obligations under the Lease as varied under this document on and from the Renewal Date.

4 Landlord's covenant

The Landlord must comply with all of the Landlord's obligations under the Lease as varied under this document on and from the Renewal Date.

5 Disputes

Any disputes under this document are to be determined under the terms of the Lease.

6 Notices

6.1 General

A notice, demand, certification, process, consent, request, waiver, agreement or other communication relating to this document must be in writing in English and may be given by an agent of the sender and is not effective unless it is in writing.

6.2 How to give a communication

In addition to any other lawful means, a communication may be given by being:

- (a) personally delivered;
- (b) left at the party's current delivery address for notices;
- (c) sent to the party's current postal address for notices by pre-paid ordinary mail or, if the address is outside Australia, by pre-paid airmail;
- (d) sent by fax to the party's current fax number for notices; or
- (e) emailed to the party's current email address for notices.

6.3 Particulars for delivery of communications

- (a) The particulars for delivery of notices are initially as specified in **schedule 1** and are taken to be the current particulars unless **clause 6.3(b)** applies.
- (b) Each party may change its particulars for delivery of notices by giving notice to each other party and the changed particulars will then be taken to be the current particulars.

6.4 Communications by post

Subject to **clause 6.7**, a communication is given if posted:

- (a) within Australia to an Australian postal address, three Business Days after posting; or
- (b) outside of Australia to an Australian postal address or within Australia to an address outside of Australia, ten Business Days after posting.

6.5 Communications by fax

Subject to **clause 6.7**, a communication is given if sent by fax, when the sender's fax machine produces a report that the fax was sent in full to the addressee. That report is conclusive evidence that the addressee received the fax in full at the time indicated on that report.

6.6 Communications by email

Subject to **clause 6.7**, if a communication is emailed, a delivery confirmation report received by the sender, which records the time that the email was delivered to the addressee's current email address is prima facie evidence of its receipt by the addressee, unless the sender receives a delivery failure notification, indicating that the email has not been delivered to the addressee.

6.7 After hours communications

If a communication is given:

- (a) after 5.00 pm in the place of receipt; or
 - (b) on a day which is not a Business Day in the place of receipt,
- it is taken as having been given on the next Business Day.

6.8 Process service

Any process or other document relating to litigation, administrative or arbitral proceedings relating to this document may be served by any method contemplated by this **clause 6** or in accordance with any applicable law.

7 Costs and duty

7.1 Landlord's costs

Except as expressly stated otherwise in this document, each party must pay its own legal and other costs and expenses of complying with its obligations under this document.

7.2 Duty

The Tenant must pay any stamp duty payable on this document.

8 GST

8.1 Construction

In this **clause 8**:

- (a) words and expressions which are not defined in this document but which have a defined meaning in GST Law have the same meaning as in the GST Law;
- (b) **GST Law** has the same meaning given to that expression in the *A New Tax System (Goods and Services Tax) Act 1999*; and
- (c) references to GST payable and input tax credit entitlement include GST payable by, and the input tax credit entitlement of, the representative member for a GST group of which the entity is a member.

8.2 Consideration GST exclusive

Unless otherwise expressly stated, all prices or other sums payable or consideration to be provided under this document are exclusive of GST.

8.3 Payment of GST

If GST is payable on any supply made by a party (or any entity through which that party acts) (**Supplier**) under or in connection with this document, the recipient will pay to the Supplier an amount equal to the GST payable on the supply.

8.4 Timing of GST payment

The recipient will pay the amount referred to in **clause 8.3** in addition to and at the same time that the consideration for the supply is to be provided under this document.

8.5 Tax invoice

The Supplier must deliver a tax invoice or an adjustment note to the recipient before the Supplier is entitled to payment of an amount under **clause 8.3**. The recipient can withhold payment of the amount until the Supplier provides a tax invoice or an adjustment note, as appropriate.

8.6 Adjustment event

If an adjustment event arises in respect of a taxable supply made by a Supplier under this document, the amount payable by the recipient under **clause 8.3** will be recalculated to reflect the adjustment event and a payment will be made by the recipient to the Supplier or by the Supplier to the recipient as the case requires.

8.7 Reimbursements

Where a party is required under this document to pay or reimburse an expense or outgoing of another party, the amount to be paid or reimbursed by the first party will be the sum of:

- (a) the amount of the expense or outgoing less any input tax credits in respect of the expense or outgoing to which the other party is entitled;
and
- (b) if the payment or reimbursement is subject to GST, an amount equal to that GST.

8.8 No Merger

This **clause 8** does not merge in the completion or termination of this document or on the transfer of the property supplied under this document.

9 General

9.1 Amendment

This document may only be varied or replaced by a document executed by the parties.

9.2 Waiver and exercise of rights

- (a) A single or partial exercise or waiver by a party of a right relating to this document does not prevent any other exercise of that right or the exercise of any other right.
- (b) A party is not liable for any loss, cost or expense of any other party caused or contributed to by the waiver, exercise, attempted exercise, failure to exercise or delay in the exercise of a right.

9.3 Rights cumulative

Except as expressly stated otherwise in this document, the rights of a party under this document are cumulative and are in addition to any other rights of that party.

9.4 Further steps

Each party must promptly do whatever any other party reasonably requires of it to give effect to this document and to perform its obligations under it.

9.5 Governing law and jurisdiction

- (a) This document is governed by and is to be construed in accordance with the laws applicable in the State.
- (b) Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in the State and any courts which have jurisdiction to hear appeals from any of those courts and waives any right to object to any proceedings being brought in those courts.

9.6 Liability

An obligation of two or more persons binds them separately and together.

9.7 Counterparts

This document may consist of a number of counterparts and, if so, the counterparts taken together constitute one document.

9.8 Entire understanding

- (a) This document and the Lease contain the entire understanding between the parties as to the subject matter of this document.
- (b) All previous negotiations, understandings, representations, warranties, memoranda or commitments concerning the subject matter of this document are merged in and superseded by this document and are of no effect. No party is liable to any other party in respect of those matters.
- (c) No oral explanation or information provided by any party to another:
 - (i) affects the meaning or interpretation of this document; or
 - (ii) constitutes any collateral agreement, warranty or understanding between any of the parties.

9.9 Relationship of parties

This document is not intended to create a partnership, joint venture or agency relationship between the parties.

Schedule 1

Lease:
(clauses 1.1 and 1.2)

The lease between the parties commencing 1 August 2004 as renewed by the deeds of renewal and variation commencing 1 August 2007, 1 August 2010 and 1 August 2013

Premises:

Front Two Rooms, Johnny Mullagh Cricket Centre, Blair Street, Harrow, Victoria

Renewal Date:
(clauses 1.1 and 1.2)

1 August 2016

Delivery of notices:
(clause 6)

Landlord **West Wimmera Shire Council**

Delivery address: 49 Elizabeth Street
EDENHOPE VIC 3318

Postal address: Same as delivery address

Fax:
Email:
Attention:

Tenant **National Australia Bank Limited**

Delivery address: C/-Cushman & Wakefield
Level 3, 111 Coventry Street
SOUTH MELBOURNE VIC 3205

Postal address: Same as delivery address

Fax: (03) 9631 7501
Email:
Attention: NAB Property Manager

Schedule 2

Variation terms

On and from the Renewal Date the Lease is varied as follows:

The Lease Schedule is deleted and replaced with:

Item 1.	The Council	West Wimmera Shire Council 49 Elizabeth Street, Edenhope
Item 2.	The Lessee	National Australia Bank Limited c/ Cushman & Wakefield, Level 3, 111 Coventry Street, South Melbourne
Item 3.	The Term	3 years
Item 4.	The Commencement Date	1 August 2016
Item 5.	The Lease Fee and Time of Payment	\$2,290.48 per annum plus GST payable by equal monthly instalments on the first day of each month
Item 6.	Use of Premises	Any business of the National Australia Bank Limited group of companies from time to time
Item 7.	Period of Extension	2 options of 3 years each
Item 8.	Special Conditions	<p>1. Smoking</p> <p>The Lessee will use its reasonable endeavours to ensure that its servants, agents and contractors and, to the extent that it is able to control them, its customers, do not smoke in the Premises.</p> <p>2. Gambling</p> <p>The Lessee may not establish or permit any gambling activities to be carried out within the Premises for which a Lease or other form of registration is required under any State or Federal government legislation without first obtaining the Council's approval.</p> <p>3. Maintenance</p>

		<p>The parties agree that the Council will be responsible for maintenance and repair of the “structure” of the Premises. The items listed below detail the matters which the council considers to be structural in nature and which the Council will carry out repairs and maintenance to at its expense at the Premises. The Council will determine the appropriate standard of maintenance to be effected. However, if the Premises require the Council to carry out repairs because of something done or not done by the Lessee, then any costs reasonably incurred by the Council in carrying out the repair works or maintenance may be recovered by the Council from the Lessee:</p> <ul style="list-style-type: none"> 3.1 footings and floors but excluding floor coverings; 3.2 walls but excluding linings and finishes; 3.3 columns and beams; and 3.4 roof members, cladding and gutters but excluding regular inspection and removal of materials including leaves and tree litter, from the roof and gutters that would impede the flow of water.
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Executed as a deed.

The common seal of West Wimmera)
Shire Council is affixed in the presence)
of:)

.....
Signature of Councillor

.....
Signature of Chief Executive Officer

.....
Name of Councillor

.....
Name of Chief Executive Officer

Executed by National Australia Bank)
Limited ACN 004 044 937 by the)
party's attorney pursuant to power of)
attorney dated 1 March 2007 (a)
certified copy of which is filed in)
Permanent Order Book No. 277, Page)
No 025, Item 35) who states that no)
notice of revocation of the power of)
attorney has been received in the)
presence of:)

.....
Witness

.....
Attorney (Level 2)

.....
Name of Witness (print)

.....
Name of Attorney (print)