

29 September 2014

The Hon Tim Bull
Minister for Local Government
Level 22
1 Spring Street
MELBOURNE VIC 3000

Dear Minister Bull

ANNUAL REPORT 2013/2014

Please find enclosed a copy of Greater Shepparton City Council's Annual Report for 2013/2014 including the narrative report, financial statements and independent auditor's report.

We hope that you enjoy reading the achievements of the Greater Shepparton City Council in the implementation of the first year of the 2013-2014 Council Plan.

A designed copy of the report will be forwarded to your office once it is available.

Yours sincerely



Gavin Cator
CHIEF EXECUTIVE OFFICER

2013 – 2014 Annual Report

COUNCIL PLAN IN ACTION



Traditional Owners

We, the Greater Shepparton City Council, acknowledge the traditional owners of the land which now comprises Greater Shepparton.

We pay respect to their tribal elders, we celebrate their continuing culture and we acknowledge the memory of their ancestors.

Vision

Greater Shepparton, Greater Future

As the Food Bowl of Australia, a sustainable, innovative and diverse community

Values

- Leadership
- Integrity
- Respect
- Innovation
- Teamwork

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Welcome

Welcome to the 2013 – 2014 Annual Report for Greater Shepparton City Council. This report provides a comprehensive account of Council's achievements, challenges and aspirations for the future.

The report details our performance against our commitments as set out in the Council Plan 2013–2017 and provides an analysis of our financial performance. This report also demonstrates the breadth of our operations and the diversity of services delivered on a daily basis to the Greater Shepparton community.

We hope you enjoy reading about the 2013 – 2014 year and we thank our community for the continued support and direction.

Why we have an Annual Report

The Victorian Local Government Act (1989) requires all councils to present an Annual Report to the Minister by 30 September each year.

Importantly, the Annual Report provides an account of our performance to our community. It details our achievements against commitments and our performance against stipulated measures. It also provides an account of our financial management over the past year.

The Annual Report is also an opportunity to acknowledge all the great things that have been happening across the municipality and note the challenges that have marked the year.

Reading the Report

The Annual Report comprises four main sections. The first section provides an overview of who we are as an organisation and community. The main body of the report details our performance, achievements and challenges detail against our five strategic objectives, as well as where we are headed in the future.

Our strategic objectives are:

1. Active & Engaged Community (Social)

We will enhance social connectedness, physical and mental health and wellbeing, education and participatory opportunities in order to improve liveability and a greater range of community services.

2. Enhancing the Environment (Environment)

We will conserve and enhance significant natural, environmental and cultural heritage.

3. Economic Prosperity (Economic)

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

4. Quality Infrastructure (Built)

We are committed to facilitating growth in a consolidated and sustainable development framework and will strive to provide urban and rural infrastructure to enhance the performance of the municipality.

5. High Performing Organisation (Leadership & Governance)

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

Section three of the report details Council's compliance with governance requirements, while the final section provides a detailed account of our financial performance, how the budget was developed and executed.

Report Theme – Council Plan in Action



The Council Plan is the key document that drives the strategic direction of Council for the four years from 2013 to 2017. The themes outlined in the Council Plan are the vehicle for achieving our desired future and provide the gauge by which Council can measure its achievements.

The themes have been identified following extensive consultation with the Greater Shepparton community and include:

- the strategic objectives of the Council
- strategies for achieving the objectives for at least the next four years
- strategic indicators for monitoring the achievement of the objectives
- a Strategic Resource Plan outlining the resources required to achieve the strategic objectives.

Mayor's Message

I am honoured to have served the community as Mayor during 2013-2014, along with a team of Councillors committed to driving a strong vision for a sustainable and innovative Greater Shepparton. On behalf of the Council I would like to thank the Greater Shepparton City Council staff for their enthusiasm and diligence.

This Annual Report marks the first year of the implementation of the 2013-2017 Council Plan. It was very rewarding to experience the growth and development of Greater Shepparton as a result of activities during the previous term of the 2009-2013 Council Plan. I look forward to seeing the new plan implemented over the next few years.

I have observed significant achievements during the 2013-2014 year which have connected Council more strongly with our community, enhanced our environment and infrastructure and consolidated our financial position. As a result, we have become a more effective and more highly performing Council.

The Annual Report provides an opportunity to reflect on the successes and challenges of the past year and to look toward the future.

There have been many achievements from the Council Plan from July 2013 to June 2014. I would like to point out some of the stand-outs, including those which will form a solid foundation for future growth and prosperity, as well as contributing to the provision of healthy and enjoyable lifestyle opportunities.

Creating an active and engaged community:

- Draft Universal Access and Inclusion Plan for community consultation was reviewed and adopted
- Consultations held for the development of community plans for Congupna and Undera
- Purchased a third John Perceval ceramic angel for the SAM collection
- Open day and re-launch for Aquamoves
- Emerge Festival celebrating our arts and culture of indigenous, refugee and multicultural communities
- A six month Off Leash Dog Park trial
- Fifth annual Volunteer Recognition Awards held
- SAM Foundation Board established
- Support for World Elder Abuse Day, Refugee Week and the Greater Shepparton Women's Charter Alliance

Enhancing the Environment

- Watts Working Better funding \$2.95m from Australian government through Community Energy Efficiency Program
- Clean Up Australia Day held in partnership with the Shepparton Mooroopna Urban Landcare Group
- Murchison Rail Trail project commenced
- Historical Flood Markers installed at Murchison, Shepparton, Mooroopna and Kialla
- Environmental Sustainability Strategy and Action Plan developed

Achieving economic prosperity

- Mooroopna West Growth Corridor; \$40k grants for eligible buyers for 66 lots in a 1600 lot development worth \$5.42 with funding from Commonwealth Government under the Building Better Regional Cities program
- International Dairy Week held at Tatura Park
- Make Shepparton Greater lobbying campaign launched to focus on improving funding for major projects in our region including passenger rail services, GV Highway Bypass, Courthouse redevelopment, GV Health improvements and CBD revitalisation projects.
- State government \$22m support for SPC retention in region, along with \$78m investment from CCA
- Shepparton Show Me Winter and Summer markets and Christmas promotions bring thousands of shoppers into the CBD

Creating quality infrastructure

- Vaughan Street redevelopment completed
- \$7.2 million Sports Precinct funding obtained from Commonwealth
- Re-opening of Visitor Information Centre in Nixon Street in October
- Shepparton Library redevelopment begins
- Safer City Camera Network installed and launched at the end of May

There is already a sense of achievement in the progress we have made through the first year of the new Council Plan and we look forward to continuing to reach further goals using the strengths inherent in our community. We are moving forward in Greater Shepparton with a sense of hope and optimism.



Cr Jenny Houlihan

Mayor

September 2014

CEO'S Message

The 2013-2014 financial year has seen the first 12 months of the 2013-2017 Council Plan put into action. Following the extensive community consultation process the priorities were identified as:

1. Active and Engaged Community (Social)
2. Enhancing the Environment (Environment)
3. Economic Prosperity (Economic)
4. Quality Infrastructure (Built)
5. High Performing Organisation (Leadership and Governance)

In what has been a very busy 12 months, Council has made significant inroads in working towards these goals. While there has been a substantial amount of activity, the work undertaken has been meaningful and valuable with the ultimate aim of enhancing the lives of our citizens and creating a more prosperous community.

Council has endeavoured to have an increased strategic focus with the aim of achieving some high end results that will specifically translate into real outcomes for our citizens.

A key example is the establishment of the Goulburn Valley Regional Collaborative Alliance, a partnership between Greater Shepparton City Council and Strathbogie Shires aimed at improving service delivery to our respective communities. The project will achieve real savings across both Councils by sharing services and resources wherever possible. Initial collaborative projects have included provision of legal services and sharing water trucks and running graders.

The first ever lobbying campaign was undertaken by Council in 2014 aimed at striving to gain a financial commitment for major infrastructure projects from the government and opposition in the lead up to the Victorian election. "Make Shepparton Greater" was launched in February and specifically profiled five priority projects aimed to address economic and social issues and support future growth within Greater Shepparton. The projects are:

1. Revitalisation of the Shepparton CBD
2. Redevelopment of Goulburn Valley Health
3. Redevelopment of the Shepparton Court
4. Construction of the Goulburn Valley Shepparton Bypass
5. Increased passenger rail services between Shepparton and Melbourne

While the campaign is still underway results to date have included:

- Securing \$73 million for the Shepparton Court House Redevelopment
- Shepparton Passenger Services Working Group convened by the Victorian Government
- An additional early morning daily passenger rail service from Shepparton to Melbourne to be introduced
- 2,127 community members participated in the Shepparton Passenger Rail Survey
- 110 community letters submitted to the State Government and Opposition requesting an audience to discuss passenger rail needs and issues
- Eight ministerial visits

While the initial campaign is due to finish in November 2014 it is anticipated that Make Shepparton Greater will be utilised for future ask of government activities.

Greater Shepparton continues to cement its status as the premier regional sporting destination in securing such events during 2013/2014:

- Australian Veterans car rally
- Australian Football Schools National Championships
- Australian Speedway Series round
- BMX National and Oceania Championships
- Country Week Tennis
- Melbourne Heart A League pre-season game
- Tennis Victoria Junior Regional Challenge

- Victorian Vic Sport Conference

Negotiating and attracting events at a state, national and international level requires significant resources, however such events are key contributors to the prosperity of our local economy.

It was my privilege to be the founder of the Shepparton Art Museum (SAM) Foundation. The SAM Foundation is a company limited by guarantee and its purpose is to undertake a significant capital drive for a new expanded Art Museum and to grow funds to benefit the SAM collection and program. I congratulate Peter Quinn in accepting the role of Interim Board Chair, and we look forward to the new opportunities that the Foundation will hopefully create for SAM in building on our cultural offerings for the community and beyond.

We were excited to receive funding through the State Government's Living Library Capital for a significant upgrade of our Goulburn Valley Regional Library Shepparton branch. This project has now commenced in creating additional space and reconfiguring the internal layout so the library can offer more significant programs, particularly for children and youth.

The Safer City Camera Network (CCTV) was launched in May 2014 to improve the safety for our local community. Already we have seen the impact that the cameras have had in assisting in the arrest of offenders and influencing Greater Shepparton trending towards the lower end of the scale for regional violent crime figures.

So while we have concentrated on some big picture initiatives, Council has continued to invest in our regional communities through our community planning program, with the Katandra West, Tallygaroopna, Congupna Community Plans were endorsed by Council in the 3013/2014 financial year.

A major highlight was the 2014 Community Satisfaction Survey Results which saw a seven point rise from 51 in 2013 to 58 in 2014 in overall performance, with a rise occurring in performance across all performance measures (Community Consultation, Advocacy, Customer Service and Overall Council Direction). This is a strong indication that Council is heading in the right direction in working towards the achievement of the Council Plan goals as determined by the Greater Shepparton community.

I would like to express my appreciation for the support and guidance provided by the Councillors over the past 12 months with regard to excellent governance ensuring the success that has been achieved during the last financial year.

I would further like to acknowledge the efforts of the Council staff in putting the "Council Plan in Action". In such a short period there has been much achieved as our staff work in partnership with our community in creating a greater future for Greater Shepparton. We look forward to continuing to working with our community as we embark on the implementation of the second year of the 2013 – 2017 Council Plan.



Gavin Gator

Chief Executive Officer

September 2014

Section 1: About Us

Our Region

Two hours north of Melbourne, Greater Shepparton's central location is a major advantage and has seen our urban centre emerge as the retail, industry and services hub for central Victoria. Located at the intersection of the Midland and Goulburn Valley Highways Greater Shepparton provides straightforward access to Adelaide, Sydney, Brisbane and Melbourne.

Along with our location, Greater Shepparton's critical mass of population and significant infrastructure provides the base of many key competitive advantages:

- An established manufacturing sector, with multinational companies such as SPC Ardmona, Tatura Milk, Campbell's and Unilever calling Greater Shepparton home
- Extensive road transport industry with Shepparton often being referred to as the transport hub of regional Victoria
- Thriving food production industry where 25 per cent of the total value of Victoria's agricultural production occurs in Greater Shepparton which contributes \$900 million in production annually and \$1.53 billion in exports
- Affordable residential and commercial real estate
- Access to a high standard of telecommunications and IT infrastructure
- Excellent health, leisure and arts facilities
- Excellent range of health services
- Education facilities that encourage career advancement, trade qualifications and meet ongoing cultural demand
- Recognition as a regional sporting capital, hosting many regional, state, national and international major sporting events.
- The mild climate and high level of activity coupled with a diverse culture makes Greater Shepparton an exciting place to be

Our Location

Greater Shepparton is the fifth largest regional centre in Victoria extending over 2,421 kilometres.

The city's population is almost evenly split between the main urban centres of Shepparton, Mooroopna and Tatura (53 per cent) and with the remaining 47 per cent of the population residing in the surrounding rural areas, including the smaller townships of Murchison, Dookie, Merrigum, Congupna, Toolamba, Undera, Katandra and Tallygaroopna. This split reflects the wide range of lifestyle choices available across the municipality, from small urban blocks close to high quality amenities, through to large working orchards and farms.

The Goulburn River forms the backbone and lifeblood of the region, winding its way through beautiful countryside, native forests and fertile farmlands, bringing life to the rich agricultural landscape which has made the area renowned as Australia's Food Bowl. This vibrant and dynamic region is the heart and soul of Australia's fruit and dairy processing.

Our People

As a growing regional centre with a vibrant cultural mix, the Greater Shepparton community comprises almost 61,740 residents living in more than 60 localities.

Greater Shepparton enjoys a young demographic with growing families, with 2011 census data showing the proportion of couples with children nearly three per cent above the regional Victorian average, at 29.7 per cent.

The overall population is forecast to grow from 63,000 in 2013 to nearly 80,000 by 2031. Our community understands that an expanding population will increase demand for services and infrastructure — particularly

those that provide for our health and wellbeing. The challenge for all levels of government is to provide essential services and infrastructure in a timely manner.

At the same time we need to be creative and broaden the economy by attracting investment and generating jobs in sectors that complement our lifestyle and environment.

Socially we connect through friendships, gatherings, events and celebrations. Local strengths include high levels of citizen participation, embracing a strong volunteering ethos, participation in community events the arts and organised sport, with a high level of community ownership and pride. Greater Shepparton delivers a wealth of community leaders, where the community is committed to seeking local solutions to local issues. Like most Victorian regions, people in Greater Shepparton are highly engaged in their community, with nearly one in five involved in volunteer work.

The community are also active in engaging with their local issues, responding well to local government community consultations, and participating in large numbers in local politics, with 26 candidates at the last election.

Our Diversity

Our point of difference and strength is the diversity of our people. We come from different places around the world bringing with us many languages, faiths and cultures. We live together in harmony, respecting the past and each other's identity.

It's our diversity that brings Greater Shepparton to life. Our community is culturally rich with a large proportion of the population born overseas (13.1 per cent), with many residents immigrating from India, Afghanistan, Sudan, Italy, Iraq, Turkey, New Zealand and the Philippines. Italian, Arabic, Persian/Dari, Turkish, Albanian, Punjabi, Greek, Macedonian, Mandarin and Filipino/Tagalog are the most commonly spoken languages other than English.

Greater Shepparton has a significant Aboriginal population with a strong history of Indigenous advocacy and leadership both nationally and internationally. The city's Indigenous population is the largest in regional Victoria, with an estimated 3.5 per cent of residents having Indigenous heritage.

Approximately 5.4 per cent of the city's population has been identified as requiring assistance with self-care, body movements or communication.

Greater Shepparton City Council is committed to providing access to services, programs and facilities for people with a disability.

Our Liveability

Greater Shepparton is a vibrant and progressive community that offers the best of both provincial and metropolitan lifestyles. With its central location being a major strength, Greater Shepparton is the ideal regional location in which to live, work, invest and visit.

The municipality offers affordable real estate; business opportunities and diversified farming practices and residents enjoy a wide range of entertainment and leisure options, including many coffee shops and restaurants.

Scenic open places, shared pathways and our river system add to our environment, and encourage social connection and improved lifestyle behaviours.

Food malls, with an abundance of cafes and restaurants provide plenty of choice. Greater Shepparton's history of migration has evolved our large selection of local cuisine, whether it's Turkish, Japanese, Indian, Thai, Lebanese, Chinese, Italian or a bistro meal, you can find it all in Shepparton's Central Business District (CBD), shopping centres and surrounding townships.

Local wineries and ample farm-gate suppliers provide an added gourmet touch to celebrate and promote the region's repertoire.

Greater Shepparton is a retail hotspot for regional Victoria, constantly attracting new brands, and there is an abundance of events and leisure activities available to the community.

Our Culture

Greater Shepparton has, over the past decade or so, developed a very strong sense of self, and that confidence is reflected in its commitment to art and culture.

The arts scene is thriving with regular travelling performances exhibitions and artists visiting the region. Riverlinks programs touring and community performances in the Eastbank and Westside Performing Arts Centres and into smaller towns.

Shepparton is the home of the Bangerang Cultural Centre and Kaelia Gallery both of which are meeting places for Indigenous artists.

The Shepparton Art Museum (SAM) houses a fine collection of colonial and contemporary paintings plus one of Australia's leading ceramics collections and regularly hosts significant and acclaimed exhibitions. Greater Shepparton's Moooving Art and flying bird sculptures brighten streets and major buildings.

The SheppARTon Festival has gained recognition for cultural and artistic experiences with people coming from far and wide to participate in the many activities on offer throughout the Festival.

Our Economy

The region has a strong and well developed economy, based primarily on irrigated agriculture, food processing, retail and road transport. The Goulburn Valley is responsible for about 25 per cent of Victoria's agricultural production and is often referred to as the "Food Bowl of Australia".

Local entrepreneurs and small businesses are the backbone of our communities equating to 32.2 per cent of the business sector. We will continue to support them to prosper and grow, thus retaining local knowledge, building skills and employment in the region.

Tourism and events represents another important sector for Greater Shepparton. In 2013-2014 it is estimated that 776,600 people visited and contributed to the economy of the municipality.

In terms of employment, people within Greater Shepparton are primarily employed in the following sectors:

- Health Care and Social Assistance (3,775 people or 14.2 per cent)
- Retail Trade (3,381 people or 12.7 per cent)
- Manufacturing (3,311 people or 12.4 per cent)

In combination these three industries employed 10,467 people in total or 39.3 per cent of the employed resident population. The unemployment rate for Greater Shepparton is above the state average and is currently at 8.4 per cent.

Our Education

Greater Shepparton has a range of educational facilities including 14 day care facilities, 13 kindergartens, 26 primary schools, six secondary colleges (including Catholic and Grammar schools) and three tertiary institutions. Several smaller country schools are located just outside of Shepparton (five to 15 minutes' drive). In addition to excellent public schools, private and Catholic education is also available.

Compared to regional Victoria, there is a lower proportion of people holding formal qualifications (Bachelor or higher degree; Advanced Diploma or Diploma; or Vocational qualifications), and a higher proportion of people with no formal qualifications residing in Greater Shepparton. Overall, 35.4 per cent of the Greater Shepparton population aged 15 and over hold educational qualifications, while 52.5 per cent of the local population have no formal qualifications.

Overall, 40.6 per cent of the population left school at Year 10 or below, while 32.9 per cent have gone on to complete Year 12 or equivalent, compared with 39.0 per cent and 35.6 per cent respectively for regional Victoria.

Our Health

The Public Health and Wellbeing Act 2008 requires Councils to prepare a Municipal Public Health and Wellbeing Plan within 12 months of each general election of the Council.

Greater Shepparton City Council under the Local Government Act partners with community and agencies undertaking public health initiatives in an effort to prevent disease, illness, injury, disability and premature death.

The Greater Shepparton Health Status Report was developed in 2012, which details a thorough examination of local demographics, health and wellbeing indicators, health trends, identification of future needs and considerations of what makes greater Shepparton unique. The Status Report will guide future health and wellbeing planning and has considered individual's access to the social determinants of health.

Council in partnership with the Greater Shepparton Health and Wellbeing Advisory Committee have developed a detailed 12 month Local Municipal Public Health and Wellbeing Action Plan. The Action Plan details initiatives that are both measurable and achievable while considering local evidence, health gaps and future needs to maximise health outcomes. The purpose of the Advisory Committee is to guide strategic direction for health and wellbeing matters for greater Shepparton in partnership, support the delivery of projects and initiatives to encourage health prevention strategies and identify emerging health and wellbeing issues.

Greater Shepparton has access to quality health and medical facilities which offer a comprehensive range of services. These include two hospitals, retirement accommodation and nursing facilities. The city offers specialist and diagnostic services, oncology, family counselling and youth services to meet increasing demand.

Shepparton is home to the University of Melbourne's Faculty of Medicine, Dentistry and Health Sciences and the Shepparton Medical Clinic. The Clinical School provides clinical rotations and education for the final three years of the Doctor of Medicine degree.

Our Environment

Greater Shepparton City Council strongly supports the location of a large scale solar power plan in Shepparton and has undertaken extensive research and analysis to establish capacity to host such a facility. The Greater Shepparton region has a demonstrated affinity with the advancement of solar energy and is committed to providing developers with the assistance required to identify a preferred site.

The Resource Recovery Precinct accommodates a range of commercial businesses that locally process liquid and solid wastes, converting them to valuable recycled products. At the 2010 Virgin Blue Business Awards the Precinct won Best Specific Environmental Initiative at the United Nations Association of Australia World Environment Day Awards.

Environmental sustainability is important to the Greater Shepparton community as demonstrated by a number of initiatives such as RiverConnect, the Crouching Emu Revegetation Project, Dookie Biolinks Project and the creation of the Goulburn Broken Greenhouse Alliance.

Our Organisation

Greater Shepparton City Council is governed by seven elected Councillors, and operates in accordance with the Local Government Act 1989. As a local government authority, Greater Shepparton City Council exercises a wide range of government functions and powers for the “peace, order and good government” of our municipal district.

Greater Shepparton City Council is one of the largest regional Councils within Victoria and strives to achieve our community’s vision of a “Greater Shepparton”.

As a local government authority we protect and strengthen Greater Shepparton’s economic prosperity and the health, wellbeing and safety of our residents. We endeavour to plan and build a connected regional community which is safe, easy to navigate and provides a healthy and prosperous lifestyle, now and into the future.

We are committed to making a difference in our community and creating a Greater Shepparton that provides access to world class educational and employment opportunities and health and wellbeing facilities.

The purpose of the Greater Shepparton City Council is to deliver services, implement strategic initiatives and develop policies and plans. These three functions have a direct interface with the community. The fourth function, service support, refers to internal services that support the operations of the organisation

Figure 1: The role of the Greater Shepparton City Council



Our Councillors

Councillors							
Cr Jenny Houlihan Mayor first elected 2005	Cr Les Oroszvary Deputy Mayor July 12 - Nov 13 first elected 2012	Cr Dennis Patterson Deputy Mayor Nov 13 - current first elected 2012	Cr Michael Polan first elected 2008	Cr Kevin Ryan first elected 2000	Cr Fern Summer first elected 2012	Cr Milvan Muto first elected 2008, disqualified 2014	Cr Dinny Adem first elected June 2014

Cr Jenny Houlihan

Mayor

Jenny has lived in Greater Shepparton for most of her life. She and her husband Leo have two children, five grandchildren and one great grandchild. Jenny has owned a retail business in Shepparton's CBD and taught in several local schools. After being on Council for eight years including four years as Mayor, Jenny is well acquainted with the needs and expectations of our community. Jenny describes herself as a 'people person' who respects people and their diverse characteristics and wants to provide an ever increasing quality of life for all Greater Shepparton residents. She is aware of the importance of working hard to improve employment, education, transport, health, housing options, food security, safety, sporting facilities, heritage, the arts and to develop an appreciation of our natural environment.



Committees

- Australian Botanic Gardens Shepparton
- Best Start Municipal Early Years Partnership Committee
- Greater Shepparton Audit and Risk Management Committee
- Municipal Emergency Management Planning Committee [MEMP]
- RiverConnect Steering Committee
- Rumbalara Aboriginal Co-operative Working Party
- Melbourne University Rural Clinic School Advisory Board and Department of Rural Health and Management Advisory Committee
- Greater Shepparton Women's Charter Alliance Advisory Committee [as of April 2014]

Cr Dennis Patterson

Deputy Mayor

Dennis is a long term resident and business owner, with a passion for the region and a commitment to make a meaningful contribution. Dennis perceives himself as a team player with a community focus. Dennis wants to see Greater Shepparton become a regional powerhouse of country Victoria. He recognises that Greater Shepparton has a lot of good things to offer, such as our strong community and our natural environment.



Committees

- Deakin Reserve Advisory Committee
- Greater Shepparton Aerodrome Advisory Committee
- Shepparton Liquor Licensing Accord
- Tatura Park Advisory Board
- RiverConnect Steering Committee
- Rumbalara Aboriginal Co-operative Working Party [as of 19 November 2013]

Cr Les Oroszvary

Les is a serving Police Officer with 32 years' experience. Les describes himself as a team player with a can-do attitude and brings leadership and integrity to the role of Councillor. Les believes that Greater Shepparton can regain its reputation as a premier city, a place where people are proud to live and work and where we are a model to other regions and municipalities. Greater Shepparton's strengths are its people, its success stories, its strong cultural background, and its climate and location. During his term Les hopes to see the Council more engaged with ratepayers and citizens, and he is committed to listening to the community that elected him.



Committees

- Goulburn Broken Greenhouse Alliance [concluded as of 19 November 2013]
- Goulburn Valley Regional Library Corporation Board
- Greater Shepparton Safe Communities Advisory Committee
- Regional Aboriginal Justice Advisory Committee
- Rumbalara Aboriginal Cooperative Working Party [concluded as of 19 November 2013]
- Shepparton Show Me Committee
- Development Hearing Panel Committee

Cr Michael Polan

Michael has been living in the area for 25 years, and for over 15 years he's been in business as a wool buyer. After having been a Councillor and recently Mayor, Michael has learned a lot about how to listen and how to bring about change. Michael wants to put back into his community, and to restore pride in our region – and our Council. Michael wants people to be proud to say that they come from Greater Shepparton and that they love living here. He believes that we should pride ourselves on the fact that we are home to so many diverse cultures, bringing their stories and their food, which enhances our experiences and opportunities.



Committees

- Arts Co-ordinating Group
- Greater Shepparton Audit and Risk Management Committee
- Municipal Association of Victoria
- Shepparton Art Gallery Advisory Committee [SAM]
- Shepparton Show Me Committee - [concluded as of 19 November 2013]
- Victorian Local Governance Association
- Development Hearings Panel [representative in the absence of Cr Oroszvary]

Cr Kevin “Gunna” Ryan

Gunna lives in Tatura where his family were original settlers. He has a dairy farm and a caravan hire business in Tatura. This is his sixth term as a Councillor for Greater Shepparton, and his big passion is the growth of Tatura Park. Gunna believes there is tremendous potential in Greater Shepparton, and great energy in our smaller townships and he wants to see Councillors work together to achieve the best for our region.



Committees

- Sir Murray Bouchier Memorial Working Group
- Heritage Advisory Committee
- Shepparton Regional Saleyards Advisory Committee
- Sustainability and Environment Steering Group

Cr Fern Summer

Fern has a degree in nursing and currently works at GV Health. She previously ran a maternity clothing store in Shepparton’s CBD, as well as operated a bistro restaurant in Tatura with her husband Craig. Fern has lived in Greater Shepparton for most of her life. She graduated from secondary school and chose to raise her family in Shepparton. Fern stood for Council to generate pride in our town and as a mum of three young children she is a credible and informed voice for the people. Fern will listen and advocate for better outcomes within the City of Greater Shepparton. Fern comments that there are so many good things about this region – thriving industry, retail diversity, a beautiful lake, our famous cows, abundant local produce, one of the top ten river walking tracks in Australia and the award winning vanilla slice from Tatura Bakery!



Committees

- Disability Advisory Committee
- Goulburn Valley Regional Waste Management Group
- Greater Shepparton Women’s Charter Alliance Advisory Committee – concluded in April 2014
- Positive Ageing Advisory Committee
- Festive Decorations Advisory Committee [from 19 November 2014]
- Goulburn Broken Greenhouse Alliance [from 19 November 2014]
- Shepparton Show Me Committee [from 19 November 2014]

Cr Milvan Muto

(Disqualified May 2014)

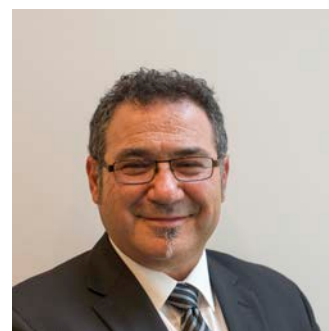
Milvan was born in France and migrated with his family to the Shepparton area when he was an infant. He has lived in Tatura, Toolamba and now resides in Shepparton. Milvan was involved in the motor industry for 10 years and hospitality for 20 years, including Calzonys Restaurant and the Shepparton Hotel. He played senior Australian Rules football and soccer for many years and is a passionate supporter of all forms of local football. Milvan attended St Georges Road Primary School and Shepparton High School, before studying at TAFE. Milvan became involved in Council because he wanted to make a difference and improve people's living standards.



Cr Dinny Adem

(Elected June 2014)

Cr Dinny Adem was born in Shepparton and resides with Rita, on a rural property in Shepparton East. Cr Adem and his wife have two daughters. Born and raised on a farm, Cr Adem has also worked for large corporations, as well as operating family owned businesses. His vision is to revitalise Greater Shepparton by attracting industry and other substantial employers to our municipality for the benefit of all. He believes that a financially responsible, inclusive and cohesive Council will be the start of a new beginning for Greater Shepparton.



Committees

- Nil to date

July 2013 – June 2014 Meeting Attendance (Ordinary and Special Meetings)

Cr Jenny Houlihan	17/19
Cr Les Oroszvary	18/19
Cr Dennis Patterson	19/19
Cr Michael Polan	16/19
Cr Kevin Ryan	18/19
Cr Fern Summer	19/19
Cr Milvan Muto	5/6
Cr Dinny Adem	1/1

Our Executive

Chief Executive Officer Gavin Cator			
Director Business Justin Finlayson (resigned Feb 2014) Rosanne Kava (acting role from Mar 2014)	Director Infrastructure Steve Bowmaker	Director Community Kaye Thomson	Director Sustainable Development Johann Rajaratnam

Chief Executive Officer Gavin Cator

Gavin Cator has more than 20 years of senior management experience in local government. He holds a Bachelor of Civil Engineering and a Graduate Diploma in Municipal Engineering.

Gavin has also served in sector leadership roles including as President of Local Government Professionals (LGPro) in Victoria and as a National Director of Local Government Managers Australia (LGMA).

Gavin is also a graduate of the Australian Rural Leadership Program and has a passion for leadership development. Throughout his life Gavin has been heavily involved in Australian Rules Football.

As the Chief Executive Officer Gavin is responsible for:

- Assisting the Council in the update and implementation of long-term strategic directions in operational terms.
- Providing leadership and authoritative advice to the Council and Committees on the strategic directions, policies and review mechanisms for Council.
- Promoting and representing the Council to governments and government authorities in order to gain support and investment to achieve Council goals and best outcomes for Greater Shepparton.
- Leading and developing the Council to ensure that it maintains its status as a high functioning organisation and that its functions are benchmarked against best national and international practice.
- Direct management of organisational services referred to as the Office of the CEO:
 - Corporate Performance
 - Advisory Committees
 - Audit Committee
 - Business and Service Planning
 - Councillor Conduct Panels



- Elections
- Freedom of Information
- Governance
- Information Privacy
- Internal Auditing
- Procurement
- Risk Management
- Section 86 Committees
- Protected Disclosures
- Marketing and Communications
 - Brand and Reputation Management
 - Marketing
 - Communications
 - Digital/Social Media Management
 - Media Monitoring and Management
 - Resource Production
 - Shepparton Show Me
- People Performance
 - Human Resources
 - Learning and Development
 - Occupational Health and Safety
 - Payroll
 - Employee wellbeing
 - Performance management
 - Recruitment

Director Business

Justin Finlayson (to February 2014)

Justin came to Greater Shepparton City Council from Benalla Rural City where he was employed as the General Manager Corporate and Community. Prior to this Justin was employed by PricewaterhouseCoopers. He is a Chartered Accountant and holds a Bachelor of Commerce Degree. Justin believes that through best practice business systems Council will deliver sustainable programs that are responsive to the expectations of the growing Greater Shepparton community.

Justin is a very proud father of two and spends all of his spare time playing with and enjoying his young sons.

As the Director Business until February 2014, Justin was responsible for:

- Assets
 - Strategic Asset Management
- Finance and Rates
 - Financial Accounting
 - Rates and Valuations
 - Revenue
- Information Services
 - E-services
 - GIS
 - Information Technology
- Regulatory Services
 - Animal Management
 - Citizen Services



- Local Laws
- Parking Enforcement

Director Business (Acting)

Rosanne Kava (from March 2014)

Rosanne has extensive experience at a senior level in local and Federal Government spheres. Rosanne was CEO at Gannawarra Shire for seven years and now works as a consultant doing placements in local government as well as strategic work, organisational reviews and investigations for local government and other organisations. Rosanne is a Chemical Engineer and holds Bachelor and Masters Degrees in that field. Her extensive federal government experience includes heading up corporate, policy program areas and three years on overseas posting at the Australian Embassy in Rome.

As Director Business (Acting), Rosanne held the same responsibilities as Justin, except for Strategic and Asset Management, which had been transferred to the Infrastructure Department.

Rosanne's principal areas of focus at Greater Shepparton included the finalisation of the Budget, addressing outstanding procurement matters in the Directorate, team building and development of Managers, consolidating structures and addressing recruitment gaps within each of the three Departments of the Directorate to help improve internal and external service delivery.



Director Infrastructure

Steve Bowmaker

Steve has diverse experience in chartered accounting, consulting, health, finance, information technology and project management and was a founding member of the Greater Shepparton City Council Audit and Risk Management Committee.

Steve has a focus on delivering value for the community through best practice in the management and maintenance of our infrastructure assets and through the implementation of best practice project management processes across Greater Shepparton.

Steve is married with four children and lives in Dookie where he has been heavily involved in community planning and capacity building, umpires junior football, and he enjoys tinkering with his old American cars.

As the Director Infrastructure Steve is responsible for:

- Projects
 - Aerodrome Management
 - Capital Works Planning
 - Design Services
 - Development
 - Engineering
- Recreation and Parks
 - Park Construction
 - Parks and Parks Furniture Maintenance
 - Public Open Space
 - Recreational Planning
 - Showgrounds
 - Tree Maintenance
- Works
 - Road Construction
 - Roads and Road Furniture Maintenance



- Street Sweeping
- Drainage: Kerb & Channel, Footpaths
- Strategic Assets
 - Asset Management Planning: Fleet and Stores, Building Maintenance
 - Property Services
 - Saleyards
 - Victoria Park Caravan Park: Asset Condition Surveys
 - Asset inspections

Director Community

Kaye Thomson

Kaye Thomson commenced her role as the Director Community with Greater Shepparton City Council in November 2012.

Kaye has over 30 years of experience in the health and local government sector. Prior to Greater Shepparton City Council, Kaye was with the neighbouring Moira Shire Council as Director Community Sustainability and other various roles over a 17 year period. Her passion is community engagement and capacity building, to ensure communities are involved in shaping their future. Kaye is committed to quality service delivery.

Kaye is married and has three children and enjoys spending time with her family and taking on volunteer roles in her community.

Her qualifications include general nurse, midwife, maternal and child health nurse, nurse practitioner – immunisation, Bachelor of Applied Science/Community Health and a Graduate Diploma Company Directors.

As the Director Community Kaye is responsible for:

- Active Living
 - Aquamoves
 - Aquatic Program
 - KidsTown
 - Physical Activity Programs
 - Stadiums
- Riverlinks
- Shepparton Art Museum (SAM)
- Tourism and Events
- Children and Youth Services
 - Aquamoves Childcare
 - Early Childhood Educational Services
 - Family Day Care
 - Maternal and Child Health
- Neighbourhoods
 - Aged Services
 - Community Engagement
 - Community Planning
 - Community Safety
 - Community Strengthening
 - Multicultural and Aboriginal Relations
 - Social Planning
- Libraries
- Emergency Management



Director Sustainable Development

Johann Rajaratnam

Johann is responsible for the Investment Attraction, Statutory and Strategic Planning, Environmental Planning and Building portfolios at Greater Shepparton City Council. Johann's background includes strategic planning, environmental planning, government liaison and corporate planning experience. His work history is primarily in local government with a wide range of local government experience ranging from small coastal communities, growth area councils, inner city metro councils, and rural councils.

Johann is married and is nervously awaiting the birth of his first baby in November. Johann has several qualifications including a Bachelor of Science and Master of Social Science (Planning and Environment).

As the Director Sustainable Development Johann is responsible for:

- Building Services
 - Building Approvals
 - Building Enforcement
- Environment
 - Environmental Health
 - Immunisation
 - RiverConnect
 - Sustainability and Development
 - Strategic Waste: Landfill, Litter Bins, Street Collections and Transfer Stations
- Investment Attraction
 - Business Centre
 - Business and Industry Development
 - Business and Industry Promotion
 - Grants Facilitation and Co-ordination
- Planning
 - Statutory Planning
 - Strategic Planning
 - Strategic Transport Planning



Our Staff

Greater Shepparton City Council is one of the north east region's largest employers. We employ 844 staff in a variety of permanent and temporary roles on a full-time, part-time and casual basis. Three quarters of our staff also live within the municipality. This means our people are able to bring a local passion, perspective and knowledge to the services they provide.

Council provides a range of flexible employment arrangements. The tables below demonstrate a significant portion of the workforce is made up of part-time and casual staff at different levels within the organisation.

Employment Breakdown

Male	Female	Total
295	549	844

The Greater Shepparton City Council's workforce has continued to increase with as of the 30 June 2014 there was 844 staff employed with Greater Shepparton City Council. The Council has continued to remain the same with the same workforce growth of approximately four per cent.

EFT for Greater Shepparton City Council

	Male	Female	Total
Full Time	199.6	164.84	364.44
Part Time	6.6	91.57	98.17
TOTAL	206.2	256.41	462.61
Casual	11.91	23.54	35.45
TOTAL	218.11	279.95	498.06

Occupational Type (full time, part time, casual)

	Full Time	Part Time	Casual	Total
CEO	1			1
Directors	4			4
Managers	22			22
Other Staff	344	180	294	818
Total	370	180	294	844

Organisational Review – Good to Great

Over the last two and a half years our organisation has undergone a change process to enable to become more receptive to the needs of the community. This commenced in March 2012 with the undertaking of an Organisational Scan. The objectives of the Organisational Scan were to identify where the organisation could improve its performance and sustainability through:

- Increased ownership and understanding of the Council plan
- Increased operating efficiency in service delivery
- Inform the service planning process
- Efficient deployment and ownership of assets

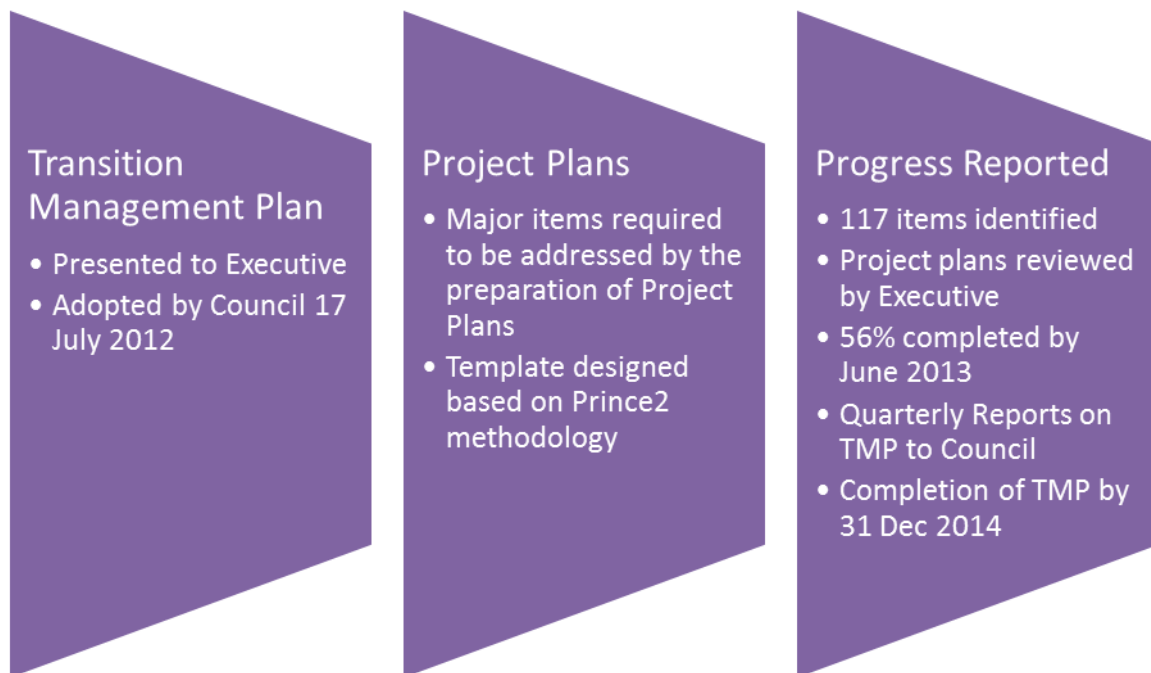
The desired outcome from the Organisational Scan was to:

- Detail areas where we believe the Council could gain efficiencies in service delivery
- Identify assets surplus to council's requirements
- Determine whether there was corporate capability to implement potential improvements or what support is required to deliver
- Identify where there are policy gaps inhibiting efficiency; and
- Recommend an appropriate Organisational Structure and changes in operation, systems and processes to improve the performance of the organisation.

Transitional Management Plan

A Transitional Management Plan was adopted with 117 transitional tasks to be undertaken from June 2012 over the next two years. Each task identified required the preparation of a transition management project plan. As at June 2014, 56 per cent of these project plans had been completed and with work commenced on all projects. Each task required a project plan with all plans to be completed by the 31 December 2014.

Council receives quarterly reports from the CEO in which he provides an update for Councillors in the progress towards implementation of the Transitional Management Plan actions.



Whole Brain® Thinking

Whole Brain Thinking was introduced into the organisation in 2014 and was rolled out to Executive and Managers and eventually will roll out to Team Leaders and employees throughout the year. As we know results drive success of the organisation so the faster and smarter we can reach our critical organisational goals, the quicker we will see a return on the organisations efforts.

It is critical that we have every aspect of our combined organisational intelligence working for us, from our problem solving abilities and creativity, to technical expertise and management discipline, otherwise as an organisation we will not have the advantage we need to be effective and efficient in today's ever changing and challenging environment.

To enable this to occur it is planned to introduce Herrmann International's Whole Brain Technology® which is based on proven research into the organisation to assist all employees to understand how people think and communicate differently. By drawing on the combined analytical, organisational, strategic and interpersonal skills that it takes to succeed today, Greater Shepparton City Council as an organisation will be able to harness the thinking styles of every individual.

The Whole Brain® Advantage will give our employees:

- insight into their own and others' thinking styles
- tools to leverage their natural preferences
- skills they need to operate outside their preferences when the situation arises.

When employees put Whole Brain Technology® to work, they will approach problems, communications and planning more effectively, and will break out of their individual self-limiting patterns that interfere with their individual productivity, innovation and creativity. With better thinking across the whole organisation we will get better results for our community.

This thinking is well used across the world with nine out of 10 Fortune 100 organisations relying on the Herrmann Whole Brain® Advantage as a strategic approach. It helps these organisations remain successful and nimble, even with the changing world and the issues and challenges that organisations face.

Human Resources

As a local government organisation and a business it is important that we understand our current workforce and the Legislative framework that we operate under.

Legislation requires a Council to have an organisational structure and employees in place to effectively manage the operations in accordance with the Council Plan. The Council's existing organisational structure is based on functional activity and common objectives in order to meet the community's needs, provide quality and efficient services, support the stimulation and strengthening of the local economy and provide efficient and effective administration for the organisation.

Under the existing organisational structure, a range of full-time, part-time and casual employees are employed, with a diverse skills base across a wide range of disciplines. The Council's 2014 Enterprise Agreement should be certified by Fair Work Commission early next financial year and shall remain in force until 30 June 2017. The agreement encourages workplace flexibility and multi-skilling and delivers to employee's sound terms and conditions of employment.

Staff Support

Work life balance is an increasingly important phenomenon in modern-day times. Having an employer who is supportive, committed and flexible creates an opportunity to adjust work arrangements to meet individual circumstances. This results in many benefits for the employee while creating significant wins for Council: improved productivity, engagement and retention, and the ability to attract engaged employees.

Early Intervention - Council has commenced actively managing its work cover claims not only in an effort to reduce its work cover premiums, but more importantly to ensure that those employees impacted by work related injuries do not have any time away from the work place, and if they do that time is minimised.

Part of this approach is to provide for all employees a health and wellbeing initiative that enables employees to access a provider of injury treatment and management, with results that indicate that with three to four treatments over 90 per cent of employees are able to remain on full duties and full hours throughout the treatment period.

Employee Assistance Program - Council provides employees and family members the ability to access a confidential professional service to enable them to discuss matters of either a work related or family matter that may be impacting on their work or personal lives.

Organisation Job Analysis

Constant review of aligning the organisation functionally will be conducted on a regular basis using a Job Analysis/Business Case template. Managers of Departments will be required to conduct a Job Analysis and prepare a Business Case for every role where there is an exit or termination and also to request a new position into the structure, including roles which are funded. This will allow for a review functionally for the position and take into account budget implications for Council.

Cultural Change

The need to review culture was highlighted during the organisational review. To enable objectives and desired outcomes to be achieved it is vital that a workplace undertakes regular cultural reviews. Organisational culture is defined as the shared values, norms and expectations that govern the way people approach their work and interact with each other.

The capacity and skills of the organisation's employees and the capacity of people to work in teams is paramount to high satisfaction and performance. The seven categories below describe the key elements of the Business Excellence Framework and these were examined as part of the cultural assessment of the Organisation:



Learning Organisation

In the last two years Council embarked on enabling and positioning itself as a learning organisation, one which is committed to providing on-going learning and development opportunities for all employees. The strategic vision is to enable its employees to achieve multi skilling, increase flexibility, and enhance productivity, performance, personal development and career development opportunities.

Council will continue to provide learning and development opportunities to:

- Achieve corporate objectives, initiatives and priorities, as set out in the Council Plan
- Enable continuous improvement
- Implement and improve quality management systems
- Enable effective job and work redesign
- Improve career opportunities for, and job satisfaction of employees
- Provide specific skills to ensure the effective and efficient operation of the organisation

One of the purposes of learning and development programs is to ensure that employees acquire and utilise the specialist skills and knowledge, managerial and interpersonal skills to perform the duties of their current position and to prepare them for the future requirements of Council in meeting the needs of the community.

Building our Workforce Plan

Greater Shepparton has embarked on building our Workforce Plan, based on a number of phases to ensure we gather the best data possible and conduct a thorough review, to enable a successful gap analysis to be undertaken.

Council will be a participant in the MAV Workforce Planning Model in which a small number of Councils will work together to improve their workforce planning and develop a model that will be able to be introduced into Local Government across Victoria.

Succession Planning

As part of the Workforce Planning work, Council is working on completing a Succession Action Plan which will outline an implementation plan for senior management positions and all other positions (and position groups) which are identified as critical.

Succession planning is the consideration of current and future organisational capability and staffing needs, and strategies to ensure that these can be met. This is a major issue for Greater Shepparton City Council as with an ageing workforce (in some parts of our operations), which is intensified by the need to attract and retain younger workers who are seen to be mobile by nature.

Our succession planning will focus on identified critical roles, specifically the skills that make these roles critical, and seek to ensure there is current and future capacity for these positions to be filled with appropriately skilled in-house staff.

Our succession planning will include reviewing processes to determine if there are more effective ways to deliver services and therefore train our employees accordingly. It is also important that GSCC implements staff learning and development strategies which are aimed not only at ensuring that employees have the skills to deliver the Council Plan and Council's strategic and operational goals, but also to ensure that Council has a generous flow of internal candidates to fill senior roles as they become vacant.

All positions/position groups will also be assessed in terms of current risk and anticipated residual risk following the implementation of identified action plans. Risk assessment will be based upon a risk assessment matrix to be developed in accordance with this process.

Occupational Health and Safety

Council takes its responsibilities for providing a safe work place for its employees very seriously. To that end the following initiatives have been introduced in the last 12 months:

- Health checks for all employees
- Fruit to the workplace every week
- Road Warrior Program
- Wellbeing Program
- Council Sponsored Gym Membership program
- Work break program

The OHS Committee is valuable for our organisation, with the aim to facilitate a culture of safety throughout Council and promote the health, safety and wellbeing of all employees, customers, contractors, volunteers and visitors within all workplaces.

Awards and Recognition

Recognition Awards

On a quarterly basis, we acknowledged staff for their outstanding efforts by nominating them for an award in the following categories:

- Operational Excellence
- Above and Beyond
- Living the Values
- Customer Service
- Consistent Effort and Contribution

Staff are nominated for the awards by another staff member, or a customer. They receive a certificate to acknowledge their contributions to the organisation at an all staff meeting.

The recipients of the awards from July 2013 to June 2014 were:

Operational Excellence

- Julie Muir
- Aquamoves Emergency Response Staff - Connor Thompson, Abbey Shead, Lauren Murphy, Tim Dooling, Sarah Lewis
- Aquamoves Aquatic Education Team - Shelley Heggart, Kharen Sandilands, Jenny Serra, Swim Teachers
- KidsTown Team - Steve Wilson, Tracey Toy, Graham Walkden, Ken Morelli, on behalf of the whole KidsTown team

Above and Beyond

- Andrew Farrell
- Jayson Trewin

Living the Values

- Nil

Customer Service

- Nil

Consistent Effort and Contribution

- Nil

Years of Service

On a quarterly basis we recognised staff for their length of service. Staff receive a certificate signed by the CEO and Mayor. Those who had completed 10 years of service or more also receive gift vouchers. Those who had completed 20 years of service or more are also acknowledged at the annual recognition dinner. The recipients for the 2013/2014 financial year are detailed below.

Recognition of Retirement

When a staff member retires after 20 (or more) years of services, they receive a letter from the Mayor. A morning/afternoon tea is held in their honour, and they are also invited to attend the annual recognition dinner, along with those staff who have completed 20 years or more of service.

2013/14 Years of Service Awards and Recognition

40 years - Rita Jenkins

35 years - Nil

30 years - Brendan Walsh, Ivan Holm

25 years - Barbara Twite, Glen Stewart, Jo Palma, Sherridan Myers

20 years - Anthony Tamburro, Greg Howard, Rodney Warren

15 years - Colin Kalms, Jessica Vanerdonk, Judith Pedretti, Lisa Eade, Patricia Preston, Pina Tiroli, Roslyn Trevaskis, Sam Costa

10 Years - Angie Frame, Angie Spiewak, Carmen Nicholson, Cheryl Squire, Chris Carroll, Chris Giles, Debra Falla, Doug Cousins, Keith Arundel, Ken Morelli, Kirby Cirillo, Leigh Simpson, Linda Bonner, Malcolm Damon, Mally Young, Neil Dickson, Nerida Tobias, Nick Rowston, Nicole Byrne, Pam Gaylard, Paula Gullick, Peter Alexander, Rosie Dickens, Sarina Robison, Sean Harrap, Shane Newling, Talia Palmer, Tim Zak, Tina Follett, Wendy Pogue

5 Years - Amy Sadler, Andrew German, Andrew Lancaster, Angela Caltabiano, Angela Sellwood, Anne Allen, Bec McCrindle, Brett Keele, Brooke Gundrill, Caitlin Bourke, Chris Adams, Christine Perkins, David Rowan, Edwina Breen, Graeme Pollard, Grahame Ryan, Jack Brazel, Jenna Barry, Joan McDonald, Joanne Jarred, Jodie McPhee, Krista Cox, Kristy Woodman, Leanne Houkes-Wilson, Leonie King, Leonie Pomeroy, Lesley Thompson, Liz Connick, Lynne Parker, Maree Agius, Melissa Moxey, Michelle Swift, Pembe Scarcella, Rachael Newman, Raelene Ferrari, Raymond McNally, Rebecca Bertone, Rebecca O'Connell, Ricky Hoare, Romola Hopman, Rose Massloch, Stephen Whitford, Steven Iaria, Susan McLean, Wendy Matthews

Section 2: Key Achievements

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

This vision is the cornerstone of the four-year Council Plan which is developed every four years and updated annually. The 2013–2017 Council Plan has been created following the election of the Council in November 2012.

Each year, Council's work plans and budget are set against the backdrop of the priorities identified in the Council Plan. The following is a report of the highlights from the first year (2013/2014) of the four-year plan.

Our strategic objectives are:

1. Active & Engaged Community (Social)

We will enhance social connectedness, physical and mental health and wellbeing, education and participatory opportunities in order to improve liveability and a greater range of community services.

2. Enhancing the Environment (Environment)

We will conserve and enhance significant natural, environmental and cultural heritage.

3. Economic Prosperity (Economic)

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

4. Quality Infrastructure (Built)

We are committed to facilitating growth in a consolidated and sustainable development framework and will strive to provide urban and rural infrastructure to enhance the performance of the municipality.

5. High Performing Organisation (Leadership & Governance)

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

Goal 1: Active and Engaged Communities (Social)

Highlights

- Seven point rise in 2014 Community Satisfaction Survey Results
- \$433,000 in funding through Living Libraries from the State Government for the Shepparton Library upgrade
- Safer City Camera Network launched in May
- Katandra West, Tallygaroopna, Congupna Community Plans were endorsed by Council
- Emerge Festival held in March with 3,500 people in attendance
- Inaugural St Georges Road Food Festival with more than 2,000 people in attendance
- 22,000 attended SheppARTon Festival events throughout the month of March
- Eight Citizenship Ceremonies held with 250 members of the community becoming naturalised and 100 of those at the Australia Day ceremony
- 926 new babies and their parents supported
- Maternal and Child Health Key Age and Stage Visits – a total of 7,769 in 2013/14, up from 7,673 the previous financial year
- 211 new-parent groups
- Additional 2,457 Maternal and Child Health consults and 1,624 phone consultations
- 749 children in three long day care centres, occasional care and family day care
- 1,017 kindergarten enrolments for 2013 – 467 of these children are currently attending Council Kindergartens
- 31,317 meals on wheels delivered
- 23,825 hours of domestic assistance provided
- 11,210 hours of personal care provided
- 12,489 hours of respite care provided
- Activities in the Parks program is awarded the Aquatics and Recreation Victoria Award for Innovative Program of the Year
- Shepparton Art Museum (SAM) Foundation established

Strategies/Activities	Results	Challenges	Next Steps
1. Continue to enhance Community Capacity Building			
Develop and implement neighbourhood planning within the Shepparton community.	Commenced consultation for Neighbourhood Planning in Kialla Lakes and Locality Planning in Arcadia.	Finding suitable community engagement tools.	Final endorsement of the Kialla Lakes plan due in October. Final endorsement of the Arcadia Plan in September. Continuation of additional Neighbourhood Plans.
Continue to work with our communities to implement their community plans.	A full review of community planning priorities was undertaken in October / November. Council adopted the Community Planning Policy in December 2013, which is supported by an operational Directive and Guideline. Katandra West, Tallygaroopna, Congupna Community Plans were endorsed by Council in the 13/14 financial	Ensure Policy and Directive is representative of all parties and capabilities.	Continue to support communities with the implementation of their plans.

Strategies/Activities	Results	Challenges	Next Steps
	year.		
Review, amend, implement and monitor Council's community consultation and engagement strategy.	Continue to support the implementation of the plan and support internal departments with the delivery of community consultation.	Developing new tools and resources that are easy to use in all Council's engagement activities.	Review the current strategy and promote tools available across the organisation.
Develop effective partnerships with agencies to deliver improved community wellbeing (all age cohorts) outcomes.	The 2014 Community Satisfaction Survey Results saw a 7 point rise from 51 in 2013 to 58 in 2014 in overall performance. There was a rise in performance across all performance measures (Community Consultation, Advocacy, Customer Service and Overall Council Direction). Council endorsed the Hume Region Preventing Violence Against Women & Children Regional Strategy 2013-2017 at the Ordinary Council Meeting in September 2013.	Community perception of the organisation is difficult to change Managing the expectations on Local Government.	To aim for an additional rise across all Performance Measures and to meet or better the Regional centres average in 2015 Continue to support the implementation of the strategy where possible.
Ensure our 10 year capital works program is linked to the community and neighbourhood plans.	The Implementation of the Integrated Project Management Software allows for the ability to link projects to community and neighbourhood plans.	Ensuring all departments are aware of the community and neighbourhood plans priorities.	Continue to improve the quality and detail of the link with capital works and community, neighbourhood and locality plans.
2. Develop and implement a strategy for improving education opportunities for all ages			
Develop an Education Strategy that includes the principles of lifelong learning.	Council currently has a 2011-2015 Strategy that identified three key actions commencing with the establishment of a leadership group. This was overtaken by the commencement of the Lighthouse Project in Shepparton, and Council is actively involved in this project.	Greater Shepparton has very low participation and aspiration rates in the tertiary education sector.	Council will continue to work actively within the Lighthouse Project in Shepparton.
Review and amend (if required) Council's Higher Education Strategy with the aim to improve the aspirational goals of students to gain further skills by attending higher education.	Council's Education Strategy will be reviewed during the 2015/16 FY.		
In association with education providers and industry/business develop opportunities to assist with the attainment and retention of	Council is currently working with education providers to determine the gaps that exist in the provision of education and skills to meet business and industry needs.	Gaining interest and participation of stakeholders.	Tour of Deakin facility being planned for November 2014 for industry stakeholders.

Strategies/Activities	Results	Challenges	Next Steps
skills to support industry and business development in Greater Shepparton.	Discussions have commenced most recently with Deakin University.		
3. Ensure liveability options are always considered in our decision making activities			
Develop partnerships with Federal and State governments, statutory agencies, non for profits and private business to leverage growth within Greater Shepparton.	<p>Council continued with the development of the Mooroopna Growth Corridor under an agreement with the Department of Social Services to offer affordable house and land packages under the Building Better Regional Cities program. Over \$5m in Federal funds are being used to provide affordable housing with the spin off being the economic/growth benefits for the municipality as a result.</p> <p>Greater Shepparton City Council through the C&YS has forged quality partnerships with State Government, rural and metropolitan local governments and other services delivery agencies to contribute to the development of best practice within the sector. These partnerships also inform the development and implementation of the Best Start Early Years Plan and Youth Strategy and Action Plan. The continuous improvement of services for families, young people and children provides a solid backdrop for the development and growth of the Greater Shepparton.</p>		
Develop, deliver and implement community safety initiatives with the State Government, Police, State agencies and the community, including but not limited to CCTV.	The Safer City Camera Network (CCTV) was launched in May 2014. Council continues to provide support to Cool Heads and Street Rider.	Funding opportunities.	Continue to strengthen partnerships for the delivery of community safety initiatives.
Continue to implement the Greater Shepparton City Council Community Safety Plan	The Greater Shepparton Safer Community Advisory Committee reviewed actions and achievements of the Safer City Strategy 2011-2014. This strategy is now complete.	Funding opportunities for further partnerships.	Development of a new Community Safety Plan that will encompass the whole municipality.
Renew and implement the Universal Access and Inclusion Plan.	Council adopted the Universal Access and Inclusion Plan 2013 – 2017 on 17 September 2013. With the support of the Disability Advisory Committee a key achievement was hosting a celebration event for International Day of	Funding for additional opportunities.	Continue implementation of the plan and an annual review.

Strategies/Activities	Results	Challenges	Next Steps
	People With A Disability.		
Continue to implement the Positive Ageing Strategy objectives.	The Positive Ageing Strategy 2009 – 2014 was completed on 30 June 2014. Highlights from the strategy included: development of a Positive Ageing Advisory Committee, development of a wallet sized seniors' directory and facilitation of forums topics included, Home Safety and Security.	Further opportunities for funding to support actions.	Development of a new action plan.
Continue to support the ongoing planning and resourcing of Emergency Management.	Greater Shepparton City Council's Emergency Management plan was successfully audited, August 2013.		Greater Shepparton Flood Management Plan to be updated in August 2014.
Continue to implement the Early Years Plan objectives.	Completion of the Enhanced Best Start project (improving breastfeeding rates and access to Maternal and Child Health Services and kindergarten for vulnerable families) Development of the Vulnerability Tool and Ready Services Audit tools, Implementation of the Mother Goose model and program Development and launch of the State of Greater Shepparton's Children Report Development of Language and Literacy Professional Development package for early childhood educators.		
Develop, adopt and implement the Greater Shepparton City Council Municipal Health and Wellbeing Action Plan.	Council adopted the Municipal Health and Wellbeing Action Plan 2013 -2014 at the December 2013 Council Meeting. Some achievements include: a Health Career Forum held in September, installation of five universal access water fountains, continued participation in National Tree Day, extension of the Smoke Free Outdoor Dining Trial.	Defining Council's role in health services in the community. The increased prevalence of ICE in the community.	Development of the next annual action plan.
4. Provide sustainable community services to our community			
Review the provision of library services, including potential partnerships and infrastructure requirements.	Successfully applied for Living Library Capital funding from the State Government for a building upgrade of the Shepparton Library.		Complete the Shepparton Library upgrade. Seek funds to upgrade the Tatura

Strategies/Activities	Results	Challenges	Next Steps
			Library.
Establish a Service map that provides information on the services that are available to our community ensuring it is demographic specific data.	Not achieved.	The vacant Business and Services Analyst position	Undertake the service plans. Service Planning tender to be advertised in August 2014, will contract a consultant to undertake Service plans for the Organisation throughout 2014/2015
Continue to lobby and advocate on behalf of those disadvantaged citizens within Greater Shepparton.	Continue to provide Home and Community Care (HACC) Services to the most vulnerable members in our community. Services include assessment, case management, home care, personal care, respite care, Meals on Wheels, home safety services and Social Connections. Continue to offer Commonwealth Home Care Packages.	The Commonwealth Aged Care Reforms and proposed changes to HACC.	Continue to advocate for and engage with our senior residents to plan for an ageing community. Continue to provide a quality service to our community. Continue to monitor changes to the aged care sector. Apply for additional Commonwealth Home Care Packages.
Monitor and appropriately support the provision of quality children's services within the municipality.	Development and implementation of the Vulnerability (identification) tool and professional development for early childhood educators and maternal and child health nurses to better support vulnerable and disadvantaged families. A 'Ready Services' audit tool was also developed and implemented across all kindergarten and maternal and child health services this year to measure how 'family friendly, welcoming and accessible' they are. Successfully supported all children's services to achieve level of 'meeting' under the National Quality Framework(NQF) guidelines	Children's Services have achieved 'meeting' as a base standard and some have achieved 'exceeding'. Challenge will be providing systems that support all services to achieve Exceeding under NQF guidelines as they are a variety of service types.	Support children's services to all reach Exceeding level in at least two of the seven standards in the NQF. Ensure the next Council Plan recognises the Council's role in the provision of Early Childhood health, education and care services.
5. Embrace and strengthen cultural harmony and diversity			
Continue to engage and partner with our Indigenous community to support improved	Five Cultural Awareness sessions were offered to staff and community members over the 13/14 year. Council	Finding enhanced opportunities to discuss	Ensure Close the Gap is reflected in Council policy and partnerships

Strategies/Activities	Results	Challenges	Next Steps
<p>opportunities and outcomes in employment and health.</p>	<p>continues to partner with ASHE to develop a Work Experience Program for young aboriginal students.</p> <p>A respecting difference forum was held in June 2014 to discuss the proposed Commonwealth changes to the Racial Discrimination Act.</p> <p>SAM partnered with Gallery Kaiela in the Indigenous Ceramic Art Award providing six months of workshops and a seminar with stolen generation artists and the local indigenous community and previous national award winners. Artists at Gallery Kaiela also provided workshops and community engagement opportunities at SAM. This initiative lead to a ceramic exhibition at Gallery Kaiela and also the establishment of a ceramic studio.</p>	<p>common ground.</p> <p>Creating pathways within Council for Indigenous people to further engage across a spectrum of services.</p>	<p>moving forward.</p>
<p>Ensure Council's activities and events support and enhance its reputation for cultural harmony and inclusiveness.</p>	<p>Emerge Festival held on 3 March, 2014 and sponsored by Council brought together locals and visitors to celebrate Indigenous and emerging cultures. There was very strong representation from the indigenous community.</p> <p>Riverlinks was successful in securing an Engage grant with key objective to engage with CALD communities to deliver arts programs in 2015 and beyond.</p> <p>Riverlinks presented Djuki Mala (Chooky Dancers) in 2014 with up to 1,100 people attending including strong representation from indigenous elders and broader Aboriginal community.</p> <p>SAM presented community cultural development programs and events throughout the year, employing artists from diverse cultural backgrounds in the delivery of activities at SAM.</p>	<p>Engaging across diverse cultural spectrums can be challenging but strong relationships have now been established.</p> <p>Working with specific cultural groups requires more resources than catering to a general populace, and skills in engagement.</p>	<p>Emerge Festival to be presented again in 2015 as part of the SheppARTon Festival</p>
<p>Continue to monitor, review annually and implement the Greater Shepparton City Council Cultural Diversity Strategy.</p>	<p>Implementation continues of Council's Cultural Diversity and Inclusion Strategy. Key achievements include:</p> <ul style="list-style-type: none"> continued to be a partner in the Goulburn Valley Integrated Settlement Planning Committee 	<p>Ensuring that the many cultural communities in our municipality are engaged and represented in our strategy and actions requires individual</p>	<p>Further implementation of the Strategy, and commence consultation for the development of a new strategy.</p>

Strategies/Activities	Results	Challenges	Next Steps
	<ul style="list-style-type: none"> • declaration to be a Refugee Welcome Zone • signed member of the <i>Racism It Stops With Me</i> Campaign • development of a multi-faith prayer and contemplation room for staff and visitors at Welsford Street • Respecting Difference Forum 	approaches that are sympathetic to the cultural needs of the community and this can be a slower process.	
Recognise and take advantage of opportunities to celebrate our diversity.	<p>St Georges Road Food festival held in May saw over 2,000 people attend the inaugural event.</p> <p>Council supported a number of celebrations including:</p> <ul style="list-style-type: none"> • Anniversary of National Apology Day • Unity Cup • Sorry Day • Reconciliation Week • Emerge Festival • NAIDOC Week • Cultural Diversity Week • Refugee Week • LEAD Celebration Dinner 	Funding opportunities that provide for Council to assist building the capacity of the cultural communities to host their own inclusive events.	<p>To hold an annual St Georges Road Food Festival in 2015.</p> <p>Emerge Festival as part of SheppARTon Festival program in 2015</p>
6. Value arts, culture and heritage as an integral part of our dynamic community			
Continue to support and promote arts events.	<p>Council and Riverlinks sponsorship of key arts events and such as the ANPA (Piano award,) Shepparton Young Instrumentalist Awards, Playing for Pleasure, Orchestra Victoria On The Move, Shepparton Brass Concerts, Goulburn Valley Concert Orchestra concerts, Emerge Festival and Georgy Awards.</p> <p>Sponsorship of In Your Town season taking professional arts products to smaller towns including Dookie and Tatura. Partly funded through Arts Victoria.</p> <p>Community Arts Fund established enabling artists and organisations to apply for financial support for arts projects.</p>	<p>Forming partnerships with community arts organisations requires extensive and ongoing time and resources.</p> <p>Cost of presenting in smaller towns is substantial. Grant from Arts Victoria is an annual decision rather than longer term cash commitment.</p> <p>Community Arts Fund established 2013/14 to take applications from 1 July 2014.</p>	<p>Grow relationships with community partners and to program similar programs in 2015 and beyond.</p> <p>In Your Town projects committed for 2014/15 and 2015/16.</p> <p>Manage grants program and seek additional funding for 2015/16.</p>

Strategies/Activities	Results	Challenges	Next Steps
	<p>SAM delivered a successful program of curated exhibitions, and public programs, delivering several new publications and new educational resources.</p> <p>SAM's program was picked up extensively in local, Victorian and metropolitan media, driving visitors to the region.</p>	<p>Fund is only \$20,000.</p>	
<p>Ensure that the Shepparton Art Museum, Riverlinks and Westside Performing Arts activities continue to deliver quality and diverse events aimed at increasing public participation.</p>	<p>Fully delivered Riverlinks performing arts season to Eastbank Centre, WestSide PAC and smaller towns.</p> <p>Riverlinks applied for and received Australia Council "Engage" grant to fund audience development projects in CALD, teenager and young adult market.</p> <p>Engagement with CALD audiences as part of Emerge Festival programming.</p> <p>Riverlinks presented Djuki Mala (Chooky Dancers) in 2014 with up to 1,100 people attending including strong representation from indigenous elders and broader aboriginal community.</p>	<p>Competition for audiences means audience engagement activities are essential.</p> <p>Managing a large scale ambassador program and focus groups as part of the Engage grant for 12 months will be challenging.</p> <p>Developing effective communication tools with CALD communities especially where potential cultural barriers exist.</p> <p>An increase in attendance needs to be managed in line with the broader objectives of SAM, the quality of offerings and depth of content behind exhibitions and educational resources, and the diversity of people for which the Museum caters.</p>	<p>2015 Season launch in December 2014 and ongoing annual seasons of high quality performing arts</p> <p>Managing ambassador program and focus groups in 2014/15</p> <p>Emerge Festival 2015 arts programming supported by Riverlinks.</p> <p>SAM is continuing to plan its programs into the future and work within a sustainable business model delivering accessible and engaging programs within its budget. A constant increase in participation numbers is not an end point and the Museum audience numbers may well have reached their saturation point in the context of the current facility and resourcing.</p> <p>Also as it is an objective of the Museum to engage diverse audiences, the needs and drivers for visitation are also varied requiring the Museum to cater to a wide range of needs rather than the 'maximum' number of visitors.</p> <p>SAM continues to be focussed on the quality of experience and also the participation rate of visitors in</p>

Strategies/Activities	Results	Challenges	Next Steps
<p>Renew and implement the Arts and Culture strategy (which includes public art)</p>	<p>Funding not approved for the strategy in 2014/15 budget. Riverlinks and SAM to complete separate business plans relevant to their key activities and objectives with Riverlinks to be considered a stakeholder in longer term SAM strategies especially in regards to potential relocation of SAM.</p>	<p>Aligning strategies during a period when a variety of options or potential outcomes are to be considered.</p> <p>Identification of resources for new strategic planning work.</p> <p>Capacity to partner with Committee for Greater Shepparton in the Cultural Strategy work they are undertaking.</p>	<p>programming or events during their visit, as well as the diversity of people accessing the facility.</p> <p>SAM and Riverlinks to prepare departmental strategic / business plans with a focus on longer term arts strategies.</p> <p>Review of approach to strategic work following SAM Feasibility Study.</p>
<p>Continue to undertake the Greater Shepparton City Council Heritage Study by implementing Stage 3 - gap study.</p>	<p>Council has resolved to allocate \$40,000 in the 2014/15 financial year to prepare the <i>Greater Shepparton Heritage Study Stage III: Rural</i>. This study will mainly focus on identifying places of cultural heritage significance in rural areas of Greater Shepparton.</p>	<p>Given the size of the municipality, there are significant challenges to including as many places of cultural heritage significance as possible in the study. Council's Heritage Advisory Committee is preparing a list of possible places of significance for a future consultant to assess and include in the study. It is foreseen that this rationalised list of places will save significant administrative and transport costs. The Planning Department has also sought additional funding from Heritage Victoria but has been informed that no such funding has been provided in the 2014-'15 financial year. When a brief</p>	<p>A project brief for this study will be prepared in early 2015 in conjunction with Heritage Victoria and the study will be prepared in mid-2015.</p> <p>Confirm external funding.</p> <p>Present to Councillors.</p>

Strategies/Activities	Results	Challenges	Next Steps
		has been prepared, the Planning Department will contact the Rural Flying Squad for additional funding for the study.	
Investigate the establishment of a Shepparton Arts Museum foundation.	The Shepparton Art Museum Foundation was established as a Company Limited by Guarantee, with Peter Quinn appointed as inaugural Chairman.	Establishing Governance Manual, MOU with Council and Strategic Plan.	Continue to partner with the Foundation in the future of SAM.
Continue the feasibility investigations for a new location for the Shepparton Arts Museum.	SAM sought funding to assist in conducting a Feasibility Study into future options for Shepparton Art Museum; including potential sites for a new SAM.	Consideration of future impact and operational implications of an expanded art Museum. Extent and complexity of stakeholder engagement.	Feasibility study completed and report presented to Council.

Goal 2: Enhancing the Environment (Environment)

Highlights

- Environmental Sustainability Strategy completed
- Waste and Resource Recovery Management Strategy adopted
- Funding for Master Plan for the extension of the shared paths through the Shepparton Regional Park between Mooroopna and Shepparton

Strategies/Activities	Results	Challenges	Next Steps
1. Ensure the environment is a major priority in planning for the future			
Ensure that development applications provide sustainable management plans which incorporate sustainable building design concepts, water use and stormwater management plans.	<p>Amendment C112 is about to go on exhibition to strengthen the requirement in the Infrastructure Design Manual (IDM) for developments to have stormwater management and quality considered.</p> <p>The MSS has numerous considerations of sustainable design but it has been identified that these need to be made stronger and more comprehensive.</p>	The sustainability sector is rapidly changing and developing. It can be a challenge to keep up to date with best practice.	<p>Development engineers to ensure IDM integrates changes to cover sustainable management plans.</p> <p>Implementation will require the submission of budget bid to employ a consultant to integrate into the Planning Scheme.</p>
Advocate for and lobby governments to improve community access and safety within the Lower Goulburn National Park.	Through RiverConnect, an open dialogue continues with state government through Parks Victoria to improve community access. A key outcome is the grant received by council to develop a Master Plan for the extension of the shared paths through the Shepparton Regional Park between Mooroopna and Shepparton.	Recent reduction of Parks Victoria staff has put extra strain on local resources to respond to requests.	Complete Master Plan and seek funding to implement.
Ensure that development applications take into account the importance of agricultural land to the Greater Shepparton community and its economy.	<p>The Greater Shepparton Planning Scheme sets out the importance of agriculture to the municipality's economy.</p> <p>The Hume Regional Plan identified the importance of agricultural land in the municipality by including the land as 'strategic agricultural land'.</p> <p>Planning decisions in rural areas seek to protect agricultural uses from encroachment from incompatible uses particular dwellings and non-rural commercial uses.</p> <p>Planning officers also promote investment into agricultural developments both on farm and food</p>	<p>Recent government changes to the Farming Zone to allow non-rural commercial uses in rural zones places pressure on agricultural land to accommodate warehousing and light industrial uses that should be located in Industrial areas.</p> <p>Preservation of agricultural land can mean that hard</p>	<p>Allocate funding to allow Council's strategic planners to re-introduce a non-rural uses policy into the planning scheme to protect agricultural land from being used as a cheap alternative to industrial land.</p> <p>Continue to facilitate agricultural developments through the planning system whilst protecting agricultural land from inappropriate non rural</p>

Strategies/Activities	Results	Challenges	Next Steps
	<p>processors by making timely decisions on relevant planning applications.</p> <p>Notable applications include:</p> <ul style="list-style-type: none"> • Moraitis tomato green house facility • 320,000 bird broiler farm • Installations of pivot irrigators • Pactum dairy facility • Improvements to TMI and Tatura Abattoirs 	<p>decisions need to be made such as not allowing some rural subdivisions or rural dwellings. These decisions are taxing on all involved and the resolve to make these decisions needs to be reinforced by senior leaders including Council.</p>	<p>developments.</p>
<p>Advocate, lobby and work in partnership the state government to minimize the fire risk to our community on state government controlled land.</p>	<p>Regular meetings occur to determine management actions by Parks Victoria on State Government controlled land.</p> <p>Through RiverConnect and Council's development of the Boulevard Bush Reserve Environmental Management Plan, a detailed fire risk program has been developed. The reserve is owned by Council and Parks Victoria.</p>		<p>Continue regular meetings occur to determine management actions by Parks Victoria on State Government controlled land.</p> <p>Ensure the actions in the Management Plan are followed.</p>
<p>Work with Department of Primary Industry, Goulburn-Murray Water, University of Melbourne and other municipalities to ensure the use of irrigation water is both innovative and maximised.</p>	<p>Through the Municipal Catchment Coordinator role, regular meetings occur between Goulburn-Murray Water and council to ensure open dialogue of the sustainable use of irrigation water and to ensure the planning department are abreast of statutory considerations.</p>	<p>Regular attendance by key partners can be challenging.</p>	<p>Continue meetings.</p>
<p>Finalise, adopt and commence implementation of the Environmental Sustainability Strategy.</p>	<p>Development of the Environmental Sustainability Strategy.</p>		<p>Finalise ESS and present to Council for adoption.</p> <p>Finalise integration into Interplan and staff workplans.</p>
<p>Investigate the opportunities that are available to Council to enable council to support renewable energy options.</p>	<p>Council has committed to investing \$60,000 on an energy reduction plan that will provide guidance over the next five years in matters relating to energy reduction – in particular our reliance on black energy (coal).</p> <p>A key part of the plan will be to investigate renewable energy options including the installation of large scale solar.</p>		<p>Complete project brief, procurement plan, undertake quotation process, engage consultant and finalise plan.</p>

Strategies/Activities	Results	Challenges	Next Steps
	Council now purchases green energy on all of its electricity supply contracts.		
Investigate the opportunities that will enable council to support the growth of solar usage within the city.	<p>Held discussions with Moira Shire regarding partnering on a virtual solar power plant. Greater Shepparton City Council were eligible for the funding but Moira was successful teaming up with Swan Hill Shire and University of Technology Sydney. Council is a partner in this project and will be party to the outcomes.</p> <p>Commented on the MAV Environmental Upgrade Agreement (EUA) petition to be included in State Legislation (amended in July 2014)</p> <p>Council has supported Goulburn Valley Community Energy initiatives.</p> <p>Council is financially supporting the Tatura Renewable Energy feasibility project</p>	<p>The debate and subsequent repeal of the Federal Clean Energy Act (2011) has led to uncertainty for business investing in solar power.</p> <p>Many incentives have been removed because of the repeal. This may make it less attractive for private business to invest in solar in the immediate future.</p>	<p>Continue to partner in Virtual solar project.</p> <p>Once detail of EUA's is received, pass information onto Investment Attraction for business community.</p> <p>Continue to support Goulburn Valley Community Energy</p> <p>Council continue to support the Tatura Renewable Energy feasibility project</p>
Review, adopt and commence implementation of the Waste Management Strategy.	Council has adopted the Waste and Resource Recovery Management Strategy and is beginning to roll out some of the actions contained within the strategy.	Educating the general public of changes to waste management processes	Implement full organic collection service for urban properties by July 1 2016.
Review and implement the Greater Shepparton City Council Roadside Management Plan.	Council has committed budget to engage a consultant to review the Roadside Management Plan. The project brief is being finalised.		Finalise project brief, undertake quotation process and engage consultant for review.

Goal 3: Economic Prosperity (Economic)

Highlights

- Secured \$13.4m funding over four years for the redevelopment of the Shepparton Sports Precinct
- Shepparton Show Me Marketing Strategy and Plan completed
- Shepparton Show Me sponsored 22 events to the value of \$300,399
- Vaughan Central \$3 million retail precinct redeveloped and branded
- 10,000 – 15,000 attended the Summer and Winter City Markets
- Total visitors to Greater Shepparton 952,100
- Total spend from domestic visitors \$174,200
- 30,000 visitors assisted by the Visitor Information Centre
- Total bed nights as a result of events 76,083
- Estimated total economic impact of tourism to Greater Shepparton \$31 million
- 272 events delivered or supported by Council
- KidsFest attracted 16,984 visitors over 2 days in September
- Over 150,000 visitors to KidsTown
- More than 600,000 people visited Aquamoves
- 8,000 people participated in Activities in the Park

Strategies/Activities	Results	Challenges	Next Steps
1. Maximise opportunities to ensure Greater Shepparton leads Victoria, retaining and attracting education and industry			
Develop and implement a Strategy which identifies resources needed to attract new business and industry to Greater Shepparton as well as retaining our existing businesses and industry.	Currently in the process of progressing Economic Development Strategy. Brief is complete and Investment Attraction is presenting to Councillors in September 2014 to seek feedback.	Investment Attraction is seeking 50k from RDV to contribute towards the Strategy. Investment Attraction has been informed that funds for strategies are not available at this present moment and that it's more likely that such funds will be available in the new year.	Present to Councillors in September 2014 to seek feedback regarding the Economic Development Strategy brief. Confirm external funding.
Ensure sufficient industrial land which offers a range of options for new industry establishment is available throughout	Council adopted the <i>City of Greater Shepparton Industrial Land Review</i> in 2011. The Land Review undertook a detailed supply and demand analysis for industrial land in	The greatest challenge to satisfying future industrial supply is to encourage	Prepare a planning scheme amendment to implement the

Strategies/Activities	Results	Challenges	Next Steps
Greater Shepparton.	the City of Greater Shepparton, and concluded that most precincts had sufficient available industrial lands to satisfy demand for the next twenty years. It made a number of recommendations to safeguard the long term supply of industrial land across the municipality and recommended that a number of investigation areas be designated in the relevant industrial framework plans within the Greater Shepparton Planning Scheme.	developers to proceed with future industrial subdivisions.	recommendations of the Land Review. Present the proposed amendment to the Councillors at a briefing in October 2014.
Undertake research of industry to understand and highlight their needs and opportunities to ensure that Council has considered all options for industry attraction and retention.	The Economic Development Strategy brief includes opportunity analyses for particular sectors and industries. It is imperative that action items that come out of the strategy are measurable and achievable.	Investment Attraction is seeking \$50,000 from RDV to contribute towards the Strategy. Investment Attraction has been informed that funds for strategies are not available at this present moment and that it's more likely that such funds will be available in the new year.	Present to Councillors on 9 September to seek feedback regarding the brief. Confirm external funding.
Develop and implement a strategy for attracting renewable energy based industries to Greater Shepparton.	Renewable Energy will be covered within Economic Development Strategy.	Investment Attraction is seeking \$50,000 from RDV to contribute towards the Strategy. Investment Attraction has been informed that funds for strategies are not available at this present moment and that it's more likely that such funds will be available in the new year.	Present to Councillors in September 2014 to seek feedback regarding the brief. Confirm external funding.
Develop and implement a marketing strategy for Industry attraction including the council owned GVLink.	Council meeting which took place in March 2014 resolved that Council would develop a marketing strategy for the site. Strategy will be compiled internally by Marketing and Communications department and will be instigated in 15/16.	Perception regarding GV Link's potential is generally negative however this can be reduced with an effective marketing strategy.	Strategy will be compiled internally by Marketing and Communications department and will be instigated in 15/16.
Continue to seek out business to establish at	Council has taken a proactive approach to GV Link and	Perception regarding GV Link	Continue to lobby for GV Bypass.

Strategies/Activities	Results	Challenges	Next Steps
GVLink.	attracting investment to site. Essential Economics feasibility study determined that GV Link is dependent on GV bypass. Council continues to lobby for GV bypass and is included within Make Shepparton Greater Campaign.	potential is generally negative however this can be reduced with an effective marketing strategy.	Implement marketing strategy which will be developed in 15/16 by Marketing and Communications department.
2. Ensure retail strategies deliver appropriate outcomes for the community			
Revise, adopt and commence implementation of the CBD strategy.	A Commercial Activation Centre Strategy will be developed to set an overarching strategy for the future of the CBD.		Undertake the Commercial Activation Centre Strategy.
Develop, adopt and commence implementation of a Retail Strategy	Essential Economics has been contracted to complete Commercial Activation Centre Strategy. Workshops are currently underway and well attended. Workshops include community members, traders and trader groups (e.g. Shepparton Show Me and Shepparton Chamber of Commerce and Industry).		Completion of the Commercial Activation Centre Strategy and adoption by Councillors.
Maximise the opportunities within the CBD that present themselves with the redevelopment of Vaughan Street.	Currently in discussions with Renew Australia about their program to reduce vacancies within the CBD. Renew project will be jointly coordinated by Investment Attraction, Shepparton Chamber of Commerce and Industry and Shepparton Show Me. Council in conjunction with Chamber of Commerce and Industry held workshops (to ascertain interest in Renew) which were received very well by traders and community about their program to reduce vacancies within the CBD.	There are still several vacancies on Vaughan Street.	Investment Attraction will look at reducing vacancies through the Renew Program.
Continue to support and revitalise Shepparton Show Me.	In January the Shepparton Show Me Committee adopted its five year marketing strategy. Shepparton Show Me established a series of working groups to focus on marketing, member communication and sponsorships. In June a panel of providers were appointed via a tendering process for the provision of creative and advertising services.	It has taken some time but the infrastructure is now in place for Shepparton Show Me to be more strategic and focus on its core business.	With a Marketing Strategy and Marketing Plan in place, the next 12 – 18 months will be busy executing a series of campaigns and activities. Continue to support Shepparton Show Me and work together on projects to support the future of the CBD and the region such as Renew Shepparton (project).
Implement installation of new parking and	Investment Attraction submitted a budget bid to install	Budget constraints will delay	Wayfinding project will commence in

Strategies/Activities	Results	Challenges	Next Steps
Wayfinding signage in the Shepparton CBD and progressively across the Greater Shepparton towns.	signage within the CBD. Investment Attraction will commence installation of Wayfinding signage in the Mall and on High Street which will identify points of interest within Shepparton. This includes signage to identify how to navigate from the rail precinct into the CBD.	parking signage until 15/16 FY.	January/February 2015.
Develop, adopt and implement a CBD Parking Strategy.	Investment Attraction has compiled a report which will be presented to Councillors and provide a status update on the Parking Discussion Paper and the re-delegation of actions from within the report.	Traders are generally of the view that parking should be free within the CBD, and there is a perception that there is insufficient parking.	It has been determined that a Parking Strategy will be developed in 15/16 financial year and will be coordinated by the Projects Department. Investment Attraction is responsible for managing perception regarding parking and will do so through an internally developed marketing plan.
3. Make Greater Shepparton the regional sporting capital of Victoria and a leading sporting destination			
Pursue opportunities for Greater Shepparton to be the location for major sporting events.	<p>New major events held include:</p> <ul style="list-style-type: none"> • Melbourne Heart A League pre-season game • Australian Veterans car rally • Australian Football Skools National Championships • Australian Speedway Series round • Tennis Victoria Junior Regional Challenge • Victorian Vic Sport Conference <p>Major events:</p> <ul style="list-style-type: none"> • Country Week Tennis • BMX National and Oceania Championships 	<p>Accommodation stock and quality (ageing), competing online booking services.</p> <p>Threats of competing councils in major event space and tourism space.</p> <p>Increasing hosting fees and costs of major events</p> <p>Increasing in kind supported required by team to keep events and activities to high standards to ensure repeat visitation</p> <p>Lack of specialised event marketing</p>	Continue to bid for sporting events that will provide social and economic development opportunities for Greater Shepparton.
Build partnerships with state bodies to enable Greater Shepparton to be Victoria's	Annual events and relationships in addition to other partnerships mentioned in the above with bodies such as Tennis Victoria, BMX Australia, Football Federation	Budget constraints in a competitive bidding environment and need for	Continue to work with State Government to identify opportunities for grant funding to assist to develop

Strategies/Activities	Results	Challenges	Next Steps
leading location for major events.	Victoria, Melbourne heart include: <ul style="list-style-type: none"> • Bowls Victoria and the annual Victorian open Bowls • Consultation with State Sporting Associations regarding whole of sport planning with Tennis Victoria, Cycling Victoria. • Consultation with State Sporting Associations through master planning for facility development at Kialla Park Recreation Reserve, BMX/Cycling site and Sports Precinct. 	additional infrastructure and resources to support major events.	infrastructure to support a major events program.
Continue the development of the Shepparton North sporting precinct.	Secured State, Federal and Council funding of \$13.4m over four years for the redevelopment of the Sports Precinct. Developed a Program Brief for all works.	Meeting the expectations of all precinct users and delivering such a complex project on time and on budget.	Delivery of Stage 1 of the project including precinct design, Community Soccer Complex, the replacement of synthetic hockey surfaces and lighting to the netball courts and multipurpose fields.
Continue to implement masterplans that have been prepared for recreation reserves and sports facilities.	Shepparton Sports Precinct Master Plan currently being implemented. Commenced: <ul style="list-style-type: none"> • Kialla Park Recreation Reserve Master Plan • Cycling/BMX Strategy Audit of master plans: <ul style="list-style-type: none"> • Including existing master plans • Master plans requiring review • Reserves requiring a master plan development of new master plans Initial discussions undertaken regarding Tatura Park and Howley Recreation Reserve as 2014/15 priority for development of a new master plan.	Funding availability Community expectations are rising in regards to quantity and quality of facilities within their communities.	Develop future master plans to take into consideration and assess realistic resources (including budget, council in-kind, volunteers), trends in sport and recreation activities, and future demographics. A coordinated approach towards implementation to be adopted.
Review, adopt and implement the tourism and major events strategy to enable the breadth and quality of major events to grow.	A diverse events calendar that saw support to 272 events in some way across major, business, community, cultural and civic events.	Volunteer organisations and burn out Lack of understanding about	Tourism and Events Strategy planned with Economic Development Strategy for 15/16 financial year.

Strategies/Activities	Results	Challenges	Next Steps
	Financially supported 95 events. Tatura Park Equestrian and Events Centre <ul style="list-style-type: none"> • Events held 47 • Event attendees 21,232 Shepparton Showgrounds <ul style="list-style-type: none"> • Events held 89 • Attendance 65,000 Total event direct visitors of over 226,000 Total bed nights contributed from events 76,083 Estimated total economic impact \$31 million Some tourism points: <ul style="list-style-type: none"> • Total Greater Shepparton visitors 952,100 • Total spend from domestic visitors \$174,200 • 30,000 Visitor Centre enquires 	tourism Not part of a recognised Tourism Victoria Regional Tourism Board – missing out on grants, development opportunities (GRVT aiming for this status)	
Complete the Shepparton Showgrounds redevelopment.	Works to eastern promenade finished in preparation for major outdoor open space project in 2014/2015	Scheduling of works so as not to inconvenience stakeholders	Complete the grassed arena upgrade project.
Develop plans and prepare a feasibility study for the redevelopment of the Shepparton Sports stadium.	Plans are complete to draft stage including a full economic impact study. Currently completing a summary document to be used as a basis for final community consultation prior to finalising and adopting the Plan	None through the planning stages.	Once the summary document is complete a broader community consultation will be undertaken and feedback built into the development of the final plan.
Continue to develop Aquamoves and environs (including the carpark) as a regional aquatic and water park facility.	In 2013/14 a number of key projects were undertaken including the replacement of RPM bikes and upgrade of mechanical air handling systems as well as detailed planning for renewal of all change facilities and the upgrade of the car park. A successful submission was made for lighting upgrades to the car park to be undertaken as part of broader car park works in 2014/15.	None through the planning stages.	In 2014/15 the installation of a co-generation plant will be the final part of a significant energy management project, all change rooms will be renewed in line with the planning undertaken in 2013/14, the pool concourse area will undergo significant renewal works and a new shade structure will be constructed over the

Strategies/Activities	Results	Challenges	Next Steps
			outdoor splashpark. Car park works will commence in the second half of the year.

Goal 4. Quality Infrastructure (Built)

Highlights

- Make Shepparton Greater advocacy campaign launched with \$73 million secured for the Shepparton Court House Redevelopment
- Stage 1 of the Northern Entry to Shepparton has been completed along with Stage 1 of the Southern Town Entry
- Resealing of roads totalling 365,553sqm
- Final seals of roads 76.7kms
- Re-construction of roads including flood recovery totalling 16.4 kms
- Gravel re-sheeting totalling 110.9 kms
- Kerb and channel totalling 4.6 km
- Footpath renewal totalling 3,358 sqm
- 600 street trees planted and gifted 150
- 73 playgrounds maintained
- 4 skate parks maintained
- 10 pieces of public exercise equipment maintained
- 4,967 hours spent conducting public toilets maintenance
- 31 sports fields maintained
- 119 parks maintained
- Mall sweeping conducted 52 weeks per annum @ 6 days per week @ an average of 3 hours per day = 936 hours per annum

Strategies/Activities	Results	Challenges	Next Steps
1. Ensure the community has access to high quality facilities			
Complete the Victoria Park Lake redevelopment project.	A new shelter and BBQ has been constructed at the southern end of the lake including linking paths to improve accessibility to the shelter and public toilets. Additional signage has been installed in accordance with the master plan.		Deliver Stage 1 of the playground upgrade at the northern end of the lake and decommission the existing playground adjacent to the highway.
Work with the community to continue the development of the Australian Botanic Gardens Shepparton.	Council through a Memorandum of Understanding supported the Australian Botanic Gardens Shepparton Special Committee to continue to develop the site. Detailed design for the mound has been completed and considerable plantings and erosion control measures have been put in place.	Further planning and grant opportunities to further develop the site. Finding funding sources for a large capital injection for the project.	Continuation of developing a sustainable site. Implementation of the detailed design for the mound.

Strategies/Activities	Results	Challenges	Next Steps
	<p>Considerable works have been completed on the pathways through the bushland reserve.</p> <p>Sealed part of the road leading to the recognising the increased utilisation of the site by use groups.</p>	Integrating the role of Council and the volunteer groups to ensure the site is well maintained and presented for users.	
Review and adopt the Tatura Park Master Plan and develop an integrated sporting facilities master plan with the Howley Complex.	Further works completed included major power upgrade to service site.	Bookings available	<p>Complete the works to deliver a roof over the outdoor arena.</p> <p>New Master plan to be developed 2014/15.</p>
2. Ensure the community has access to appropriate transportation infrastructure			
Develop a long term plan for the Shepparton aerodrome which includes provision for its possible relocation.	A funding application has been submitted for a Shepparton Aerodrome Relocation Feasibility Study.	Demonstrating demand for an aerodrome that has the ability of servicing larger aircraft is difficult.	Awaiting outcome of funding application. Will proceed with development of feasibility study if successful.
Advocate for the delivery of improved passenger rail services to the Greater Shepparton including "fast rail" services.	Included in the Make Shepparton Greater Campaign.	Continually requested to demonstrate demand for additional services when the current level of services and timetabling is not conducive to increasing demand.	Continue to advocate for increased rail services, and for high speed rail project to be funded.
Advocate for the return of rail freight as an option for regional freight businesses.	Council continues to actively lobby for the food bowl inland rail route which will pass via Shepparton.	There is large momentum for the route to pass via Albury/Wodonga rather than Shepparton.	Continue to build a case for inclusion of Shepparton in the inland rail route.
Adopt and commence implementation of the Greater Shepparton Cycling Strategy 2013-2017.	Development of sport cycling and tourism cycling section initiatives		
Advocate the Federal and State Governments for a commitment for funding to enable the commencement Shepparton Bypass for the Goulburn Valley Highway.	The Make Shepparton Greater campaign was launched in February to specifically profile the five priority infrastructure projects that aim to address economic and social issues and support future growth within Greater	Despite a comprehensive advocacy campaign – Make Shepparton Greater – a financial commitment to four of our major infrastructure	Following the state election, the Make Shepparton Greater campaign will continue to be rolled out in negotiating with the elected government in continuing to seek a

Strategies/Activities	Results	Challenges	Next Steps
<p>Lobby and advocate to other levels of government for funding for major infrastructure projects.</p> <p>Advocate and lobby for funding to enable commencement of the Maude Street bus interchange project.</p> <p>In collaboration with the community lobby and advocate for the continued development of the railway station precinct with priority linkage to the CBD.</p>	<p>Shepparton. The projects are:</p> <ol style="list-style-type: none"> 1. Revitalisation of the Shepparton CBD 2. Redevelopment of Goulburn Valley Health 3. Redevelopment of the Shepparton Court 4. Construction of the Goulburn Valley Shepparton Bypass 5. Increased passenger rail services between Shepparton and Melbourne <p>The campaign included the development and application of a logo, with a website and Facebook page established to facilitate campaign communication.</p> <p>Every six weeks one of the projects would be profiled with a key “call to action” to enable community members to actively participate. While the campaign is still underway results to date have included:</p> <ul style="list-style-type: none"> • Securing \$73 million for the Shepparton Court House Redevelopment • Shepparton Passenger Services Working Group convened by the Victorian Government • 2,127 community members participated in the Shepparton Passenger Rail Survey • 110 community letters submitted to the State Government and Opposition requesting an audience to discuss passenger rail needs and issues • Eight ministerial visits 	<p>projects is still required.</p> <hr/> <p>Despite a comprehensive advocacy campaign – Make Shepparton Greater – a financial commitment to four of our major infrastructure projects is still required.</p>	<p>commitment for our infrastructure projects. Additional projects will be included as part of the campaign as required.</p> <hr/> <p>Following the 2014 state election, the Make Shepparton Greater campaign will continue to be rolled out in negotiating with the elected government to seek a commitment for our infrastructure projects. Additional projects will be included as part of the campaign as required.</p>
<p>Continue to develop plans for and commence implementation of streetscapes and town entrances.</p>	<p>Stage 1 of the Northern Entry to Shepparton has been completed along with Stage 1 of the Southern Town Entry.</p>	<p>Managing expectations of stakeholders as we move to more water sensitive design entries to our towns.</p>	<p>Develop the Eastern town entry in concert with VicRoads planned upgrade of the Doyles Road / Benalla Road roundabout.</p> <p>Master planning for the Mooroopna centre median and war memorial areas.</p>

Strategies/Activities	Results	Challenges	Next Steps
3. Encourage sustainable municipal growth and development			
Review Council's Municipal Strategic Statement.	Council's Municipal Strategic Statement was reviewed and up-dated.	Undertaking a comprehensive review of the Planning Scheme to ensure it is up to date and relevant.	To follow the statutory and strategic planning recommendations outlined within the Planning Scheme Review Report.
Ensure Developer Contribution Plan's minimise Council's requirement for expenditure within developments.	Council officers are progressing the preparation of development contributions plans for the proposed North East Growth Corridor and the proposed South East Growth Corridor. Lists of infrastructure items to be included in development contributions plans for both growth corridors have been prepared, and functional drawings and construction costs are currently being prepared. The Metropolitan Planning Authority has been engaged to assist the Council in finalising the Precinct Structure Plans and development Contributions Plans for both Growth Corridors and will collate both Development Contributions Plans. Council will benefit from the Authority's substantial expertise earned in similar growth areas across the State.	The greatest challenge is to ensure that all infrastructure items to be included in the Development Contributions Plans have been appropriately designed and costed to ensure Council does not have any additional costs when the infrastructure items are being constructed in the future. The preparation of functional drawings will significantly reduce this risk.	Finalise the Development Contributions Plans. Present the Plans to Council for endorsement. Prepare a planning scheme amendment to include both Plans in the Greater Shepparton Planning Scheme.
Continue to develop structure plans for our growth corridors.	Council officers are continuing the preparation of structure plans for the proposed North East Growth Corridor and the proposed South East Growth Corridor. Draft Structure Plans for both growth corridors have been prepared to guide the location of all future land uses within the corridor and to accommodate all infrastructure that the future communities living in these growth corridors will require. These Structure Plans will inform the preparation of Precinct Structure Plans for both corridors. Both of these Plans will guide all future development proposals within both Growth Corridors and outline the preferred sequence of development, etc. The Metropolitan Planning Authority has been engaged to assist the Council in finalising the Precinct Structure Plans and development Contributions Plans for both Growth	The greatest challenge is to ensure that the Structure Plans have considered all future requirements of the communities that will live within these Growth Corridors. The preparation of background reports has guided the preparation of the draft Structure Plans.	Finalise the Structure Plans. Finalise the Precinct Structure Plans. Present the Plans to Council for endorsement. Prepare a planning scheme amendment to include both Plans in the Greater Shepparton Planning Scheme.

Strategies/Activities	Results	Challenges	Next Steps
	Corridors and will collate both Precinct Structure Plans. Council will benefit from the Authority's substantial expertise earned in similar growth areas across the State.		

Goal 5. High Performing Organisation (Leadership & Governance)

Highlights

- Seven point rise in Community Satisfaction Survey results for 2014
- Council launches first ever lobbying campaign – Make Shepparton Greater
- Implementation of Interplan - (Integrated Business Planning software across the organisation as a key business planning and reporting tool
- Launch of the Goulburn Valley Regional Collaborative Alliance
- 12 of the Greater Shepparton 2013 Rating Review recommendations implemented

Strategies/Activities	Results	Challenges	Next Steps
1. Develop and implement best practice communication strategies			
Develop, adopt and implement Council's marketing and communication strategies.	<p>The 2013/2014 Marketing Strategy aimed to reposition the Council brand. It was anticipated that repositioning the organisation would:</p> <ul style="list-style-type: none"> • encourage greater community understanding, ownership and respect of GSCC • regain/rebuild community confidence in the Council • demonstrate positive change and communicate that the organisation has headed in a new direction • demonstrate the relevance of GSCC services and increase patronage • inspire civic participation and pride <p>A key component to the strategy was the roll out of the "Great Services, Great People" campaign commenced in June 2013 and continuing until December 2014.</p>	Nil	The 2014/2015 Marketing Strategy has been developed and is currently being implemented.
Review, adopt and implement Council's community engagement strategy.	Councils Citizen Services and Infrastructure Services areas continue to review the software packages Confirm, Pathways and Merit to ensure that maximum benefit is being made of the packages across the organisation to support the provision of best practice services. Integrated Business software that will provide business planning, coordination and reporting provisions for the organisation to improve the reporting requirements has been implemented across the organisation.	<p>The vacancy of the Business and Service Planning Analyst.</p> <p>Reviewing all of the organisations policies and CEO Directives</p>	To have the software utilised for developing departmental Business Plans that deliver on the identified Goals, Objectives and Strategies contained within the Council Plan and the responsibilities identified in the Organisational Transition Plan. An Integrated Project Management solution has been implemented for use

Strategies/Activities	Results	Challenges	Next Steps
	<p>All of Council's policies and CED Directives are being undertaken with the development of new templates to ensure consistency.</p> <p>The implementation of Interplan (Integrated Business Planning software) allows the organisation to now require quarterly reporting to the Council to ensure all of the Strategies and activities identified by the Council are met.</p>		in the 2014-15 budget process.
Implement a "Citizen first" commitment to the delivery of our services.	Community Satisfaction Survey results for 2014 saw a seven point rise in the overall performance from 51 in 2013 to 58 in 2014. This is above the 56 target. There was a rise in all performance measures over all categories (Overall Performance 51->58, Community Consultation 55->59, Advocacy 54->62, Customer Service 70 ->72 and overall Direction 51 ->59).		
Increase the use of social media to enhance community engagement and discussion.	<p>The employment of a Digital/Social Media Officer enabled Council to proactively engage directly with citizens via a range of social media tools. Some social media outcomes include:</p> <ul style="list-style-type: none"> • Increased use of video as a form of communication with 69 videos now available on our YouTube channel. • GSCC Facebook likes have grown to 1,114 but of greater significance is the nature of the conversations that now conducted via our Facebook page e.g. in May engagement occurred with 932 people, however the post reached 7,900 Facebook users. • Shepparton Show Me Facebook page established - 733 likes, with in excess of 1,000 visits during competition times. • Make Shepparton Greater Facebook page established - 675 likes, over 500 visits and a reach of 7,400. 	Nil	With the employment of a Digital/Social Media Officer, the next focus is on digital storytelling. Council will be establishing its own news channel as a priority.
2. Develop stronger relationships between Council and State and Federal Governments, local government sector and non-government partnerships to enhance our position			
Work with Strathbogie and Moira Shires to improve service delivery to our respective	Established Board and Project Control Groups along with memorandum of understanding between Shepparton and	Marketing of Alliance to other neighbouring municipalities to	Launch initial projects and embed

Strategies/Activities	Results	Challenges	Next Steps
communities via the Goulburn Valley Regional Collaborative Alliance.	Strathbogie following Moira's withdrawal from the Alliance. Identified priority projects for collaborative development.	improve critical mass.	changes into business as usual. Delivery of first wave projects including: <ul style="list-style-type: none">• Graders without borders• Legal services tenders and process improvements• Service planning
Proactively lobby politicians and the Local Government Sector for support in the delivery of services to our community. Continue to advocate for improved levels of support from Federal and State Government.	Make Shepparton Greater Campaign launched, resulting in - \$73 million for the Shepparton Court House redevelopment, Shepparton Passenger Services Working Group convened by the Victorian Government, 2,127 community members participate in the Shepparton Passenger Rail Survey, community letters were submitted to the State Government and the Opposition requesting an audience to discuss passenger rail needs and issues.	Despite a comprehensive advocacy campaign – Make Shepparton Greater – a financial commitment to four of our major infrastructure projects is still required.	Following the state election, the Make Shepparton Greater campaign will continue to be rolled out with the elected government in continuing to seek a commitment for our infrastructure projects. Additional projects will be included as part of the campaign as required.
Seek opportunities for partnerships with the non-government sector to support Greater Shepparton in the delivery of services to our community.	Established Goulburn Valley Regional Collaborative Alliance.	Marketing of Alliance to other neighbouring municipalities to improve critical mass.	
Develop, Adopt and implement a service planning model for the services that council provides for the community.	Delays in recruitment of staff to fill the identified Business and Service Planning positions, has meant that we have not yet been able to establish the appropriate service planning model and commence implementation. A Tender for a consultant to conduct the Service planning for the organisation is currently at evaluation stage that is through the GV Collaborative Alliance.	Recruitment	Work with the appointed consultant to establish the organisations transition service plans
3. Ensure strong internal systems and processes to ensure best practice delivery of services for the community			
Complete the implementation of the Transition Management Plan (TMP).	The TMP is 64 per cent completed.	The finalisation of the review of policies with the Human Resources Consultative Committee has taken longer than expected due to the resources available to the	Consolidation on the GSCC Workforce Plan and the 'next steps' as outlined in the People Performance Strategy.

Strategies/Activities	Results	Challenges	Next Steps
		People Performance Department.	
Develop and review annually Council's long term financial plan (10 year).	10 year long term financial plan was reviewed and adopted by Council on 24 June 2014 as part of the Strategic Resource Plan.	Maintaining Council's financial sustainability while achieving the Council's strategic objectives as specified in the Council Plan.	Council's long term financial plan will be reviewed and updated annually along with the Strategic Resource Plan.
Develop and adopt a comprehensive Strategic Resource Plan which contains strategic direction for the management of the resources for council.	Council adopted the updated 2014/15 to 2017/18 Strategic Resource Plan on 24 June 2014.	Continuing to provide an appropriate range and level of services to a growing community, renewing existing assets, maintaining a sound financial position and addressing the need for capital expansion.	Council's Strategic Resource Plan will be reviewed and updated annually along with the Long Term Financial Plan.
Complete a Workforce Development Plan which will enable GSCC to become an employer of choice.	Work has commenced on the GSCC Workforce Plan. Working with the MAV Pilot program, our staff and Managers are able to review our workforce requirements for the future and align our succession planning model around this framework. The work will continue over the next 18 months to two years.	It has been a challenge for the organisation to take the time required to review all our positions via the Job Analysis process, however this is critical to start the workforce planning process. In relation to the transition to retirement and workshops held in relation to our mature, aging workforce this has been both a challenge and a huge success and we look forward to more of these workshops and reviews in the future. It means training for our Supervisors and Managers to enable them to start the conversation with staff.	Work with staff and our Managers to review our workforce, critical positions in our organisation and develop our future workforce around this modeling. The future proofing of some positions, succession planning, transition to retirement, a graduate program and a strong learning and development corporate program will make up part of the workforce planning review and process to assist in developing a strong Workforce Plan for GSCC in the future.
Develop and adopt best practice project	Utilised standard Project Assessment Model for all capital	Embed iPM and the use of	Adoption of Project Assessment Model

Strategies/Activities	Results	Challenges	Next Steps
management principles including asset investment guidelines which will guide Council investment in existing and new assets.	<p>projects.</p> <p>Completed roll out of PRINCE2 training across the organisation.</p> <p>Purchased and implemented Integrated Project Management (iPM) software across the organisation.</p>	Project Boards into all capital projects across Council.	<p>by Council.</p> <p>Further develop project management skills across the organisation and formalise the role of the Project Management Office.</p>
Commence implementation of the 2013 Information Management Strategy.	The 2013 – 2018 ICT Strategy is ahead of schedule with the Information Services Department ensuring where possible technology projects take additional ICT initiatives into consideration throughout the planning stage.	Utilisation of ICT staff for operational purposes and at times conflicting unplanned priority technology works.	Review ICT Strategy to ensure ICT initiatives are still relevant and hold best value to Council. Plan the next stages of the ICT Strategy preparing for the 2015/16 Financial Year.
Implement the objectives of the 2013 Purchasing and Procurement Strategy.	The Council's Procurement policy and Guidelines are under review. Once these are completed, this will assist with the Implementation of the Strategy.	Long term vacancy in the Team Leader Role	Recruit a Contracts and Procurement Analyst to implement the objectives of the strategy.
Implement the approved recommendations from the Greater Shepparton 2013 Rating Review.	Of the 19 recommendations adopted, 12 have been implemented. One of these recommendations was to phase the implementation of changes to differential rates (3 recommendations) over 2 years which will be complete in 2014/2015. The remaining 4 recommendations relate to longer term investigations (see next steps).	Council rates are based on principles, however understanding how the rating system is applied and the impact on individual ratepayers can be complex for the community.	<p>Investigate heritage rating incentives that are consistent with the heritage objectives of the Council.</p> <p>Further investigation, development, understanding and assessment of the use of the rating system to encourage population centralisation.</p> <p>Council to consider methods and opportunities for the community to better understand the rating system.</p> <p>Further investigate the role and benefit of an ongoing Rating Strategy Advisory Committee.</p>

Section 3: Governance

Council Meetings

Council meetings are held at 5.30pm on the third Tuesday of each month including public question time. Special Council Meetings are also held as required. Public questions can be submitted one week prior to the Council meeting.

There were 11 Ordinary Council Meetings and seven Special Council Meetings in 2013/2014.

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

Council Committees

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

- Arcadia Community Centre Committee of Management
- Australian Botanic Gardens Shepparton Special Committee
- Ballantyne Centre Committee of Management
- Bunbartha Recreation Reserve Committee of Management
- Caniambo Hall Committee of Management
- Central Park Recreation Reserve Committee of Management
- Congupna Recreation Reserve and Community Centre Committee of Management
- Development Hearings Panel
- Dhurringile Recreation Reserve and Community Centre Committee of Management
- Dookie Memorial Hall Committee of Management
- Dookie Recreation Reserve and Community Centre Committee of Management
- Harston Hall Committee of Management
- Karramomus Recreation Reserve and Community Centre Committee of Management
- Katandra West Community Facilities Committee of Management
- Kialla District Hall Committee of Management
- Kialla West Recreation Reserve Committee of Management
- Lemnos Recreation Reserve Committee of Management
- Murchison Community Centre Committee of Management
- Shepparton Show Me Committee of Management
- Tallygaroopna Memorial Hall Committee of Management
- Toolamba Recreation Reserve Committee of Management

Advisory Committees

Council also has 18 advisory committees with community representatives. Advisory committees provide advice to Council but, unlike a Section 86 committee, have no delegated authority. Committees are:

- Audit and Risk Management Committee
- Cussen Park Advisory Committee
- Deakin Reserve Advisory Committee
- Festive Decorations Advisory Committee
- Goulburn Valley Highway Shepparton Bypass Action Group
- Greater Shepparton Aerodrome Advisory Committee
- Greater Shepparton Disability Advisory Committee
- Greater Shepparton Health and Wellbeing Advisory Committee
- Greater Shepparton Heritage Advisory Committee
- Greater Shepparton Positive Ageing Advisory Committee
- Greater Shepparton Safer Communities Advisory Committee
- Greater Shepparton Sustainability and Environment Stakeholder Reference Group
- Greater Shepparton Women's Charter Alliance Advisory Committee

- RiverConnect Implementation Advisory Committee
- Shepparton Art Museum Advisory Committee
- Shepparton Regional Saleyards Advisory Committee
- Sir Murray Bouchier Memorial Advisory Committee
- Tatura Park Advisory Board

Audit and Risk Management Committee

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

The committee comprises two Councillors and three external independent people appointed by Council. The membership of the committee at 30 June 2014 is:

- Mr Peter Johnson, BA LL B (Chairperson)
- Cr Jenny Houlihan
- Cr Michael Polan
- Mr Geoff Cobbledick
- Mr Graeme Jolly
- Mr Laurie Gleeson, CPA

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

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

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

- Financial Statements, Standard Statements and Performance Statement for the year ended 30 June 2013 were considered and recommended 'in principle' adoption to Council.
- Received monthly risk management reports including insurance claims, lawsuits, protected disclosure and privacy breaches.
- Received a presentation by the Victoria Auditor General on the management letter for year ended 30 June 2013.
- Received the Victoria Auditor General Acquittal report for the 2012/2013 Audit results.
- Received and considered Council's monthly financial reports.
- Received a report on the external Audit Strategy for the year ended 30 June 2014.
- Received Shepparton Show Me audit report.

Information to be made available to the public

Greater Shepparton City Council is committed to open and transparent governance. In accordance with the Local Government Act (1989) and Part 5 Section 11 of the Local Government (General) Regulations (2004), the following information is available for public inspection at Council's Welsford Street office:

- details of current allowances fixed for the Mayor and Councillors under section 74 or 74A of the Act;
- the total annual remuneration for all senior officers in respect of the current financial year and the previous financial year, set out in a list that states:
 - (i) ranges of remuneration of senior officers, where the difference between the lower amount and the higher amount in each range must not exceed \$10,000; and
 - (ii) the number of senior officers whose total annual remuneration falls within the ranges referred to in subparagraph (i).
- details of overseas or interstate travel (with the exception of interstate travel by land for less than three days) undertaken in an official capacity by Councillors or any member of Council staff in the previous 12 months, including the names of the Councillors or members of Council staff and the date, destination, purpose and total cost of the overseas or interstate travel, including accommodation costs;

- names of Council officers who were required to submit a return of interest during the financial year and the dates the returns were submitted;
- names of Councillors who submitted returns of interest during the financial year and the dates the returns were submitted;
- agendas for and minutes of ordinary and special meetings held in the previous 12 months kept under section 93 of the Act except if the minutes relate to parts of meetings which have been closed to members of the public under section 89 of the Act;
- a list of all special committees established by Council and the purpose for which each committee was established;
- a list of all special committees established by the Council which were abolished or ceased to function during the financial year;
- minutes of meetings of special committees established under section 86 of the Act and held in the previous 12 months except if the minutes relate to parts of meetings which have been closed to members of the public under section 89 of the Act;
- a register of delegations kept under sections 87 and 98 of the Act, including the dates on which the last reviews under section 86(6) and 98(6) of the Act took place;
- submissions received in accordance with section 223 of the Act during the previous 12 months;
- agreements to establish regional libraries under section 196 of the Act;
- details of all property, finance and operating leases involving land, buildings, plant, computer equipment or vehicles entered into by the Council as lessor or lessee, including the name of the other party to the lease and the terms and the value of the lease;
- a register of authorised officers appointed under section 224 of the Act;
- a list of donations and grants made by the Council during the financial year, including the names of persons or bodies which have received a donation or grant and the amount of each donation or grant;
- a list of the names of the organisations of which the Council was a member during the financial year and details of all membership fees and other amounts and services provided during that year to each organisation by the Council;
- a list of contracts valued at \$100,000 (or such higher amount as is fixed from time to time under section 186(1) of the Act) or more:
 - (iii) which the Council entered into during the financial year without first engaging in a competitive process; and
 - (iv) which are not contracts referred to in section 186(5) or (5A) of the Act.

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

Current Local Laws

Local Law No 1 Community Living

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

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

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

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

It also aims to enhance public safety and community amenity.

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

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

Local Law No 5 Drainage of Land

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

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

Freedom of Information

Greater Shepparton City Council maintains both paper based and electronic documents in respect to its operational, general administrative, financial and investment functions.

The disposal of these records is governed by the Public Records Act (1973) and no records are destroyed or otherwise disposed of except in accordance with the relevant standards.

The Freedom of Information Act (1982) (Vic) gives any individual or organisation the right to access information held by Greater Shepparton City Council unless that information is deemed exempt under the Act.

The Freedom of Information Act (1982) embodies the four following basic principles:

1. Members of the public have a legal right of access to information in documentary form
2. Government departments and agencies are required to publish information concerning the documents they hold
3. People may ask for inaccurate, incomplete, out-of-date or misleading information in their personal records to be amended
4. People may appeal against a decision not to give access to the information or not to amend a personal record.

During the 2013 – 2014 financial year, Greater Shepparton City Council received the following request for information:

Freedom of Information Activity 2013/2014

Description	Number
Applications received	7
Access granted in full	7
Access granted in part	0
Number not finalised	7
Not proceeded with	1
No information found	0
Access denied in full	0

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

Protected Disclosure Act

Council is committed to the aims and objectives of the *Protected Disclosure Act 2012* and does not tolerate improper conduct by its employees, nor the taking of reprisals against those who come forward to disclose such conduct.

Council recognises the value of transparency and accountability in its administrative and management practices, and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

Council will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure, and will also afford natural justice to the person who is the subject of the disclosure.

The Act commenced operation in 2012, and a CEO Directive has been developed to establish a system for reporting disclosures of improper conduct or detrimental action by employees of the Council. This CEO Directive is publicly available at the Council offices and website.

As at 30 June 2014, Council's Protected Disclosure Officers are the people holding the position of:

- Team Leader Governance
- Manager People Performance
- Manager Corporate Performance

The Protected Disclosure Co-ordinator is the Chief Executive Officer.

Protected Disclosure Activity 2013/2014

Description	Number
Number and type of disclosures made to the Council during the year	1
Number of disclosures referred to the Ombudsman for determination	0
Number and type of disclosed matters referred to the Council by the Ombudsman for investigation	2
Number and type of disclosed matters referred by the Council to the Ombudsman for investigation	0
Number and type of investigations taken over from the Council by the Ombudsman	0
Number of requests made by a Whistleblower to the Ombudsman to take over an investigation by the Council	0
Number and types of disclosed matters that the Council has declined to investigate	0
Number and type of disclosed matters that were substantiated upon investigation and action taken on completion of the investigation	1
Any recommendations made by the Ombudsman that relate to the public body	0

Disclosure Relating to Contracts

Section 186 of *Local Government Act 1989* requires Council to seek public tenders before entering into contracts valued at greater than \$150,000 for goods and services and \$200,000 for works.

Councils are required to make available to the public a list of contracts above these amounts which were entered into during the financial year without first engaging in a competitive process.

Listed below are contracts which an internal review identified as potentially being above the specified amounts and which were not subject to a competitive tendering process.

Council has previously taken legal advice in relation to these contracts. In such cases this advice indicates that the potential breaches are defensible, as they resulted from either an aggregation of a number of smaller procurements, often from different areas of the organisation and all individually under the section 186 threshold amounts, or there were components of the expenditure which related to costs incurred by a service provider on Council's behalf and subsequently charged back to the Council, thereby inflating the cost of the procurement above the threshold. In the interests of transparency, the Council has elected to list the contracts below, in spite of legal advice that it is not necessary.

Debt Collection

Debt collection costs of \$115,000 were paid to Midstate Credit Management Services Pty Ltd, however a significant component of the charges relate to court costs incurred by Midstate on the Council's behalf and subsequently charged back to the Council by Midstate. Court costs are set by the Magistrates Court and are fully recoverable from debtors.

In December 2013, Council reappointed Midstate Credit Management Services for a further three year term, following a tender for Debt Collection Services managed by Procurement Australia on behalf of Council.

Other

There are other suppliers where amounts of greater than \$150,000 were spent that were not subject to a tender process. However the expenditure is based on multiple purchases, all of which are under the tender threshold amounts.

Council operates within the requirements of Section 186 of the *Local Government Act 1989* and is focused on delivering value for money outcomes. An increasing number of tenders will be carried out for the provision of goods and services to Council.

Victorian Local Government Indicators

Indicator	Result
Affordability/cost of governance	
Average rates and charges per assessment	2,045
Average rates and charges per residential assessment	1,566
Sustainability	
Average liabilities per assessment	1,216
Operating result per assessment	181
Operating result (less asset revaluation increment and developer contributions) per assessment	-99
Infrastructure	
Average operating expenditure per assessment	3,664
Average capital expenditure per assessment	855
Renewal gap	51%
Renewal and maintenance gap	72%
Community satisfaction	
Overall performance	58
Advocacy and representation on key local issues	62
Engagement in decision making on key local issues	59

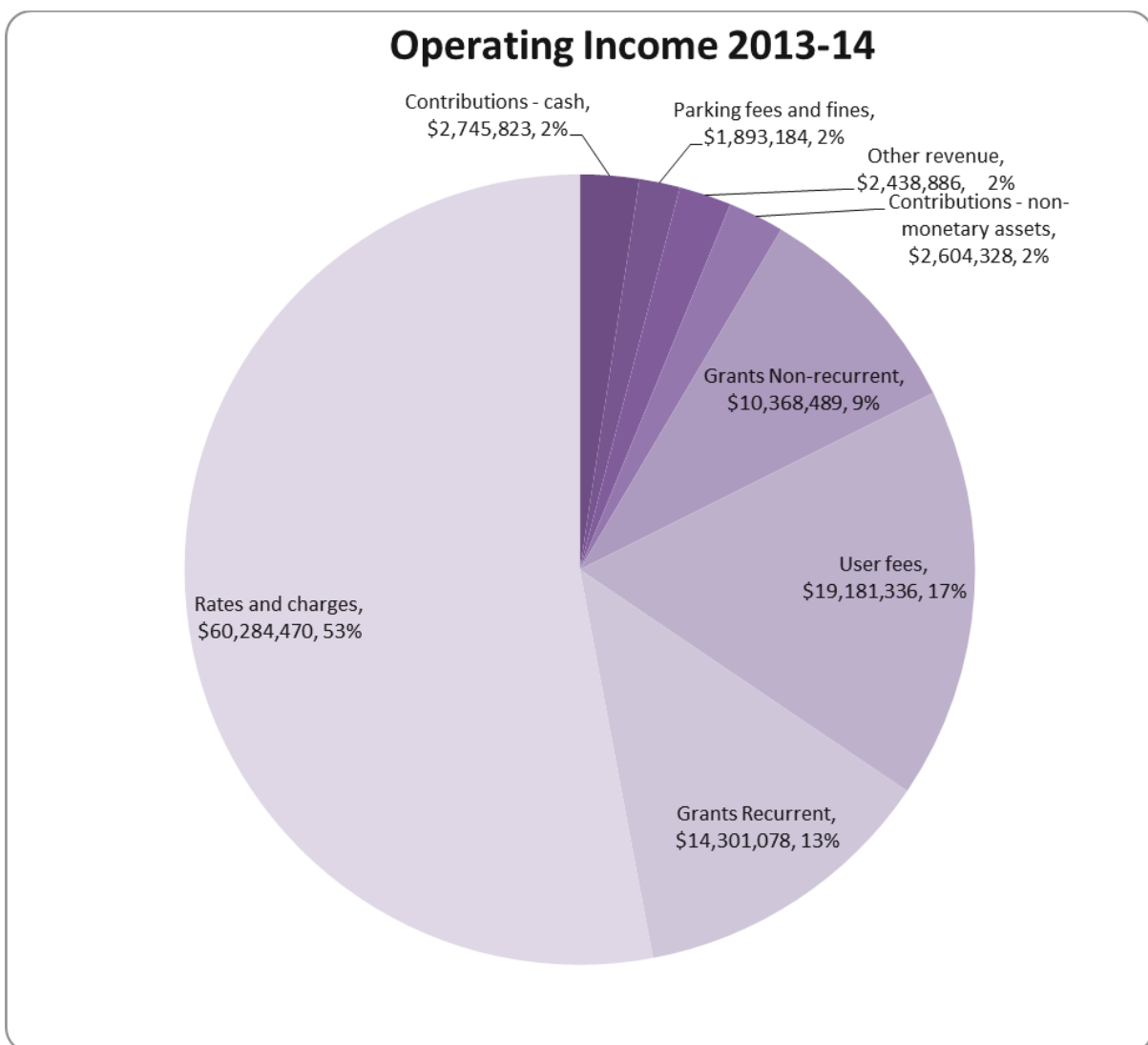
Section 4: Financial Report

Financial Summary

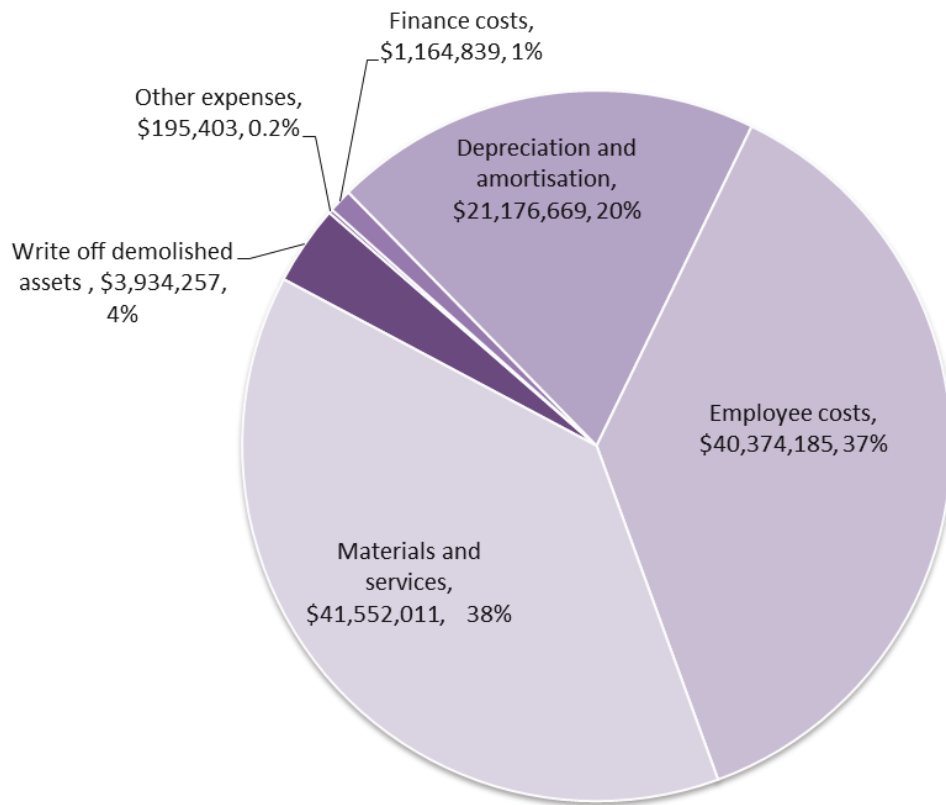
Council is in a sound financial position and returned a net surplus of \$5.42 million. Council's working capital ratio for the year was 2.2:1 which details the level of current assets the Council has available to meet its current liabilities. The total value of community assets increased to \$1.2b.

Highlights

- Total Operating Expenses: \$108.4 million
- Total Operating Revenues (excluding capital): \$108.1 million
- Capital Works completed: \$25.3 million
- Total Capital Revenues: \$5.7 million

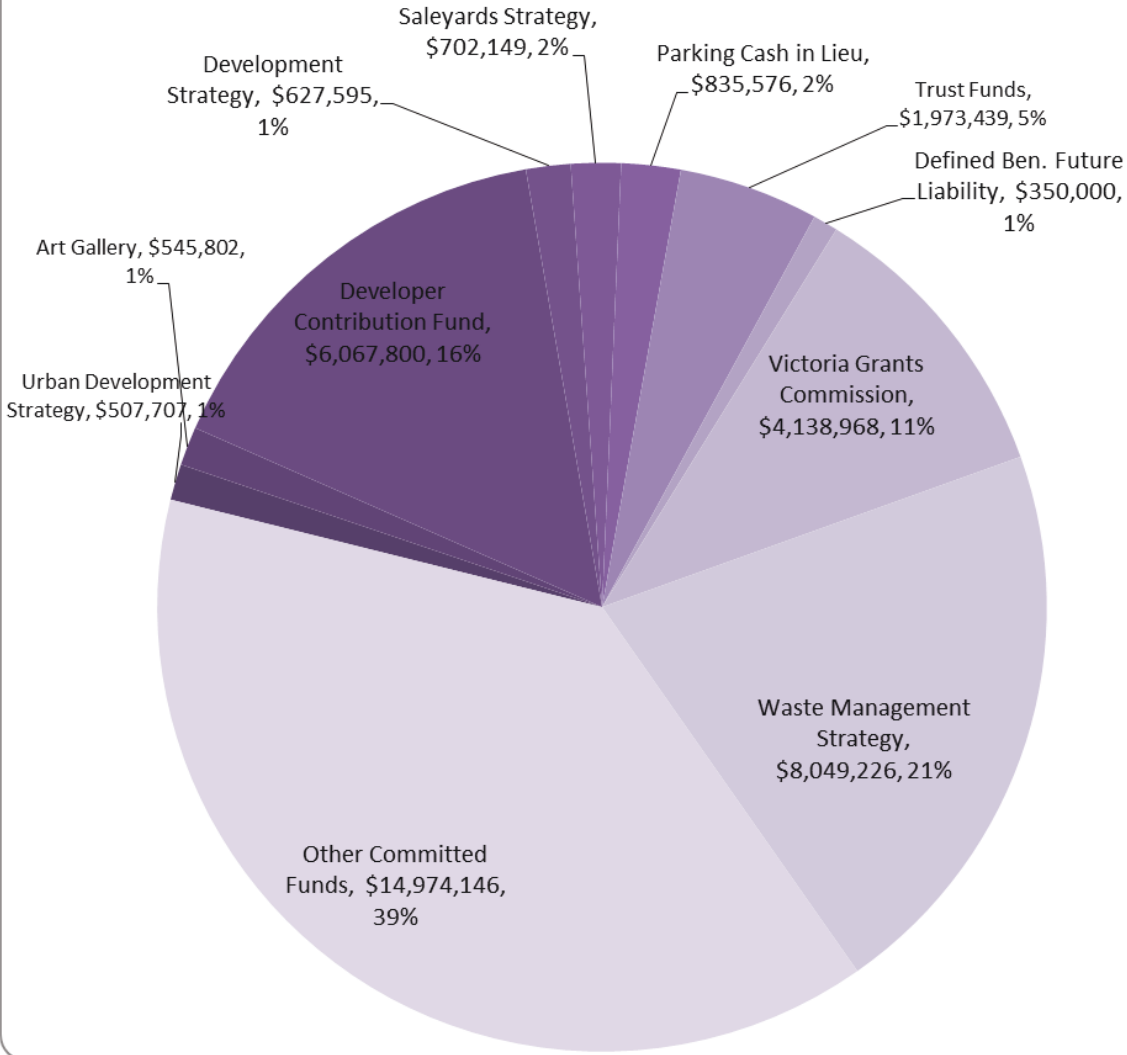


Operating Expense 2013-14

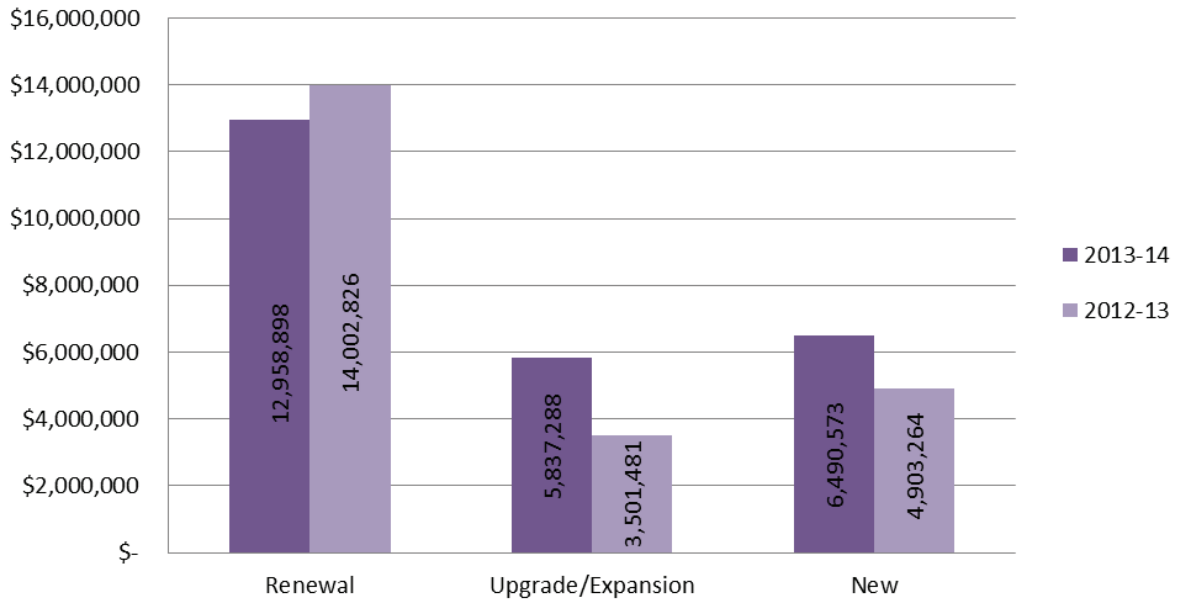


NOTE: Employee costs consists of wages, superannuation, fringe benefits tax and workcover. Materials and services consist of contracts, consultants, utilities, insurance, motor vehicle running costs, repairs and maintenance and advertising.

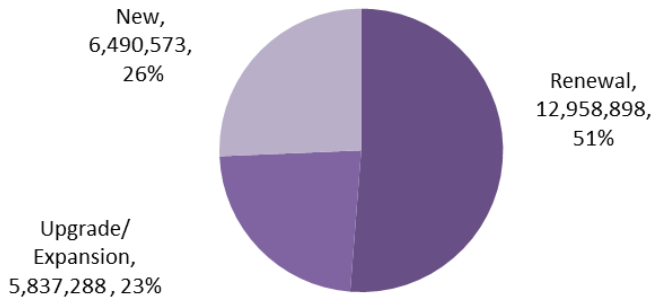
Council Investments 2013-14



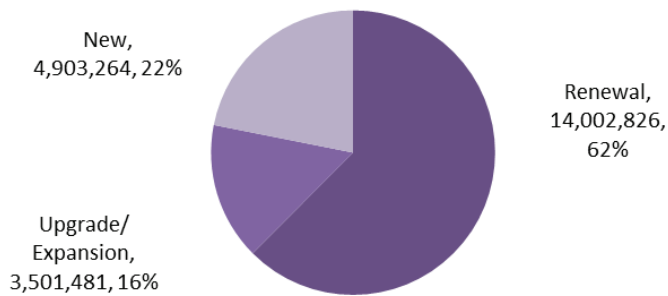
Capital Expenditure Comparison



Capital expenditure by type 2013-14



Capital expenditure by type 2012-13



24 September 2014

Mr G Cator
Chief Executive Officer
Greater Shepparton City Council
Locked Bag 1000
Shepparton VIC 3632

Greater Shepparton City Council	
File No	
Record No	
26 SEP 2014	
Referred To	
Copies To	

File No: 29434/01

Dear Mr Cator

Greater Shepparton City Council—audited financial report for the year ended 30 June 2014

I enclose for your information, the audited financial report which includes the audited standard statements, the audited performance statement of the Greater Shepparton City Council and the signed auditor's reports for the year ended 30 June 2014.

Copies of the audited financial report, audited performance statement and the auditor's reports have also been forwarded to:

- the Mayor of the Greater Shepparton City Council
- the Minister for Local Government and Minister for Aboriginal Affairs
- the Secretary of the Department of Transport, Planning and Local Infrastructure
- the Minister for Finance, Minister for Industrial Relations and Attorney-General
- the Secretary of the Department of Treasury and Finance.

An interim management letter outlining audit observations and recommendations relating to internal controls was issued on 17 June 2014. A final management letter dealing with matters arising from our audit of the financial report which issued on 17 September 2014.

In closing, I record my appreciation for the courtesy and co-operation extended by your staff during the audit.

Yours sincerely



Tim Loughnan
Sector Director, Local Government

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Greater Shepparton City Council

The Financial Report and Standard Statements

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

The accompanying standard statements for the year ended 30 June 2014 of Greater Shepparton City Council which comprises standard income statement, standard balance sheet, standard cash flow statement, standard statement of capital works, the related notes and the performance statement have been audited.

The Councillors' Responsibility for the Financial Report and Standard Statements

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

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

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

Auditor's Responsibility

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

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

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

Independent Auditor's Report (continued)

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

Independence

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

Opinion

In my opinion:

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

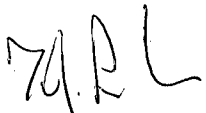
Basis of Accounting for Standard Statements

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

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

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

MELBOURNE
24 September 2014


Dr Peter Frost
Acting Auditor-General

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Greater Shepparton City Council

The Performance Statement

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

The Councillors' Responsibility for the Performance Statement

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

Auditor's Responsibility

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

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

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

Independent Auditor's Report (continued)

Independence

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

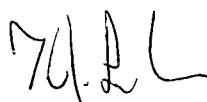
Auditor's Opinion

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

Matters Relating to the Electronic Publication of the Audited Performance Statement

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

MELBOURNE
24 September 2014


Dr Peter Frost
Acting Auditor-General

GREATER SHEPPARTON
FINANCIAL STATEMENTS



FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 June 2014



GREATER SHEPPARTON CITY COUNCIL
Financial Report
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Comprehensive Income Statement
For the Year Ended 30 June 2014

	Note	2014 \$	2013 \$
Revenue			
Rates and charges	3	60,284,470	56,816,212
Parking fees and fines	4	1,893,184	1,984,974
User fees	5	19,181,336	17,598,197
Grants - Operating (recurrent)	6	14,301,078	19,230,487
Grants - Operating (non-recurrent)	6	4,698,482	3,238,206
Grants - Capital (non-recurrent)	6	5,670,007	3,957,667
Contributions - Cash	7a	2,745,823	1,289,201
Contributions - Non-monetary assets	7b	2,604,328	3,533,930
Other revenue	8	1,951,947	2,675,697
Net gain on disposal of assets	14	421,698	-
Share of net profits(losses) of associates accounted for by the equity method	15	65,241	95,876
Total revenue		<u>113,817,594</u>	<u>110,420,447</u>
Expenses			
Employee costs	9	(40,374,185)	(38,608,481)
Materials and services	10	(41,552,011)	(38,503,231)
Bad and doubtful debts	11	(114,116)	(118,659)
Depreciation and amortisation	12	(21,176,669)	(17,859,415)
Write off demolished assets	13	(3,934,257)	-
Finance costs		(1,164,839)	(1,204,628)
Net loss on disposal of assets	14	-	(51,368)
Write down intangible assets	19	(81,287)	(16,840)
Total expenses		<u>(108,397,364)</u>	<u>(96,362,622)</u>
Surplus (deficit) for the year		<u>5,420,230</u>	<u>14,057,825</u>
Other comprehensive income			
Net asset revaluation increment(decrement)	26	50,930	164,512,421
Share of other comprehensive income of associates accounted for by the equity method	15	2,266	(12,264)
Total comprehensive result		<u>5,473,426</u>	<u>178,557,982</u>

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

Balance Sheet
As at 30 June 2014

	Note	2014 \$	2013 \$
Assets			
Current assets			
Cash and cash equivalents	16	27,435,485	34,185,501
Other Financial Assets	16 b	16,500,000	4,000,000
Trade and other receivables	17	5,452,511	5,556,594
Intangible assets	18	65,405	9,861
Accrued income		916,338	853,640
Prepayments		479,329	535,870
Inventories		106,323	103,119
Total current assets		50,955,391	45,244,585
Non-current assets			
Investment in associates	15	1,382,400	1,314,893
Intangible assets	18	1,046,471	1,183,299
Property, infrastructure, plant and equipment	20	826,866,943	824,240,097
Total non-current assets		829,295,814	826,738,289
Total assets		880,251,205	871,982,874
Liabilities			
Current liabilities			
Trade and other payables	21	11,343,678	8,437,857
Trust funds and deposits	22	2,080,152	1,973,173
Provisions	23	8,648,527	8,375,898
Income received in advance	24	250,885	243,816
Interest-bearing loans and borrowings	25	457,675	413,610
Total current liabilities		22,780,917	19,444,354
Non-current liabilities			
Trade and other payables	21	-	57,471
Provisions	23	926,896	953,953
Interest-bearing loans and borrowings	25	14,354,474	14,811,604
Total non-current liabilities		15,281,370	15,823,028
Total liabilities		38,062,287	35,267,382
Net Assets		842,188,918	836,715,492
Equity			
Accumulated surplus		316,300,142	310,877,646
Reserves	26	525,888,776	525,837,846
Total Equity		842,188,918	836,715,492

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

**Statement of Changes in Equity
For the Year Ended 30 June 2014**

	Note	Total 2014 \$	Accumulated Surplus 2014 \$	Asset Revaluation Reserve 2014 \$
2014				
Balance at beginning of the financial year		836,715,492	310,877,646	525,837,846
Surplus for the financial year		5,422,496	5,422,496	-
Net asset revaluation increment(decrement)	26	50,930	-	50,930
Balance at end of the financial year		842,188,918	316,300,142	525,888,776

		Total 2013 \$	Accumulated Surplus 2013 \$	Asset Revaluation Reserve 2013 \$
2013				
Balance at beginning of the financial year		656,807,872	296,832,085	359,975,787
Surplus for the financial year		14,045,561	14,045,561	-
Net asset revaluation increment(decrement)	26	164,512,421	-	164,512,421
Adjustment to last year accounts	1(t)	1,349,638	-	1,349,638
Balance at end of the financial year		836,715,492	310,877,646	525,837,846

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

Statement of Cash Flows
For the Year Ended 30 June 2014

	2014	2013
	Inflows/ (Outflows)	Inflows/ (Outflows)
	\$	\$
Note		
Cash flows from operating activities		
Rates and charges	60,491,408	56,816,212
Parking fees and fines	1,893,184	1,984,974
User charges and other fines (inclusive of GST)	17,648,125	16,703,440
Grants	24,669,567	26,426,360
Contributions	2,745,823	1,289,201
Interest	1,172,591	1,960,213
Rents	572,418	715,484
Net GST refund	3,380	1,078,646
Payments to suppliers (inclusive of GST)	(37,951,133)	(43,951,681)
Payments to employees	(40,128,613)	(38,086,495)
Net cash provided by (used in) operating activities	27 31,116,750	24,936,354
Cash flows from investing activities		
Payments for property, plant and equipment, infrastructure	(24,571,465)	(22,407,572)
Proceeds from sale of assets	625,947	479,412
Trust funds and deposits	156,656	(77,575)
Movement in term deposits	(12,500,000)	(4,000,000)
Net cash provided by (used in) investing activities	(36,288,862)	(26,005,735)
Cash flows from financing activities		
Finance costs	(1,164,839)	(1,204,628)
Repayment of interest-bearing loans and borrowings	(413,065)	(388,674)
Net cash provided by (used in) financing activities	(1,577,904)	(1,593,302)
Net increase (decrease) in cash and cash equivalents	(6,750,016)	(2,662,683)
Cash and cash equivalents at the beginning of the financial year	34,185,501	36,848,184
Cash and cash equivalents at the end of the financial year	28 27,435,485	34,185,501

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

Introduction

- (a) The Greater Shepparton City Council was established by an Order of the Governor in Council on 17th November 1994 and is a body corporate. The Council's main office is located at 90 Welsford Street Shepparton.
- (b) The purpose of the Council is:
- to provide for the peace, order and good government of its municipal district;
 - to promote the social, economic and environmental viability and sustainability of the municipal district;
 - to ensure that resources are used efficiently and effectively and services are provided in accordance with the Best Value Principles to best meet the needs of the local community;
 - to improve the overall quality of life of people in the local community;
 - to promote appropriate business and employment opportunities;
 - to ensure that services and facilities provided by the Council are accessible and equitable;
 - to ensure the equitable imposition of rates and charges; and
 - to ensure transparency and accountability in Council decision making.

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

Note 1

Significant accounting policies

(a) Basis of accounting

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

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

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

All entities controlled by Council that have material net assets over \$200,000 have been included in this financial report. All transactions between these entities and the Council have been eliminated in full.

(b) Change in accounting policies

AASB 13 Fair Value Measurement

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

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

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

Note 1 (cont)

Significant accounting policies (cont.)

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

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

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

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

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

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

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

AASB 119 Employee Benefits

In the current year, Council has applied AASB 119 Employee Benefits (as revised in 2011) and the related consequential amendments for the first time. AASB 119 changes the definition of short-term employee benefits. These were previously benefits that were due to be settled within twelve months after the end of the reporting period in which the employees render the related service, however, short-term employee benefits are now defined as benefits expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service. As a result, accrued annual leave balances which were previously classified by Council as short-term benefits no longer meet this definition and are now classified as long-term benefits. This has resulted in a change of measurement for that portion of annual leave provision from an undiscounted to discounted basis.

This change in classification has not materially altered Council's measurement of the annual leave provision.

(c) Revenue recognition

Rates, grants and contributions

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

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

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

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

Contributions are recognised as income when the Council obtains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to the Council and the amount of the contribution can be measured reliably. Developer gifted assets are recognised at practical completion date.

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

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

Note 1 (cont)

Significant accounting policies (cont.)

User charges, fees and fines

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

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

Sale of property, plant and equipment, infrastructure

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

Interest and rents

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

(d) Depreciation of non-current assets

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

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

Road earthworks are not depreciated.

Art collection and Regalia are not depreciated.

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

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

	Current Period
Property	
Buildings and Land improvements	
Land improvements	10 to 80 years
Buildings	60 to 100 years
Heritage assets	
Heritage assets	40 to 150 years
Plant and equipment	
Plant, machinery and equipment	5 to 15 years
Furniture, equipment and computers	3 to 30 years
Infrastructure	
Roads	
Road pavements and seals	10 to 60 years
Road substructure	40 to 60 years
Road kerb, channel and minor culverts	10 to 60 years
Roundabouts	20 to 30 years
Bridges deck	50 to 100 years
Footpaths	10 to 60 years
Bike paths	10 to 50 years
Drainage	60 to 100 years
Naturestrip trees	10 to 50 years
Regulatory signs	3 to 20 years
Street furniture	10 to 50 years
Litter Bins	
Bus Shelters	
Outdoor Furnishings	

Note 1 (cont)

Significant accounting policies (cont.)

(e) Repairs and maintenance

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

(f) Recognition and measurement of assets

Acquisition

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

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

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

	Threshold Limit
	\$
Property	
Buildings and land improvements	
Land	10,000
Land under roads	10,000
Land improvements	2,000
Buildings	10,000
Heritage assets	
Heritage assets	10,000
Plant and equipment	
Plant, machinery and equipment	2,000
Furniture, equipment and computers	500
Art collection and regalia	3,000
Infrastructure	
Roads	
Road pavements and seals	20,000
Road substructure	20,000
Road kerb, channel and minor culverts	5,000
Roundabouts	20,000
Bridges deck	20,000
Footpaths	2,000
Drainage	3,000
Naturestrip trees	3,000
Regulatory signs	3,000
Bike paths	2,000
Other	
Other assets	3,000
Intangible assets	
Intangible assets	1,000

Revaluation

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

Note 1 (cont)

Significant accounting policies (cont.)

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

Revaluation (cont)

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

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

Land under roads

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

Intangible Assets

Council has a right to receive revenue through the sale of residential housing blocks in the Parkside Gardens Estate in North Shepparton. This site was the previous home of Shepparton's International Village. The estate is managed and promoted by Places Victoria. Places Victoria is the Urban Renewal Authority for Victoria and is responsible for a range of urban renewal projects on behalf of the Victorian Government. Council is entitled to revenue equal to 10.95% of the retail sale price of each residential housing block sold.

The value of Council's estimated right to receive revenue is recorded in the Balance Sheet as an Intangible Asset. The total carrying value is adjusted by sales as they occur, and at balance date based on forecast land sales for the following 12 months provided by Places Victoria. Revenue for sales forecast within the following 12 months is recorded as a current asset, with the revenue attributable to the balance of land recorded as a non-current asset.

(g) Cash and cash equivalents

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

(h) Other financial assets

Financial assets are valued at fair value, being market value, at balance date. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense. Council's other financial assets comprise term deposits with a maturity date in excess of 90 days.

(i) Accounting for investment in associates

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

(j) Tender deposits

Amounts received as tender deposits and retention amounts controlled by Council are recognised as Trust funds until they are returned or forfeited (refer to note 22).

Note 1 (cont)

Significant accounting policies (cont.)

(k) Employee costs

Wages and salaries, and annual leave

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

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

Long service leave

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

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

The components of this current liability are measured at :

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

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

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

Classification of employee benefits

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

Superannuation

The superannuation expense for the reporting year is the amount of the statutory contribution the Council makes to the superannuation plan which provides benefits to its employees. In addition Council may, periodically be required to contribute to the defined benefits schemes for current and former employees. Details of these arrangements are recorded in note 31.

(l) Leases

Operating leases

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

(m) Allocation between current and non-current

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle, or if the Council does not have an unconditional right to defer settlement of a liability for at least 12 months after the reporting date.

Note 1 (cont)

Significant accounting policies (cont.)

(n) Agreements equally proportionately unperformed

The Council does not recognise assets and liabilities arising from agreements that are equally proportionately unperformed in the balance sheet. Such agreements are recognised on an 'as incurred' basis.

(o) Web site costs

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

(p) Goods and Services Tax (GST)

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

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

(q) Impairment of assets

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

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

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

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

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

(s) Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods and services received as at balance date. Refer note 21.

(t) Accounting adjustments to prior periods

Existing assets not previously recognised.

Non-current assets not previously recognised are classified as though they had always been recognised by an adjustment through equity and a restatement of the previous year's comprehensive income statement if applicable.

During the 2012/13 financial year Council had revalued existing gravel road infrastructure assets. A revaluation rate error to the value of \$1,349,638 was identified during the 2013/14 year and corrected. The adjustment has been made to the 2012/13 balances.

Refer Note 20

Asset Class	2012/13	Restated
Infrastructure (Roads)	548,874,059	550,223,697
Equity	835,365,854	836,715,492

This balance was not significant as to require an additional balance sheet.

Note 2

Events occurring after balance date

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

2014
\$

2013
\$

Note 3

Rates and charges

Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is the market value of the property which takes into account the land and all improvements fixed to the land.

The valuation base used to calculate general rates for 2013/2014 was \$8,777 million (2012/13 \$8,736 million).

Residential	31,453,629	27,398,368
Commercial	10,559,114	10,928,440
Industrial	4,962,290	5,131,139
Farm/Rural residential	5,745,267	6,306,363
Waste Services charges	7,564,170	7,051,902
	<u>60,284,470</u>	<u>56,816,212</u>

The date of the last general revaluation of land for rating purposes within the municipal district was 1 January 2014, and the valuation first applied to the rating period commencing 1 July 2014.

The date of the next general revaluation of land for rating purposes within the municipal district is 1 January 2016, and the valuation will be applied in the rating year commencing 1 July 2016.

Supplementary rates and rate adjustments undertaken after the annual calculation incorporate a number of valuation objections.

Note 4

Parking fees and fines

Infringements and costs	682,785	684,590
PERIN court recoveries	26,340	21,534
Fees - ticket machines	311,144	348,034
Fees - parking meters	866,118	926,598
Permits	6,797	4,218
	<u>1,893,184</u>	<u>1,984,974</u>

Note 5

User fees

Aged and Disability services	624,936	659,929
Animal Control	652,066	602,247
Aquatic Facilities	2,813,214	2,743,431
Arts and Culture	767,118	882,430
Children's Services	1,940,224	1,835,379
Development Facilities	1,644,634	1,381,769
Environmental Health	327,833	294,718
Financial Services	1,100,280	1,255,604
Miscellaneous	423,968	207,910
Private Works	669,852	265,414
Recreational Facilities	759,159	833,284
Saleyards	1,570,011	1,316,328
Tourism	922,465	602,946
Waste Management	4,965,576	4,716,808
	<u>19,181,336</u>	<u>17,598,197</u>

	2014 \$	2013 \$
Note 6		
Grants		
Grants were received in respect of the following :		
Summary of grants		
Federally funded grants	8,354,846	5,898,969
State funded grants	16,304,373	20,527,391
Others	10,348	0
Total	<u>24,669,567</u>	<u>26,426,360</u>
Commonwealth Government - Recurrent		
<i>Community Life</i>		
Aged & Disability Services	289,779	654,179
Children's Services	2,161,517	2,084,376
	<u>2,451,296</u>	<u>2,738,555</u>
Commonwealth Government - Recurrent - Total	<u>2,451,296</u>	<u>2,738,555</u>
State Government - Recurrent		
<i>Council Organisation and Management</i>		
Victorian Grants Commission Unallocated	4,123,104	7,823,083
Victorian Grants Commission Local Roads	1,510,849	2,728,339
Financial Services	-	37,223
Corporate Services	-	127,730
	<u>5,633,953</u>	<u>10,716,375</u>
<i>Infrastructure</i>		
Planning Investigation & Design	23,100	59,445
Plant	-	11,500
Saleyards	-	5,000
	<u>23,100</u>	<u>75,945</u>
<i>Economic Development</i>		
Development Services	150,000	343,000
	<u>150,000</u>	<u>343,000</u>
<i>Settlement and Housing</i>		
Environmental Health	99,889	124,467
	<u>99,889</u>	<u>124,467</u>
<i>Community Life</i>		
Arts & Culture	188,000	306,894
Aged & Disability Services	3,200,868	2,998,903
Aquatic Facilities	-	140,000
Childrens Services	2,244,991	2,994,817
Emergency Management	145,706	-
Law Order & Safety	62,450	1,428,728
Library	-	433,000
Recreation & Parks	-	348,000
Sports Facilities	-	84,710
Other Community Programs	10,000	316,989
	<u>5,852,015</u>	<u>9,052,041</u>
<i>Environment</i>		
Environmental Management	74,826	193,208
Waste Management	16,000	22,355
	<u>90,826</u>	<u>215,563</u>
State Government - Recurrent - Total	<u>11,849,783</u>	<u>20,527,391</u>
Total Recurrent Grants	<u>14,301,079</u>	<u>23,265,946</u>

Note 6	Grants (cont)	2014 \$	2013 \$
	Commonwealth Government - Non-Recurrent		
	<i>Community Life</i>		
	Other Community Programs	317,273	-
		<u>317,273</u>	<u>-</u>
	<i>Infrastructure</i>		
	Roads to Recovery	1,719,010	1,160,414
		<u>1,719,010</u>	<u>1,160,414</u>
	<i>Economic Development</i>		
	Tourism	114,045	-
		<u>114,045</u>	<u>-</u>
	<i>Environment</i>		
	Environmental Management	2,320,826	-
		<u>2,320,826</u>	<u>-</u>
	<i>Settlement and Housing</i>		
	Development Facilities	1,432,396	2,000,000
		<u>1,432,396</u>	<u>2,000,000</u>
	Commonwealth Government - Non-Recurrent - Total	<u>5,903,550</u>	<u>3,160,414</u>
	State Government - Non-Recurrent		
	<i>Council Organisation and Management</i>		
	Finance & Rates - Fire Services Property levy	81,775	-
	Corporate Services	5,000	-
		<u>86,775</u>	<u>-</u>
	<i>Community Life</i>		
	Active Living	294,584	-
	Arts & Culture	313,497	-
	Community Development	230,086	-
	Emergency Management	432,278	-
	Recreation & Parks	730,930	-
	Youth & Children's Services	1,123,465	-
		<u>3,124,840</u>	<u>-</u>
	<i>Economic Development</i>		
	Development Services	61,125	-
		<u>61,125</u>	<u>-</u>
	<i>Environment</i>		
	Environmental Management	75,980	-
		<u>75,980</u>	<u>-</u>
	<i>Infrastructure</i>		
	Planning Investigation & Design	907,000	-
	Traffic Management	198,870	-
		<u>1,105,870</u>	<u>-</u>
	State Government - Non-Recurrent - Total	<u>4,454,590</u>	<u>-</u>

	2014	2013
	\$	\$
Note 6		
Grants (cont)		
SUMMARY		
<i>Commonwealth Government - Recurrent</i>	2,451,296	2,738,555
<i>State Government - Recurrent</i>	11,849,783	20,527,391
<i>Commonwealth Government - Non-Recurrent</i>	5,903,550	3,160,414
<i>State Government - Non-Recurrent</i>	4,454,590	-
<i>Others</i>	10,348	-
Total	<u>24,669,567</u>	<u>26,426,360</u>
SUMMARY		
Grants - Operating (recurrent)	14,301,076	19,230,487
Grants - Operating (non-recurrent)	4,698,482	3,238,206
Grants - Capital (recurrent)	-	-
Grants - Capital (non-recurrent)	5,670,007	3,957,667
Total	<u>24,669,567</u>	<u>26,426,360</u>
<i>Conditions on Grants</i>		
Grants recognised as revenue during the year that were obtained on condition that they be expended in a specified manner that had not occurred at balance date were:		
Goulburn Broken Greenhouse Alliance Street Lighting Project	2,320,826	-
Building Better Regional Cities	795,389	2,000,000
Phillipine House Restoration	150,000	-
Allied Health Funding	97,782	-
Home Maintenance	84,850	-
Roads To Recovery	70,000	-
HACC Minor Service Works	31,619	13,471
Victorian Grants Commission	-	5,518,624
Best Start	-	135,372
Provincial Leaders Program	-	125,000
Flood Resilience & Vulnerable Person Funding	-	120,000
Economic Recovery	-	34,284
Weed Control	-	31,525
Shepparton Flood Study	-	19,389
Allied Health Funding	-	12,377
	<u>3,550,466</u>	<u>8,010,042</u>

Note 6	Grants (cont)	2014 \$	2013 \$
	Grants which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were:		
	Victorian Grants Commission	5,518,624	5,341,187
	Building Better Regional Cities	2,000,000	-
	Healthy Communities Project	143,526	104,004
	Best Start	142,904	-
	Provincial Leaders Program	125,000	-
	LEAD (Embracing Diversity)	104,163	-
	Flood Resilience and Vulnerable Persons Funding	35,480	35,480
	Economic Recovery	30,042	-
	Shepparton Library Redevelopment	20,581	-
	Shepparton Flood Study	19,389	-
	Weed Control	13,875	-
	Sir Murray Bouchier Memorial	6,721	2,100
	Roads To Recovery	-	230,275
	Localities Embracing and Accepting Diversity	-	147,654
	Community Connections	-	146,753
	Children's Centre Development Grant	-	100,000
	International Ceramic Art Award Funding	-	27,900
	Strengthening Basins	-	12,711
	Art Museum Program Funding	-	7,500
	Indigenous Art Work Residence Grant	-	6,446
	Culture Victoria Grant	-	4,733
	Crouching Emu Grant	-	3,000
		<u>8,160,305</u>	<u>6,169,743</u>
	Net increase(decrease) in restricted assets resulting from grant revenues for the year:	<u>(4,609,839)</u>	<u>1,840,299</u>

		2014	2013
		\$	\$
Note 7	Contributions		
	(a) Cash		
	Developer contributions - Cash	468,548	684,514
	Other contributions - Cash	2,277,275	604,687
		<u>2,745,823</u>	<u>1,289,201</u>
	(b) Non-monetary assets		
	Developer contributions - Non-monetary assets	2,604,328	3,533,930
		<u>2,604,328</u>	<u>3,533,930</u>
	Total	<u>5,350,151</u>	<u>4,823,131</u>
Note 8	Other revenue		
	Interest	1,379,529	1,960,213
	Rent	572,418	715,484
		<u>1,951,947</u>	<u>2,675,697</u>
Note 9	Employee costs		
	Wages and salaries	35,724,182	34,580,468
	Superannuation (note 31) *	3,327,290	2,883,282
	Fringe benefits tax and work cover	742,563	685,584
	Redundancy	580,150	459,147
		<u>40,374,185</u>	<u>38,608,481</u>

	2014	2013
	\$	\$
Note 10		
Materials and services		
Aged and Disability Services	3,604,118	3,079,340
Childcare	1,958,263	1,771,561
Local Laws	916,357	1,216,367
Aquatic Facilities	1,796,820	1,338,231
Arts and Culture	2,623,948	1,493,824
Library	1,538,702	1,484,738
Public Open Space Maintenance	3,545,932	4,040,114
Local Roads	6,947,237	3,632,375
Waste Management	7,906,168	7,159,936
Saleyards	1,577,830	1,005,520
Economic Development	1,520,614	2,791,389
Administration	7,616,022	9,489,836
	<u>41,552,011</u>	<u>38,503,231</u>
Note 11		
Bad and doubtful debts		
Parking infringement debtors	101,477	122,914
Other Debtors	12,639	(4,255)
	<u>114,116</u>	<u>118,659</u>
Note 12		
Depreciation		
Land Improvements	436,252	1,027,566
Buildings	3,233,080	2,508,568
Heritage Assets	26,064	26,867
Plant, Machinery and Equipment	1,268,143	902,260
Furniture, Equipment and Computers	1,463,856	1,262,998
Roads	10,904,381	8,915,313
Footpaths	1,021,189	795,263
Kerb and Channel	723,421	618,204
Drainage	1,249,676	1,143,167
Bridges	408,352	136,427
Regulatory Signs	202,276	261,565
Naturestrip Trees	95,671	114,299
Street Furniture	144,308	146,918
	<u>21,176,669</u>	<u>17,859,415</u>
Note 13		
Write off demolished assets		
Write-off of Infrastructure Assets	3,934,257	-
* refer to Note 20 for details of asset classes.	<u>3,934,257</u>	<u>-</u>
Implementation of new asset management software during 2013/14 enables the tracking of individualised assets and allows for accurate removal for write-off.		

	2014	2013
	\$	\$
Note 14		
Net gain(loss) on disposal of assets		
Plant and equipment		
Proceeds from sale of assets	551,628	479,412
Written down value of assets sold	(204,248)	(530,780)
Net gain(loss) on sale of plant and equipment	<u>347,380</u>	<u>(51,368)</u>
Land and buildings		
Proceeds from sale of assets	74,318	-
Written down value of assets sold	-	-
Net gain(loss) on sale of land and buildings	<u>74,318</u>	<u>-</u>
Summary		
Proceeds from sale of assets	625,946	479,412
Written down value of assets sold	(204,248)	(530,780)
Net gain(loss) on sale of assets	<u>421,698</u>	<u>(51,368)</u>
Note 15		
Investment in associates		
Goulburn Valley Regional Library Corporation		
<i>Background</i>		
The Goulburn Valley Regional Library Corporation is an entity which has been established to serve the Greater Shepparton City Council, Moira Shire Council and the Strathbogie Shire Council.		
Each of these member Councils contributes financially to the operation of the Corporation. Each Council's contribution is reflective of population within each municipality, but is more specifically based on agreed service levels with each participating Council.		
Each year at balance date the reported surplus (deficit) of the Corporation is recorded in the books of each participating member Council and the carrying value of each Council's investment is adjusted according to the investment percentage for that year.		
Investment percentage 61.25% in 2013/14 (61.14% in 2012/13)		
<i>Council's share of accumulated surplus(deficit)</i>		
Council's share of accumulated surplus(deficit) at start of year	(563,029)	(658,905)
Reported surplus(deficit) for year	65,241	95,876
Council's share of accumulated surplus(deficit) at end of year	<u>(497,788)</u>	<u>(563,029)</u>
<i>Movement in carrying value of specific investment</i>		
Carrying value of investment at start of year	1,314,893	1,231,281
Change in investment percentage	2,266	(12,264)
Share of surplus(deficit) for year	65,241	95,876
Carrying value of investment at end of year	<u>1,382,400</u>	<u>1,314,893</u>

		2014 \$	2013 \$
Note 16	Cash and cash equivalents		
	Cash at bank and on hand	5,163,077	2,758,160
	Bank bills	22,272,408	31,427,341
		<u>27,435,485</u>	<u>34,185,501</u>
	Represented by:		
	Cash on hand	8,700	8,990
	Cash at bank	5,154,377	2,749,170
		<u>5,163,077</u>	<u>2,758,160</u>
	Total cash assets	<u>27,435,485</u>	<u>34,185,501</u>
Note 16 b	Other Financial Assets		
	Bank bills - term deposits greater than 90 days	16,500,000	4,000,000
		<u>16,500,000</u>	<u>4,000,000</u>
Note 17	Trade and other receivables		
	Current		
	Rates debtors	3,604,371	2,590,274
	Parking infringement debtors	412,835	316,447
	Provision for doubtful debts - parking infringements	(95,689)	(111,404)
	Other debtors	1,557,614	1,766,857
	Provision for doubtful debts - other debtors	(30,000)	(30,000)
	Net GST receivable	3,380	1,024,420
		<u>5,452,511</u>	<u>5,556,594</u>
	Total	<u>5,452,511</u>	<u>5,556,594</u>
Note 18	Intangible assets		
	Current		
	Right to receive revenue	65,405	9,861
		<u>65,405</u>	<u>9,861</u>
	Non-current		
	Right to receive revenue	1,046,471	1,183,299
	Total	<u>1,111,876</u>	<u>1,193,160</u>
	Note: Right represents the value held for Council's share of development and resale of Parkside Gardens. These are valued at lower of the last revaluation and recoverable amount. Annual impairment testing is undertaken to ensure that the carrying amount is not higher than the recoverable amount.		
Note 19	Write down of Intangible assets		
	Rights to Council's share of resale of Parkside Gardens (a)	81,287	16,840
		<u>81,287</u>	<u>16,840</u>
	(a) based on reviewing the current market value and remaining anticipated Lot sales.		

	2014	2013
	\$	\$
Note 20 (a) Property, infrastructure, plant and equipment		
Summary		
at cost	85,208,154	60,182,440
Less accumulated depreciation	<u>20,176,094</u>	<u>19,588,341</u>
	65,032,060	40,594,099
at fair value as at 30 June 2008	-	84,395
	-	<u>84,395</u>
at fair value as at 30 September 2011	14,532,541	14,532,541
at fair value as at 30 June 2013	806,701,882	814,535,854
Less accumulated depreciation	<u>274,723,121</u>	<u>264,312,157</u>
	531,978,761	550,223,697
at fair value as at 30 June 2011	292,637,360	292,868,776
Less accumulated depreciation	<u>77,313,779</u>	<u>74,063,411</u>
	215,323,581	218,805,365
Total	<u>826,866,943</u>	<u>824,240,097</u>
Property		
Land		
at cost	5,723,988	5,522,056
at fair value as at 30 June 2011	<u>94,559,398</u>	<u>94,559,398</u>
	100,283,386	100,081,454
Land under roads		
at cost	3,703,939	3,199,993
	<u>3,703,939</u>	<u>3,199,993</u>
Land improvements		
at cost	5,970,946	4,881,424
Less accumulated depreciation	<u>507,747</u>	<u>352,964</u>
	5,463,199	4,528,460
at fair value as at 30 June 2011	25,603,703	25,610,120
Less accumulated depreciation	<u>6,985,371</u>	<u>6,585,892</u>
	18,618,332	19,024,228
Total Land	<u>128,068,856</u>	<u>126,834,135</u>
Buildings		
at cost	8,330,550	7,426,541
Less accumulated depreciation	<u>472,674</u>	<u>271,420</u>
	7,857,876	7,155,121
at fair value as at 30 June 2011	168,569,137	168,764,136
Less Accumulated depreciation	<u>69,064,300</u>	<u>66,227,582</u>
	99,504,837	102,536,554
Total Buildings	<u>107,362,713</u>	<u>109,691,675</u>
Heritage assets		
at fair value as at 30 June 2011	3,905,122	3,935,122
Less accumulated depreciation	<u>1,264,108</u>	<u>1,249,937</u>
	2,641,014	2,685,185
Total Heritage	<u>2,641,014</u>	<u>2,685,185</u>
Total Property	<u>238,072,583</u>	<u>239,210,995</u>

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

Land under roads is valued at deemed cost. Deemed cost is based on council valuations at date acquired for acquisitions since 1 July 2008, adjusting for englobo (undeveloped and/or unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services.

Note 20 (a) cont

Property, infrastructure, plant and equipment (cont)

2014
\$

2013
\$

Fair Value table

Property	LEVEL 1	LEVEL 2	LEVEL 3	
Land	-	5,723,988	94,569,398	
Buildings	-	7,857,876	99,504,837	
Heritage Assets	-	-	2,641,014	
Land Improvements	-	5,463,199	18,618,332	
	-	19,045,063	215,323,581	234,368,644

(b)

Plant and Equipment

Plant, Machinery and Equipment

at cost	13,262,617	12,914,763
Less accumulated depreciation	6,678,313	7,503,557
	<u>6,584,304</u>	<u>5,411,206</u>

Furniture, Equipment and Computers

at cost	18,036,047	17,593,472
Less accumulated depreciation	12,356,518	11,460,400
	<u>5,679,529</u>	<u>6,133,072</u>

Art Collection and Regalia

at cost	322,995	205,486
at fair value as at 30 June 2008	-	84,395
at fair value as at 30 September 2010	14,532,541	14,532,541
at fair value as at 30 June 2014	135,325	-
	<u>14,990,861</u>	<u>14,822,422</u>
Total Plant and Equipment	<u>27,254,694</u>	<u>26,366,700</u>

Valuation of Art Collection was undertaken by an independent valuer, Leonard Joel Australia. Valuation of Regalia was undertaken by an independent valuer, P. Blashki & Sons Pty. Ltd. The valuations have been made considering the prevailing market conditions of commercial worth.

Whilst Artwork was revalued in 2010, our Regalia, consisting of Mayoral Robes and Chains, was overlooked. Following advice from the Victorian Auditor General's Office, a revaluation was sought during 2014. In future years it is intended that the timing of the revaluation of Regalia will once again fall in line with the timing of Artwork revaluations.

	2014	2013
	\$	\$
Note 20 (c)		
Property, Infrastructure, plant and equipment (cont)		
Infrastructure		
Roads		
at cost	7,537,075	-
Less accumulated depreciation	82,324	-
	<u>7,454,751</u>	<u>-</u>
at fair value as at 30 June 2013	552,709,006	558,436,162
Less accumulated depreciation	183,823,424	176,325,004
	<u>368,885,582</u>	<u>382,111,158</u>
Bridges		
at fair value as at 30 June 2013	29,812,739	31,071,966
Less accumulated depreciation	12,462,228	12,588,982
	<u>17,350,511</u>	<u>18,482,984</u>
Footpaths		
at cost	984,319	-
Less accumulated depreciation	17,865	-
	<u>966,454</u>	<u>-</u>
at fair value as at 30 June 2013	54,692,501	55,347,134
Less accumulated depreciation	18,237,099	17,527,313
	<u>36,455,402</u>	<u>37,819,821</u>
Drainage		
at cost	906,632	-
Less accumulated depreciation	8,745	-
	<u>897,887</u>	<u>-</u>
at fair value as at 30 June 2013	107,163,669	107,224,223
Less accumulated depreciation	39,141,182	37,921,550
	<u>68,022,487</u>	<u>69,302,673</u>
Kerb and Channel		
at cost	1,225,584	-
Less accumulated depreciation	24,512	-
	<u>1,201,072</u>	<u>-</u>
at fair value as at 30 June 2013	46,952,033	47,116,466
Less accumulated depreciation	13,223,843	12,570,021
	<u>33,728,190</u>	<u>34,546,445</u>
Regulatory Signs		
at cost	93,415	-
Less accumulated depreciation	10,158	-
	<u>83,257</u>	<u>-</u>
at fair value as at 30 June 2013	1,764,436	1,764,436
Less accumulated depreciation	1,342,405	1,150,288
	<u>422,031</u>	<u>614,148</u>

	2014	2013
	\$	\$
Note 20 (c) cont.		
Property, infrastructure, plant and equipment		
Naturestrip Trees		
at cost	710,700	-
Less accumulated depreciation	9,476	-
	<u>701,224</u>	<u>-</u>
at fair value as at 30 June 2013	6,104,534	6,166,875
Less accumulated depreciation	3,266,024	3,212,022
	<u>2,838,510</u>	<u>2,954,853</u>
Street Furniture		
at cost	26,957	-
Less accumulated depreciation	6,548	-
	<u>20,409</u>	<u>-</u>
at fair value as at 30 June 2013	2,777,545	2,788,720
Less accumulated depreciation	1,333,413	1,201,147
	<u>1,444,132</u>	<u>1,587,573</u>
Shared Bike Paths		
at cost	99,485	-
Less accumulated depreciation	1,214	-
	<u>98,271</u>	<u>-</u>
at fair value as at 30 June 2013	4,590,094	4,619,872
Less accumulated depreciation	1,893,503	1,815,830
	<u>2,696,591</u>	<u>2,804,042</u>
Total Infrastructure	<u>543,266,761</u>	<u>550,223,697</u>

Valuation of infrastructure assets has been determined in accordance with industry accepted engineering and landscaping standards and principles as to fair value, useful life and remaining life with the valuation undertaken by Council's Strategic Assets Department. The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.

Fair Value table

Infrastructure	LEVEL 1	LEVEL 2	LEVEL 3	
Roads	-	-	376,340,332	
Drainage	-	-	68,920,374	
Footpaths and cycleways	-	-	40,216,718	
Kerb & channel	-	-	34,929,262	
Bridges	-	-	17,350,512	
Regulatory signs	-	-	505,288	
Street furniture	-	-	1,464,541	
Trees	-	-	3,539,734	
	-	-	543,266,761	543,266,761

(d)

Works in progress		
Buildings at cost	2,633,677	1,315,690
Land Improvements at cost	6,040,217	4,895,498
Roads at cost	9,583,401	2,227,517
Bridges at cost	15,610	-
Total Works in progress	<u>18,272,905</u>	<u>8,438,705</u>
Infrastructure	<u>826,866,943</u>	<u>824,240,097</u>

		2014	2013
		\$	\$
Note 20 (cont)	Property, Infrastructure, plant and equipment (cont)		
(e)	Valuation basis		
	<i>Non-specialised land, non-specialised buildings</i>		
	Non-specialised land and non-specialised buildings are valued using the market based direct comparison method. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value.		
	To the extent that non-specialised land and non-specialised buildings do not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market based direct comparison approach.		
	<i>Specialised land and specialised buildings</i>		
	The market based direct comparison method is also used for specialised land although is adjusted to reflect the specialised nature of the assets being valued. For Council specialised buildings, the depreciated replacement cost method is used, adjusting for the associated depreciations. Specialised assets contain significant, unobservable adjustments, therefore these assets are classified as Level 3 fair value measurements.		
	An adjustment is made to reflect a restriction on the sale or use of an asset by Council. The adjustment is an allowance made to reflect the difference in value between unrestricted assets and those held by the Council which are impacted by external restraints on their use.		
	The revaluation of Council's land and building assets is due for completion during the 2014/15 financial year. The last valuation occurred 30 June 2011. An internal assessment has been conducted to review valuation movements to determine whether interim valuation adjustments should be booked prior to official revaluation.		
	Reference has been made to the Valuer General's Issue of Residential Price Statistics for the Greater Shepparton City area, and to rating statistics obtained from LG Valuations covering the last four years.		
	The rating statistics suggest that for the four year period to January 2014, the Capital Improved Value of residential properties has increased by 3.46%, commercial properties have decreased by 3.11%, Industrial properties increased by 1.05% and rural properties increased by 4.51%. Statistics from the Valuer General for the same four year period indicate the median house price has decreased by 2.0%, while the median for vacant house blocks increased by 7.83%. There was no increase in the median price of Units/Apartments.		
	Based on these findings Council did not believe there was sufficient evidence to indicate a material valuation movement.		
	<i>Land Under Roads</i>		
	Land under roads is valued at fair value using site values adjusted for englobo (undeveloped and/or unserviced) 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.		

	2014	2013
	\$	\$
Note 20 (e) cont		
Property, infrastructure, plant and equipment		
<i>Infrastructure</i>		
Infrastructure is valued using the depreciated replacement cost method. This cost represents the replacement cost of the building/component after applying depreciation rates on a useful life basis. Replacement costs relate to costs to replace the property to an "as new" standard. Economic obsolescence has also been factored into the depreciated replacement cost calculation.		
Where it has not been possible to examine hidden works such as structural frames and floors, the use of reasonable materials and methods of construction have been assumed bearing in mind the age and nature of the building. The estimated cost of reconstruction including structure services and finishes, also factors in any heritage classifications as applicable.		
Infrastructure assets contain significant unobservable adjustments, therefore these assets are classified as Level 3.		
A valuation of Council's infrastructure assets was performed internally by Council's Asset Management Team.		
The valuation was performed based on the depreciated reproduction cost of the assets. The effective date of the valuation was 30 June 2013.		
There were no changes in valuation techniques throughout the period to 30 June 2014.		
For all assets measured at fair value, the current use is considered the highest and best use.		

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

Reconciliation of Level 3 fair value

2014	Specialised Land	Specialised Buildings	Land Improvements	Heritage Assets	Infrastructure
Reconciliation of Level 3 fair value					
Opening Balance	94,559,398	102,536,554	19,024,228	2,685,185	550,223,697
Depreciation	-	(2,836,717)	(399,479)	(14,171)	(14,749,273)
Impairment Loss	-	-	-	-	-
Revaluation	-	-	-	-	-
Acquisitions (Disposals)	-	(195,000)	-	-	7,385,547
Transfers	-	-	(6,417)	(30,000)	406,790
Closing Balance	94,559,398	99,504,837	18,618,332	2,641,014	543,266,761

Description of significant unobservable inputs into level 3 valuations

	Valuation Technique	Significant Unobservable Inputs	Range	Sensitivity
Specialised Land & Land Improvements	Market based direct comparison approach	Extent and impact of restriction of use	m2 \$1 to \$810	Increase or decrease in the extent of restriction would result in a significantly lower or higher fair value.
Specialised Buildings	Depreciated Replacement Cost	Direct cost per square metre	m2 \$35 to \$4,500	Increase or decrease in the direct cost per square metre adjustment would result in a significantly lower or higher fair value.
		Useful life of specialised buildings	Useful Life 15 to 150 yrs	Increase or decrease in the estimated useful life of the asset would result in a significantly lower or higher fair value.
Land Under Roads	Market based direct comparison approach (refer above)	Extent and impact of restriction of use	At Cost	Increase or decrease in the extent of restriction would result in a significantly lower or higher fair value.
Infrastructure: Roads	Depreciated Replacement Cost	Cost per unit	m2 \$3 to \$113	Increase or decrease in the cost per unit would result in a significantly lower or higher fair value.
		Useful life of infrastructure	Useful Life 12 to 60 yrs	Increase or decrease in the estimated useful life would result in a significantly lower or higher fair value.
Drainage	Depreciated Replacement Cost	Cost per unit	m \$12 to \$2,200	Increase or decrease in the cost per unit would result in a significantly lower or higher fair value.
		Useful life of infrastructure	Useful Life 50 to 90 yrs	Increase or decrease in the estimated useful life would result in a significantly lower or higher fair value.
Footpath and Cycleways	Depreciated Replacement Cost	Cost per unit	m2 \$10 to \$90	Increase or decrease in the cost per unit would result in a significantly lower or higher fair value.
		Useful life of infrastructure	Useful Life 10 to 65 yrs	Increase or decrease in the estimated useful life would result in a significantly lower or higher fair value.
Kerb & Channel	Depreciated Replacement Cost	Cost per unit	m \$75	Increase or decrease in the cost per unit would result in a significantly lower or higher fair value.
		Useful life of infrastructure	Useful Life 60 yrs	Increase or decrease in the estimated useful life would result in a significantly lower or higher fair value.
Bridges	Depreciated Replacement Cost	Cost per unit	m2 \$1,800 to \$2,500	Increase or decrease in the cost per unit would result in a significantly lower or higher fair value.
		Useful life of infrastructure	Useful Life 50 to 80 yrs	Increase or decrease in the estimated useful life would result in a significantly lower or higher fair value.

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

2014	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements)	Depreciation	Written down value of disposals	Removal of Infrastructure Assets	Contributed assets	Transfers to and transfers from W.I.P	Balance at end of financial year
	\$	\$	(note 26) \$	(note 12) \$	\$	\$	\$	\$	\$
Property									
Land	100,081,454	128,006	-	-	-	-	-	73,926	100,283,386
Land under roads	3,199,993	-	-	-	-	-	503,946	-	3,703,939
Land improvements	23,551,940	1,089,522	-	436,252	-	-	-	(123,680)	24,081,530
Total Land	126,833,387	1,217,528	-	436,252	-	-	503,946	(49,754)	128,088,855
Buildings	109,692,422	870,548	-	3,233,080	-	-	-	32,822	107,362,712
Heritage assets	2,685,186	-	-	26,064	-	-	-	(18,108)	2,641,014
Total Buildings	112,377,608	870,548	-	3,259,144	-	-	-	14,714	110,003,726
Total Property	239,210,995	2,088,076	-	3,695,396	-	-	503,946	(35,040)	238,072,581
Plant and equipment									
Plant, machinery and equipment	5,411,206	2,639,509	-	1,268,143	204,248	-	-	5,980	6,584,304
Furniture, equipment and compu	6,133,072	895,593	-	1,463,856	-	-	-	114,720	5,679,529
Art collection and regalia	14,822,422	117,510	50,930	-	-	-	-	-	14,990,862
Total plant and equipment	26,366,700	3,652,612	50,930	2,731,999	204,248	-	-	120,700	27,254,695
Infrastructure									
Roads	382,111,158	6,517,217	-	10,904,381	-	2,794,643	1,001,211	409,771	376,340,333
Drainage	69,302,673	122,375	-	1,249,676	-	39,255	656,134	128,123	68,920,374
Footpaths and cycleways	40,623,863	871,490	-	1,021,189	-	221,063	212,314	(248,697)	40,216,718
Kerb & channel	34,546,445	1,014,497	-	723,421	-	119,346	211,087	-	34,929,262
Bridges	18,482,984	-	-	408,352	-	724,120	-	-	17,350,512
Regulatory signs	614,148	33,510	-	202,276	-	-	15,136	44,770	505,288
Street furniture	1,587,573	26,957	-	144,307	-	5,682	-	-	1,464,541
Trees	2,954,853	633,377	-	95,671	-	30,148	4,500	72,823	3,539,734
Total Infrastructure	550,223,697	9,219,423	-	14,749,273	-	3,934,257	2,100,362	406,790	543,266,762
Works in progress									
Works in progress	8,438,705	10,326,650	-	-	-	-	-	(492,450)	18,272,905
Total Works in progress	8,438,705	10,326,650	-	-	-	-	-	(492,450)	18,272,905
Total property, plant and equipment, infrastructure	824,240,097	25,286,761	50,930	21,176,668	204,248	3,934,257	2,604,328	-	826,866,943

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

2013	Balance at beginning of financial year	Correction to Previous Year	Acquisition of assets	Revaluation increments (decrements) (note 28)	Impairment Test Writedown	Depreciation (note 12)	Written down value of disposals	Contributed assets	Transfers to and transfers from W.I.P	Balance at end of financial year
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Property										
Land	98,951,477	-	348,762	-	-	-	-	-	781,215	100,081,454
Land under roads	2,458,623	-	-	-	-	-	-	741,370	-	3,199,993
Land improvements	22,506,583	-	1,520,002	-	-	(1,027,566)	-	7,425	545,496	23,551,940
Total Land	123,916,683	-	1,868,764	-	-	(1,027,566)	-	748,795	1,326,711	126,833,387
Buildings	109,700,837	-	2,761,877	-	(114,625)	(2,508,568)	-	-	(147,099)	109,692,422
Heritage assets	2,712,053	-	-	-	-	(26,867)	-	-	-	2,685,186
Total Buildings	112,412,890	-	2,761,877	-	(114,625)	(2,535,435)	-	-	(147,099)	112,377,608
Total Property	236,329,573	-	4,630,641	-	(114,625)	(3,563,001)	-	748,795	1,179,612	239,210,995
Plant and equipment										
Plant, machinery and equipment	5,222,119	-	1,525,938	-	-	(902,260)	(434,591)	-	-	5,411,206
Furniture, equipment and comp	5,979,582	-	1,467,155	-	-	(1,262,998)	(96,189)	-	45,522	6,133,072
Art collection and regalia	14,737,742	-	84,680	-	-	-	-	-	-	14,822,422
Total plant and equipment	25,939,443	-	3,077,773	-	-	(2,165,258)	(530,780)	-	45,522	26,366,700
Infrastructure										
Infrastructure	383,015,399	1,349,638	10,255,642	164,627,046	-	(12,131,156)	-	2,785,135	321,993	550,223,697
Total Infrastructure	383,015,399	1,349,638	10,255,642	164,627,046	-	(12,131,156)	-	2,785,135	321,993	550,223,697
Works in progress										
Works in progress	5,542,317	-	4,443,515	-	-	-	-	-	(1,547,127)	8,438,705
Total Works in progress	5,542,317	-	4,443,515	-	-	-	-	-	(1,547,127)	8,438,705
Total property, plant and equipment, infrastructure	650,826,732	1,349,638	22,407,571	164,627,046	(114,625)	(17,859,415)	(530,780)	3,533,930	-	824,240,097

	2014	2013
	\$	\$
Note 21		
Trade and other payables		
Current		
Trade payables	2,151,526	546,525
Cosgrove landfill	57,471	109,131
Payroll deductions	-	239,671
Other payables	1,641,030	693,646
Accrued expenses	7,493,651	6,848,884
	<u>11,343,678</u>	<u>8,437,857</u>
Non-current		
Cosgrove landfill	-	57,471
	<u>-</u>	<u>57,471</u>
Total	<u>11,343,678</u>	<u>8,495,328</u>

Note 22	Trust funds and deposits		
	Refundable building deposits	8,432	7,383
	Refundable contract deposits	328,482	311,683
	Refundable landscaping deposits	20,930	20,930
	Refundable civic facilities deposits	19,186	15,871
	Refundable road crossing deposits	89,487	82,487
	Refundable security deposits	1,402,533	1,457,097
	Other refundable deposits	211,102	77,722
		<u>2,080,152</u>	<u>1,973,173</u>

	Annual leave	Long service leave	Total
	\$	\$	\$
Note 23			
	Provisions		
	2014		
	Balance at beginning of the financial year	3,044,575	6,285,276
	Additional provisions	3,004,665	731,249
	Amounts used	(2,913,464)	(576,878)
	Balance at the end of the financial year	<u>3,135,776</u>	<u>6,439,647</u>
	2013		
	Balance at beginning of the financial year	2,728,327	6,079,538
	Additional provisions	2,284,719	1,211,936
	Amounts used	(1,968,471)	(1,006,198)
	Balance at the end of the financial year	<u>3,044,575</u>	<u>6,285,276</u>

	2014	2013
	\$	\$
(a) Employee provisions		
Current provisions expected to be settled within 12 months		
Annual leave	2,477,101	3,044,575
Long service leave	1,520,968	5,331,323
	<u>3,998,069</u>	<u>8,375,898</u>
Current provisions expected to be settled after 12 months		
Annual leave	658,675	-
Long service leave	3,991,783	-
	<u>4,650,458</u>	<u>-</u>
Total Current provisions	<u>8,648,527</u>	<u>8,375,898</u>
Non-current		
Long service leave	926,896	953,953
Aggregate carrying amount of employee benefits:		
Current	8,648,527	8,375,898
Non-current	926,896	953,953
	<u>9,575,423</u>	<u>9,329,851</u>

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

Weighted average increase in employee costs	3.50%	4.00%
Weighted average discount rates	2.455%	2.470%

Council expects to pay no more than \$1,520,968 from Current Long Service Leave provision and no more than \$2,477,101 from Annual Leave provision, with those more than 12 months being discounted to present value in accordance with AASB119.

		2014	2013
		\$	\$
Note 24	Income received in advance		
	Other	1,285	5,000
	Lease payments	184,586	174,822
	Aquatic memberships	65,014	63,994
		<u>250,885</u>	<u>243,816</u>

Note 25	Interest bearing loans and borrowings		
	Current		
	Borrowings - secured	457,675	413,610
	Non-current		
	Borrowings - secured	14,354,474	14,811,604
	Total	<u>14,812,149</u>	<u>15,225,214</u>

Borrowings are secured over general rates as per Local Government Act - Section 148 (1) (a).

The maturity profile for Council's borrowings is:

Not later than one year	457,675	413,610
Later than one year and not later than five years	2,207,807	2,047,248
Later than five years	12,146,667	12,764,356
	<u>14,812,149</u>	<u>15,225,214</u>

Note 26	Reserves	Balance at beginning of reporting period	Correction to Previous Year	Increment (decrement)	Balance at end of reporting period
		\$		\$	\$
	Asset revaluation reserve				
	2014				
	Property				
	Land	61,966,415		-	61,966,415
	Land Improvement	100,911		-	100,911
	Buildings	17,903,501		-	17,903,501
	Art and Regalia	11,830,123		50,930	11,881,053
		<u>91,800,950</u>	-	50,930	<u>91,851,880</u>
	Infrastructure				
	Roads	434,036,896	-	-	434,036,896
		<u>434,036,896</u>	-	-	<u>434,036,896</u>
	Total Asset revaluation reserve	<u>525,837,846</u>		50,930	<u>525,888,776</u>
	2013				
	Property				
	Land	61,966,415	-	-	61,966,415
	Land Improvement	100,911	-	-	100,911
	Buildings	18,018,126	-	(114,625)	17,903,501
	Art and Regalia	11,830,123	-	-	11,830,123
		<u>91,915,575</u>		(114,625)	<u>91,800,950</u>
	Infrastructure				
	Roads	268,060,212	1,349,638	164,627,046	434,036,896
		<u>268,060,212</u>	<u>1,349,638</u>	<u>164,627,046</u>	<u>434,036,896</u>
	Total Asset revaluation reserve	<u>359,975,787</u>	<u>1,349,638</u>	<u>164,512,421</u>	<u>525,837,846</u>

	2014	2013
	\$	\$
Note 27		
Reconciliation of cash flows from operating activities to surplus(deficit)		
Surplus (deficit) for the year	5,420,230	14,057,825
Depreciation/amortisation	21,176,669	17,859,415
(Profit)/loss on disposal of assets	(421,698)	51,368
Developer contributions - Non-monetary assets	(2,604,328)	(3,533,930)
Investment in GV Regional Library Corporation	(65,241)	(95,876)
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	104,083	(1,146,639)
Increase/(decrease) in income received in advance	7,069	(3,551)
Increase/(decrease) in trust funds	106,979	(77,575)
Increase/(decrease) in accrued income	62,698	558,920
Increase/(decrease) in trade and other payables	2,848,350	(2,030,962)
(Decrease)/increase in other liabilities	(463,467)	(388,675)
(Increase)/decrease in inventories	(3,204)	(24,151)
Increase/(decrease) in provisions	245,572	521,985
(Increase)/decrease in other assets	4,703,038	(811,800)
Net cash provided by (used in) operating activities	<u>31,116,750</u>	<u>24,936,354</u>
Note 28		
Reconciliation of cash and cash equivalents		
Cash and cash equivalents (note 16)	<u>27,435,485</u>	<u>34,185,501</u>
	<u>27,435,485</u>	<u>34,185,501</u>
Note 29		
Financing arrangements		
Total facilities	280,500	500,000
less used facilities	<u>78,237</u>	<u>30,000</u>
Unused facilities	<u>202,263</u>	<u>470,000</u>
Note 30		
Restricted assets		
As at the reporting date, Council had cash assets and cash equivalents that are subject to restrictions.		
Current		
Grants (note 6)	3,550,466	8,010,042
Trust funds and deposits (note 22)	<u>2,080,152</u>	<u>1,973,173</u>
	<u>5,630,618</u>	<u>9,983,215</u>

Note 31

Superannuation

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

Council makes employer superannuation contributions in respect of its employees to other funds as nominated by its employees. Obligations for contributions are recognised as an expense in the Comprehensive Income Statement when they are due. All other funds are accumulation funds. None are defined benefits.

Accumulation

The Fund's accumulation category, Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (9.25% required under Superannuation Guarantee Legislation 2013/14. Was 9.0% 2012/13). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Defined Benefits

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

Council makes employer contributions to the defined benefit category of the Fund at rates determined by the Trustee on the advice of the Fund's Actuary.

Funding Calls

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

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

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

The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%. As at 31 March 2014 the Fund's VBI was reported as 104.6%.

Fund	2014 \$	2013 \$
Defined benefit plans		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	295,614	254,194
	<u>295,614</u>	<u>254,194</u>
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	2,902,220	2,553,694
Employer contributions to Funds other than Vision Super	129,455	75,394
	<u>3,031,676</u>	<u>2,629,088</u>
	<u>3,327,290</u>	<u>2,883,282</u>

There were no contributions outstanding at balance date.

Council estimates contributions to be paid to the defined benefits category of Vision Super for the year ended 30 June 2015 to be approx. \$310k.

Note 32

Commitments

The Council has entered into the following commitments

2014	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					
Waste Management	2,756,000	458,000	-	-	3,214,000
Recreational Services	41,615	42,311	107,198	-	191,124
Aged and Disability Services	108,671	20,000	-	-	128,671
Shepparton Saleyards Complex	561,816	584,289	1,561,806	-	2,707,911
Community	140,000	140,000	-	-	280,000
Maintenance of Council Property	257,000	-	-	-	257,000
Consultancies	65,000	-	-	-	65,000
Home care services	1,761,750	1,814,603	-	-	3,576,353
Cleaning contracts for council	22,177	-	-	-	22,177
Meals for delivery	450,000	463,500	-	-	913,500
Hard & green waste collection	689,000	-	-	-	689,000
Total	6,853,029	3,522,703	1,669,004	-	12,044,736
Capital					
Construction	1,704,315	-	-	-	1,704,315
Waste Management	487,000	-	-	-	487,000
Plant and equipment	1,147,330	-	-	-	1,147,330
Drainage	404,732	-	-	-	404,732
Total	3,743,377	-	-	-	3,743,377
Total	10,596,406	3,522,703	1,669,004	-	15,788,113

2013	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					
Waste /Recycling services	3,408,000	651,000	463,000	-	4,522,000
Maintenance of council property	1,812	1,866	5,942	-	9,620
Consultancies	297,680	12,500	-	-	310,180
Home care services	284,797	-	-	-	284,797
Cleaning contracts for council buildings	27,094	5,400	-	-	32,494
Meals for delivery	75,604	-	-	-	75,604
Green organic waste collection	902,000	-	-	-	902,000
Total	4,996,987	670,766	468,942	-	6,136,695
Capital					
Construction	531,095	-	-	-	531,095
Plant and equipment	39,300	-	-	-	39,300
Drainage	261,656	-	-	-	261,656
Waste /Recycling services	487,000	-	-	-	487,000
Total	1,319,051	-	-	-	1,319,051
Total	6,316,038	670,766	468,942	-	7,455,746

2014 2013
\$ \$

Note 33

Operating leases

(a) Operating lease commitments

At the reporting date, the Council had the following obligations under non-cancellable operating leases for the lease of equipment and land and buildings for use within Council's activities (these obligations are not recognised as liabilities):

Not later than one year	402,022	999,549
Later than one year and not later than five years	577,139	1,083,921
	<u>979,161</u>	<u>2,083,470</u>

(b) Operating lease receivables

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

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

Not later than one year	224,214	538,239
Later than one year and not later than five years	646,434	1,236,597
Later than five years	20,296	221,884
	<u>890,944</u>	<u>1,996,720</u>

Note 34

Contingent liabilities and contingent assets

(a) Contingent liabilities

(i) Contingent liabilities arising from public liabilities

As a local authority with ownership of numerous parks, reserves, roads and other land holdings, the Council carries a \$400 Million Public/Products Liability Insurance that has an excess payment of \$20,000 per claim on this policy. Any exposure to the Council from insurable incidents allegedly arising out of negligent management of its assets has a maximum liability of the excess payment on any single claim. MAV Insurance – Liability Mutual Insurance (LMI) is the Council's primary insurer and under the terms and conditions of the 2014/2015 policy the Council has made the insurer aware of any pending or existing claims. Financial outcomes pertaining to claims are unpredictable and are an estimate only. Payments for Public Liability claims are limited to the excess amount or part thereof.

(ii) Contingent liabilities arising from professional indemnity

As a local authority with statutory regulatory responsibilities, including the issuing permit approvals, the Council can be exposed to claims and demands for damages allegedly arising due to advice given by Council Officers. The Council carries \$300 Million Professional Indemnity Insurance that has an excess payment of \$20,000 per claim on this policy. The maximum liability for the Council in any single insurable claim is the extent of its excess payment. MAV Insurance – Liability Mutual Insurance (LMI) is Council's primary insurer and under the terms and conditions of the 2014/2015 policy the Council has made the insurer aware of any pending or existing claims.

(iii) Contingent liabilities arising from Cosgrove Landfill Financial Assurance

Council has a responsibility under the Environment and Protection Act 1970, for rehabilitation, site aftercare and remedial action at its landfill site at Cosgrove. While rehabilitation and site after care is funded through the annual budget, the EPA requires a financial assurance to meet the potential costs should the site require remedial works. As at the 30 June 2014 the Council remains in negotiations with the EPA around how the financial assurance is managed. The Memorandum Of Understanding makes available to the EPA, at call, the sum of \$978,000 should remedial action be required. At balance date there was no present obligation for remediation. Council will continue to work with the EPA and review this issue in consideration of the 2014/15 accounts.

(iv) Contingent liabilities arising from Legal proceedings.

The Council is presently involved in several confidential legal matters, which are being conducted through Council's solicitors. As these matters are yet to be finalised, and the financial outcomes are unable to be reliably estimated, no allowance for these contingencies has been made in the financial report.

(b) Contingent assets

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

Note 35

Financial instruments
(a) Accounting policy, terms and conditions

Recognised financial instruments	Note	Accounting Policy	Terms and Conditions
Financial assets			
Cash and cash equivalents	16	Cash on hand and at bank and money market call account are valued at face value. Investments and bills are valued at cost. Investments are held to maximise interest returns of surplus cash. Interest is recognised as it accrues.	On call deposits returned a floating interest rate of 2.4208% (3.025% in 2012/2013). The interest rate at balance date was 2.40% (2.65% in 2012/2013). Funds returned fixed interest rates of between 3.25% (3.80% in 2012/2013), and 4.30% (5.65% in 2012/2013) net of fees.
Other financial assets		Investments are held to maximise interest returns of surplus cash.	Consists of term deposits with a maturity date in excess of 90 days from balance date. The above interest rates apply.
Trade and other receivables	17	Receivables are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when collection in full is no longer probable. Collectability of overdue accounts is assessed on an ongoing basis.	General debtors are unsecured. Credit terms are based on 30 days.
Financial liabilities			
Trade and other payables	21	Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date whether or not invoices have been received.	General Creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.
Interest-bearing loans and borrowings	25	Loans are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and recognised as part of payables.	Borrowings are secured by way of mortgages over the general rates of the Council. The weighted average interest rate on borrowings was 7.55% during 2013/2014 (7.55% in 2012/2013).
Trust funds and deposits	22	Funds held on behalf of third parties for various refundable deposits and are carried at nominal value.	Refundable to third party when deposit conditions are met.
Bank facility	29	Facilities are recognised at the principal amount. Interest is charged as an expense as it accrues.	The facility is subject to annual review.

Note 35

Financial instruments (cont.)

(b) Interest Rate Risk

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

2014

	Floating interest rate \$	Fixed interest 1 year or less \$	Fixed interest Over 1 to 5 years \$	Fixed interest More than 5 years \$	Non interest- bearing \$	Total \$
Financial assets						
Cash and cash equivalents	5,154,377	22,272,408	-	-	8,700	27,435,485
Other financial assets	-	16,500,000	-	-	-	16,500,000
Trade and other receivables	-	-	-	-	2,447,332	2,447,332
Total financial assets	5,154,377	38,772,408	-	-	2,456,032	46,382,817
Weighted average interest rate	2.44%	3.65%				
Financial liabilities						
Trade and other payables	-	-	-	-	11,343,678	11,343,678
Trust funds and deposits	-	-	-	-	2,080,152	2,080,152
Interest-bearing loans and borrowings	-	457,675	2,207,807	12,146,667	-	14,812,149
Total financial liabilities	-	457,675	2,207,807	12,146,667	13,423,830	28,235,979
Weighted average interest rate		7.55%	7.55%	7.55%		
Net financial assets (liabilities)	5,154,377	38,314,733	(2,207,807)	(12,146,667)	(10,967,798)	18,146,838

2013

	Floating interest rate \$	Fixed interest 1 year or less \$	Fixed interest Over 1 to 5 years \$	Fixed interest More than 5 years \$	Non interest- bearing \$	Total \$
Financial assets						
Cash and cash equivalents	2,749,170	31,427,341	-	-	8,990	34,185,501
Other financial assets	-	4,000,000	-	-	-	4,000,000
Trade and other receivables	-	-	-	-	3,614,917	3,614,917
Total financial assets	2,749,170	35,427,341	-	-	3,623,907	41,800,418
Weighted average interest rate	4.55%	4.55%				
Financial liabilities						
Trade and other payables	-	109,131	57,471	-	8,328,726	8,495,328
Trust funds and deposits	-	-	-	-	1,973,173	1,973,173
Interest-bearing loans and borrowings	-	413,610	2,047,248	12,764,356	-	15,225,214
Total financial liabilities	-	522,741	2,104,719	12,764,356	10,301,899	25,693,715
Weighted average interest rate		7.55%	7.55%	7.55%		
Net financial assets (liabilities)	2,749,170	34,904,600	(2,104,719)	(12,764,356)	(6,677,992)	16,106,703

Note 35

Financial Instruments (cont.)

(c) Net Fair Values

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

Financial Instruments	Total carrying amount as per Balance Sheet		Aggregate net fair value	
	2014	2013	2014	2013
	\$	\$	\$	\$
(1) Financial assets				
Cash and cash equivalents	27,435,485	34,185,501	27,435,485	34,185,501
Trade and other receivables	2,447,332	3,614,917	2,447,332	3,614,917
Total financial assets	29,882,817	37,800,418	29,882,817	37,800,418
(2) Financial liabilities				
Trade and other payables	11,343,678	8,495,328	11,343,678	8,495,328
Trust funds and deposits	2,080,152	1,973,173	2,080,152	1,973,173
Interest-bearing loans and	14,812,149	15,225,214	14,812,149	15,225,214
Total Financial liabilities	28,235,979	25,693,715	28,235,979	25,693,715
Net Financial Assets	1,646,838	12,106,703	1,646,838	12,106,703

(d) Credit risk

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

(e) Risks and mitigation

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

Market risk

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

Interest rate risk

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

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

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

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

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

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

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

Note 35

Financial Instruments (cont.)

(e) Risks and mitigation (cont.)

Credit risk

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

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

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

Movement in Provisions for
Doubtful Debts

	2014 \$'000	2013 \$'000
Balance at the beginning of the	30,000	50,000
New Provisions recognised during	12,639	-
Amounts already provided for and written off as	(12,639)	(4,255)
Amounts provided for but recovered during the	-	(15,745)
Balance at end of year	<u>30,000</u>	<u>30,000</u>

Ageing of Trade and Other

At balance date other debtors representing financial assets were past due but not impaired. These amounts relate to a number of independent customers for whom there is no recent history of default. The ageing of the Council's Trade & Other Receivables was:

	2014 \$'000	2013 \$'000
Current (not yet due)	2,315,651	3,292,122
Past due by up to 30 days	52,082	79,501
Past due between 31 and 180	79,599	243,294
Past due between 181 and 365	-	-
Past due by more than 1 year	-	-
Total Trade & Other Receivables	<u>2,447,332</u>	<u>3,614,917</u>

Liquidity risk

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

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

To help reduce these risks we:

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

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

Note 35

Financial Instruments (cont.)

(e) Risks and mitigation (cont.)

The table below lists the contractual maturities for Financial Liabilities

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

2014	6 mths or less	6-12 months	1-2 years	2-5 years	>5 years	Contracted Cash Flow
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trade and other payables	11,286,207	57,471	-	-	-	11,343,678
Trust funds and deposits	1,641,253	208,985	229,915	-	-	2,080,153
Interest-bearing loans and borrowings	228,838	228,838	551,952	1,655,855	12,146,667	14,812,150
Total financial liabilities	13,156,298	495,294	781,867	1,655,855	12,146,667	28,235,981

2013	6 mths or less	6-12 months	1-2 years	2-5 years	>5 years	Contracted Cash Flow
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trade and other payables	8,328,726	51,660	57,471	-	-	8,437,857
Trust funds and deposits	1,558,073	197,085	218,015	-	-	1,973,173
Interest-bearing loans and borrowings	206,805	206,805	511,812	1,535,436	12,764,356	15,225,214
Total financial liabilities	10,093,604	455,550	787,298	1,535,436	12,764,356	25,636,244

(f) Sensitivity disclosure

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

- A parallel shift of +1% and -1% in market interest rates (AUD) from year-end rates of 3.51% (2012/13, 4.15%).

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

Market risk exposure	Interest rate risk				
	Carrying amount subject to interest	-1%		1%	
		100 basis points		100 basis points	
	Profit	Equity	Profit	Equity	
	\$'000	\$'000	\$'000	\$'000	
2014					
Financial assets:					
Cash and cash equivalents	27,426,785	(274,268)	(274,268)	274,268	
Financial liabilities:					
Interest-bearing loans and	14,812,149	148,121	148,121	(148,121)	
	\$'000	\$'000	\$'000	\$'000	
2013					
Financial assets:					
Cash and cash equivalents	34,176,511	(341,765)	(341,765)	341,765	
Financial liabilities:					
Interest-bearing loans and	15,225,214	152,252	152,252	(152,252)	

(g) Fair Value Hierarchy

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

Note 36

Auditors remuneration	2014	2013
	\$	\$
Audit fee to conduct external audit - Victorian Auditor-General	61,500	61,500
Internal audit fees - Mann Judd	50,880	-
Internal audit fees - Pitcher Partners Consulting	59,020	107,710
	171,400	169,210

Note 37

Related party transactions

(i) Responsible Persons

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

Councillors

1 July 2013 - 30 June 2014

Jenny Houlihan (Mayor)
Michael Polan
Kevin Ryan
Les Oroszvary
Dennis Patterson
Fern Summer
Milvan Muto (Disqualified April 2014)
Dinny Adem (Appointed May 2014)

Chief Executive Officer Gavin Cator

(ii) Remuneration of Responsible Persons

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

	2014	2013
	No.	No.
\$1 - \$ 9,999	1	2
\$10,000 - \$19,999	1	4
\$20,000 - \$29,999	5	2
\$30,000 - \$39,999	-	1
\$50,000 - \$59,999	-	1
\$70,000 - \$79,999	1	-
\$260,000 - \$269,999	1	1
	<u>9</u>	<u>11</u>
	\$	\$
Total remuneration for the reporting year for Responsible Persons included above amounted to:	<u>472,866</u>	<u>507,192</u>

(iii) No retirement benefits have been made by the Council to a Responsible Person during the reporting year. (2012/13, Nil).

(iv) No loans have been made, guaranteed or secured by the Council to a Responsible Person during the reporting year (2012/13, Nil).

(v) Other transactions

No transactions other than remuneration payments or the reimbursement of approved expenses were entered into by Council with Responsible Persons, or Related Parties of such Responsible Persons during the reporting year (2012/13, Nil).

Note 37

Related party transactions (cont.)

(vi) Senior Officers Remuneration

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

Income Range:	2014 No.	2013 No.
Less than \$130,000	-	9
\$110,000 - \$119,999	2	-
\$130,000 - \$139,999	3	3
\$140,000 - \$149,999	-	4
\$150,000 - \$159,999	-	3
\$160,000 - \$169,999	1	-
\$170,000 - \$179,999	-	1
\$180,000 - \$189,999	2	-
\$270,000 - \$279,999	-	1
	<u>8</u>	<u>21</u>
	\$	\$
Total remuneration for the reporting year for Senior Officers included above amounted to:	<u>1,174,230</u>	<u>2,690,634</u>

Note: Total number of Senior Officers for the 2012/13 financial year reflected higher than normal due to personnel changes as a result of an organisational restructure. As at 30 June 2014 Council employed 7 Senior Officers.

(vii) Other transactions

Councillor Kevin Ryan held office with Merrigum Enterprises, Tatura Caravan Hire and Byrneside Nursery. There were no transactions with Merrigum Enterprises, Tatura Caravan Park or Byrneside Nursery for the 2013/14 financial year (\$8,127 in 2012/13).

Councillor Jenny Houlihan held the position of Chairperson with Centrepont Body Corporate. There were no transactions for the 2013/14 financial year (\$0 in 2012/13).

Councillor Jenny Houlihan held a beneficial interest in local business, 'The Living Room'. There were no transactions for the 2013/14 financial year (\$0 in 2012/13).

Councillor Michael Polan held a beneficial interest in local business, 'Not Just Cupcakes'. In October 2013 Council had one transaction to the value of \$100. This transaction was in accordance with Council's procurement policy (\$0 in 2012/13).

Councillor Dennis Patterson held a beneficial interest in local business, 'The Fridge Shop'. There were no transactions for the 2013/14 financial year (\$0 in 2012/13).

Note 38

Revenue, expenses and assets by functions/activities

2014	Community Life	Economic Development	Infrastructure	Environment	Settlement & Housing	Council Organisation and Management	Total
	\$	\$	\$	\$	\$	\$	\$
REVENUE							
Grants (note 6)	10,542,686	299,450	6,908,787	2,587,521	56,100	4,275,023	24,669,567
Other	7,613,625	181,958	6,989,108	13,863,604	1,338,245	59,161,487	89,148,027
TOTAL	18,156,311	481,408	13,897,895	16,451,125	1,394,345	63,436,510	113,817,594
EXPENSES	25,680,883	1,421,754	18,263,281	11,459,038	2,487,809	49,084,599	108,397,364
TOTAL	25,680,883	1,421,754	18,263,281	11,459,038	2,487,809	49,084,599	108,397,364
SURPLUS(DEFICIT) FOR THE YEAR	(7,524,572)	(940,346)	(4,365,386)	4,992,087	(1,093,464)	14,351,911	5,420,230
ASSETS ATTRIBUTED TO FUNCTIONS/ACTIVITIES*	164,015,853	33,290,444	522,284,671	88,620,104	4,209,153	14,446,718	826,866,943

2013	Community Life	Economic Development	Infrastructure	Environment	Settlement & Housing	Council Organisation and Management	Total
	\$	\$	\$	\$	\$	\$	\$
REVENUE							
Grants (note 6)	11,790,565	343,000	1,160,414	215,563	2,124,467	10,792,351	26,426,360
Other	7,907,840	3,193,582	8,451,311	11,819,845	5,094,855	47,526,654	83,994,087
TOTAL	19,698,405	3,536,582	9,611,725	12,035,408	7,219,322	58,319,005	110,420,447
EXPENSES	32,921,344	5,781,268	24,251,055	10,754,396	5,135,850	17,518,709	96,362,622
TOTAL	32,921,344	5,781,268	24,251,055	10,754,396	5,135,850	17,518,709	96,362,622
SURPLUS(DEFICIT) FOR THE YEAR	(13,222,939)	(2,244,686)	(14,639,330)	1,281,012	2,083,472	40,800,296	14,057,825
ASSETS ATTRIBUTED TO FUNCTIONS/ACTIVITIES*	166,480,152	33,354,099	531,602,076	73,953,689	4,209,345	12,640,736	824,240,097

*Assets have been attributed to functions/activities based on control and/or custodianship of specific assets.
The activities relating to the Council's operations as per function are as follows:-

Community Life

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

Economic Development

Development Services
Saleyards
Tourism

Infrastructure

Aerodrome
Depot
Local Roads
Parking Management
Planning Investigation & Design
Plant
Public Buildings

Environment

Drainage
Environmental Management
Waste Management

Settlement & Housing

Development Facilities
Environmental Health

Council Organisation and Management

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

Note 39	Financial ratios (Performance Indicators)	2014	2013	2012
	(a) Debt servicing ratio (to identify the capacity of Council to service its outstanding debt)			
	<u>Debt servicing costs</u>	$\frac{1,164,839}{113,817,594} = 1.02\%$	$\frac{1,204,628}{110,420,447} = 1.09\%$	$\frac{1,033,763}{111,762,418} = 0.92\%$
	Total revenue			
	Debt servicing costs refer to the payment of interest on loan borrowings, finance lease, and bank overdraft.			
	The ratio expresses the amount of interest paid as a percentage of Council's total revenue.			
	(b) Debt commitment ratio (to identify Council's debt redemption strategy)			
	<u>Debt servicing & redemption costs</u>	$\frac{1,577,904}{60,284,470} = 2.62\%$	$\frac{1,593,302}{56,816,212} = 2.80\%$	$\frac{1,327,920}{53,676,672} = 2.47\%$
	Rate revenue			
	The strategy involves the payment of loan principal and interest, finance lease principal and interest.			
	The ratio expresses the percentage of rate revenue utilised to pay interest and redeem debt principal.			
	(c) Revenue ratio (to identify Council's dependence on non-rate income)			
	<u>Rate revenue</u>	$\frac{60,284,470}{113,817,594} = 52.97\%$	$\frac{56,816,212}{110,420,447} = 51.45\%$	$\frac{53,676,672}{111,762,418} = 48.03\%$
	Total revenue			
	The level of Council's reliance on rate revenue is determined by assessing rate revenue as a proportion of the total revenue of Council.			
	(d) Debt exposure ratio (to identify Council's exposure to debt)			
	<u>Total indebtedness</u>	$\frac{35,982,135}{274,952,503} = 1:7.6$	$\frac{33,294,209}{266,351,172} = 1:8.0$	$\frac{35,100,040}{254,766,251} = 1:7.3$
	Total realisable assets			
	For the purposes of the calculation of financial ratios, realisable assets are those assets which can be sold and which are not subject to any restriction on realisation or use.			
	Any liability represented by a restricted asset (note 30) is excluded from total indebtedness.			
	The following assets are excluded from total assets when calculating Council's realisable assets: Land and buildings on Crown land; restricted assets; heritage assets; total infrastructure assets; and Council's investment in associate.			
	This ratio enables assessment of Council's solvency and exposure to debt. Total indebtedness refers to the total liabilities of Council. Total liabilities are compared to total realisable assets which are all Council assets not subject to any restriction and are able to be realised. The ratio expresses the multiple of total liabilities for each dollar of realisable assets.			
	(e) Working capital ratio (to assess Council's ability to meet current commitments)			
	<u>Current assets</u>	$\frac{50,955,391}{22,780,917} = 2.2:1$	$\frac{45,244,585}{19,444,354} = 2.3:1$	$\frac{42,042,986}{21,911,979} = 1.9:1$
	Current liabilities			
	The ratio expresses the level of current assets the Council has available to meet its current liabilities.			
	(f) Adjusted working capital ratio (to assess Council's ability to meet current commitments)			
	<u>Current assets</u>	$\frac{50,955,391}{21,259,949} = 2.4:1$	$\frac{45,244,585}{14,113,031} = 3.2:1$	$\frac{42,042,986}{16,911,979} = 2.5:1$
	Current liabilities			
	The ratio expresses the level of current assets the Council has available to meet its current liabilities.			
	Current liabilities have been reduced to reflect the long service leave that is shown as a current liability because Council does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date, but is not likely to fall due within 12 months after the end of the period.			

Note 40		Pending Accounting Standards	
Pronouncement	Summary	Application Date	Impact on Council
AASB 9 Financial Instruments	<p>AASB 9 standard is one of a series of amendments that are expected to eventually completely replace AASB 139. During 2010-11, the standard will be expanded to include new rules on measurement of financial liabilities and hedge accounting. Currently the existing provisions of AASB 139 will continue to apply in these areas.</p> <p>AASB 9 simplifies the classifications of financial assets into those to be carried at amortised cost and those to be carried at fair value – the 'available for sale' and 'held-to-maturity' categories no longer exists. AASB 9 also simplifies requirements for embedded derivatives and removes the tainting rules associated with held-to-maturity assets.</p> <p>The new categories of financial assets are:</p> <ul style="list-style-type: none"> • Amortised cost – those assets with 'basic' loan features. • Fair value through other comprehensive income - this treatment is optional for equity instruments not held for trading (this choice is made at initial recognition and is irrevocable). • Fair Value through profit and Loss - everything that does not fall into the above two categories. <p>The following changes also apply:</p> <ul style="list-style-type: none"> • Investments in unquoted equity instruments must be measured at fair value. However, cost may be the appropriate measure of fair value where there is insufficient more recent information available to determine a fair value. • There is no longer any requirement to consider whether 'significant or prolonged' decline in the value of financial assets has occurred. The only impairment testing will be on those assets held at amortised cost, and all impairments will be eligible for reversal. <p>Similarly, all movements in the fair value of a financial asset now go to the income statement, or, for equity instruments not held for trading, other comprehensive income. There is no longer any requirement to book decrements through the income statement, and increments through equity.</p>	1-Jul-15	<p>The impact is not likely to be extensive in the local government sector. Although it will vary considerably between entities. While the rules are less complex than those of AASB 139, the option to show equity instruments at cost has been largely removed, which is likely to lead to greater volatility within the income statement. However it may also lead to an improved financial position for some entities.</p> <p>This will also create a requirement to measure some instruments annually that has not previously existed.</p>

Note 40 Pending Accounting Standards (cont)			
Pronouncement	Summary	Application Date	Impact on Council
AASB 10 Consolidated Financial Statements	<p>This Standard forms the basis for determining which entities should be consolidated into an entity's financial statements. AASB 10 defines 'control' as requiring exposure or rights to variable returns and the ability to affect those returns through power over an investee, which may broaden the concept of control for public sector entities.</p> <p>The AASB has issued an exposure draft ED 238 Consolidated Financial Statements – Australian Implementation Guidance for Not-for-Profit Entities that explains and illustrates how the principles in the Standard apply from the perspective of not-for-profit entities in the private and public sectors.</p> <p>This Standard forms the basis for determining which entities should be consolidated into an entity's financial statements. AASB 10 defines 'control' as requiring exposure or rights to variable returns and the ability to affect those returns through power over an investee, which may broaden the concept of control for public sector entities.</p> <p>The AASB has issued an exposure draft ED 238 Consolidated Financial Statements – Australian Implementation Guidance for Not-for-Profit Entities that explains and illustrates how the principles in the Standard apply from the perspective of not-for-profit entities in the private and public sectors.</p>	1-Jul-14	The AASB have finalised deliberations on ED 238 and any modifications made to AASB 10 for not-for-profit entities, Council will need to re-assess the nature of its relationships with other entities, including those that are currently not consolidated.
AASB 127 Separate Financial Statements	This revised Standard prescribes the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.	1-Jul-14	The impact of this standard will need to be assessed in line with the final deliberations by the AASB on the application of this standard to not for profit entities.
AASB 128 Investments in Associates and Joint Ventures	This revised Standard sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.	1-Jul-14	The impact of this standard will need to be assessed in line with the final deliberations by the AASB on the application of this standard to not for profit entities.
AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounts Standard arising from Reduced Disclosure Requirements	These standards set out the tiers of financial reporting and the reduced disclosure framework.	1-Jul-14	Council has yet to determine the impact of this standard

Note	2014 \$'000	2013 \$'000
Note 41		
	Capital expenditure	
	Capital expenditure areas	
	Roads	13,908,304
	Drainage	2,701,940
	Parks, open space and streetscapes	1,651,120
	Buildings	1,825,820
	Plant and equipment	3,732,274
	Other	1,467,302
	Total capital works	25,286,760
	Represented by:	
	Renewal of infrastructure (a)	8,104,671
	Upgrade of infrastructure (b)	4,011,686
	Expansion of infrastructure (c)	-
	New infrastructure	4,433,888
	New buildings	42,296
	New plant and equipment	541,144
	Other	8,093,075
	Total capital works	25,286,760

Property, plant and equipment, infrastructure movement

The movement between the previous year and the current year in property, plant and equipment, infrastructure as shown in the Balance Sheet links to the net of the following items:

Total capital works		21,352,505	22,407,571
Contributions - non-monetary assets	7(b)	2,604,328	3,533,930
Asset revaluation movement	26	50,930	165,862,059
Depreciation/amortisation	12	(21,176,669)	(17,859,415)
Written down value of assets sold	14	(204,248)	(530,780)
Net movement in property, plant and equipment, infrastructure		2,626,846	173,413,365

(a) Asset renewal expenditure

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

(b) Asset upgrade expenditure

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

(c) Asset expansion expenditure

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

(d) New asset expenditure

Expenditure which creates a new asset that provides a new service that did not previously exist. New asset expenditure does not have any element of renewal, expansion or upgrade of existing assets. New capital expenditure may or may not result in additional revenue for council and will result in an additional burden for future operation, maintenance and capital renewal. Expenditure which creates a new asset that provides a new service that did not previously exist. New asset expenditure does not have any element of renewal, expansion or upgrade of existing assets. New capital expenditure may or may not result in additional revenue for council and will result in an additional burden for future operation, maintenance and capital renewal.

Note 42

Special committees and other activities

Entities in which Council has a contributory involvement - recorded as an Investment in this report.

Goulburn Valley Regional Library Corporation

Entities in which Council has a contributory involvement - not recorded as an Investment in this report.

Goulburn Valley Regional Waste Management Group

Entities in which Council has a managerial involvement - not included in this report.

Pine Lodge Cemetery Trust

Kialla West Cemetery Trust

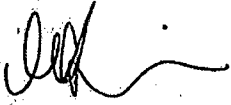
Council sponsored Section 86 committees - consolidated into this financial report.

Australian Botanic Gardens Shepparton Special Committee

Shepparton Show Me Committee of Management

Certification of the Financial Report

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



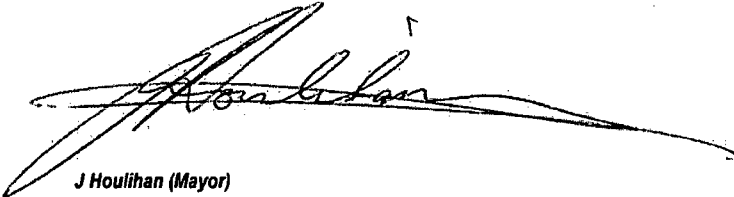
M Jarvis
PRINCIPAL ACCOUNTING OFFICER

Date: 23/9/2014

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

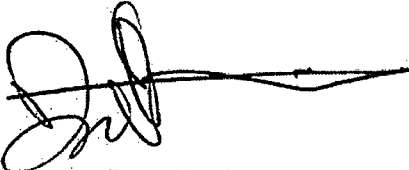
As at the date of signing, we are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

We have been authorised by the Council on 23 September 2014 to certify the financial statements in their final form.



J Houlihan (Mayor)
COUNCILLOR

Date: 23-9-14



D Patterson (Deputy Mayor)
COUNCILLOR

Date: 23-9-2014



G Cator
CHIEF EXECUTIVE OFFICER

Date: 23/09/14

STANDARD STATEMENTS

FOR THE YEAR ENDED

30 June 2014



STANDARD INCOME STATEMENT

For the year ending 30 June 2014

	Actual	Budget	Variance		Note
	2013-14	2013-14	Fav/(Unfav)		
	\$	\$	\$	%	
Revenue					
Rates and Charges	60,261,369	60,289,000	(27,631)	(0%)	
Operating Grants and Contributions	20,977,129	15,162,000	5,815,129	38%	1
User Charges	14,772,605	15,387,000	(614,395)	(4%)	
Statutory Fees	2,402,305	2,370,000	32,305	1%	
Other	2,837,236	1,725,000	1,112,236	64%	2
Parking Fees and Fines	1,893,184	1,969,000	(75,816)	(4%)	
Rent	572,418	628,000	(55,582)	(9%)	
Share of profits(losses) of associates accounted for by the equity method	65,241	-	65,241	100%	
Total revenue	103,781,487	97,530,000	6,251,487	6%	
Expenses					
Employee Benefits	40,289,045	40,008,000	(281,045)	(1%)	
Materials and Consumables	26,592,046	25,066,000	(1,526,046)	(6%)	
External Contracts	11,755,971	11,230,000	(525,971)	(5%)	
Utilities	3,100,631	3,031,000	(69,631)	(2%)	
Borrowing Costs	1,164,840	1,177,000	12,160	1%	
Depreciation and Amortisation	21,176,669	18,452,000	(2,724,669)	(15%)	3
Total expenses	104,079,202	98,964,000	(5,115,202)	(5%)	
Underlying Operating Result	(297,715)	(1,434,000)	1,136,285	79%	
Proceeds from Disposal of Assets	625,946	703,000	(77,054)	(11%)	
Capital Grants and Contributions	6,707,463	7,057,000	(349,537)	(5%)	
Contributed Assets	2,604,328	3,000,000	(395,672)	(13%)	4
Written Down Value of Assets Sold	(4,219,792)	(513,000)	(3,706,792)	(723%)	5
Accounting surplus(deficit) for the year	5,420,230	8,813,000	(3,392,770)	(38%)	

STANDARD BALANCE SHEET

As at 30 June 2014

	Actual	Budget	Variance		Note
	2013-14	2013-14	Fav/(Unfav)		
	\$	\$	\$	%	
Current assets					
Cash	5,163,077	1,000,000	4,163,077	416%	6
Receivables	6,913,583	5,996,000	917,583	15%	7
Investments	38,772,408	21,964,000	16,808,408	77%	8
Other	106,323	79,000	27,323	35%	
Total current assets	50,955,391	29,039,000	21,916,391	75%	
Non-current assets					
Property, Infrastructure, Plant and Equipment	826,866,944	681,426,000	145,440,944	21%	9
Other	2,428,870	1,157,000	1,271,870	110%	10
Total non-current assets	829,295,814	682,583,000	146,712,814	21%	
Total assets	880,251,205	711,622,000	168,629,205	24%	
Current liabilities					
Payables	11,343,678	8,128,000	(3,215,678)	(40%)	11
Trust funds	2,080,152	2,051,000	(29,152)	(1%)	
Employee Benefits	8,648,527	7,900,000	(748,527)	(9%)	12
Interest Bearing Liabilities	457,675	460,000	2,325	1%	
Other	250,885	247,000	(3,885)	(2%)	
Total current liabilities	22,780,917	18,786,000	(3,994,917)	(21%)	
Non-current liabilities					
Payables	-	406,000	406,000	100%	13
Employee Benefits	926,896	907,000	(19,896)	(2%)	
Interest Bearing Liabilities	14,354,474	14,366,000	11,526	0%	
Total non-current liabilities	15,281,370	15,679,000	397,630	3%	
Total liabilities	38,062,287	34,465,000	(3,597,287)	(10%)	
Net assets	842,188,918	677,157,000	165,031,918	24%	
Equity					
Accumulated Surplus	316,300,142	317,181,000	(880,858)	(0%)	
Reserves	525,888,776	359,976,000	165,912,776	46%	14
Total equity	842,188,918	677,157,000	165,031,918	24%	

STANDARD CASH FLOW STATEMENT

For the year ending 30 June 2014

	Actual 2013-14 \$	Budget 2013-14 \$	Variance Fav/(Unfav)		Note
			\$	%	
Receipts from customers	84,600,363	80,321,000	4,279,363	5%	
Payments to suppliers	(78,615,060)	(76,639,000)	(1,976,060)	(3%)	
Net cash inflow/(outflow) from customers/suppliers	5,985,302	3,682,000	2,303,302	63%	
Interest received	1,193,979	1,131,000	62,979	6%	
Government receipts	24,724,084	21,973,000	2,751,084	13%	15
Net cash inflow/(outflow) from operating activities	31,903,366	26,786,000	5,117,366	19%	
Cash flows from investing activities					
Proceeds from sale of property, infrastructure, plant and equipment	625,946	703,000	(77,054)	(11%)	
Payments for property, infrastructure, plant and equipment	(25,286,760)	(36,203,000)	10,916,240	30%	16
Trust funds	156,656	-	156,656	(100%)	17
Term deposits	(12,500,000)	-	(12,500,000)	(100%)	18
Net cash inflow/(outflow) from investing activities	(37,004,158)	(35,500,000)	(1,504,158)	(4%)	
Cash flows from financing activities					
Interest paid	(1,236,158)	(1,155,000)	(81,158)	(7%)	
Repayment of interest bearing loans and borrowings	(413,065)	(426,000)	12,935	3%	
Net cash inflow/(outflow) from financing activities	(1,649,223)	(426,000)	(1,223,223)	(287%)	
Net increase/(decrease) in cash and cash equivalents	(6,750,016)	(9,140,000)	2,389,984	26%	
Cash and cash equivalents at the beginning of the year	34,185,501	33,260,000	925,501	3%	
Cash and cash equivalents at the end of the year	27,435,485	24,120,000	3,315,485	14%	19

STANDARD STATEMENT OF CAPITAL WORKS

For the year ending 30 June 2014

Capital Works Areas	Actual	Budget	Variance		Note
	2013-14	2013-14	Fav/(Unfav)		
	\$	\$	\$	%	
Roads	13,908,304	17,011,000	3,102,696	18%	20
Drains	2,701,940	3,717,000	1,015,060	27%	21
Open Space	1,651,120	4,529,000	2,877,880	64%	22
Buildings	1,825,820	3,380,000	1,554,180	46%	23
Plant and Equipment	3,732,274	4,124,000	391,726	9%	
Waste Management	266,830	2,079,000	1,812,170	87%	24
Other	1,200,472	1,363,000	162,528	12%	25
Total capital works	25,286,760	36,203,000	10,916,240	30%	
Represented by:					
Renewal	12,958,898	16,831,000	3,872,102	23%	
Upgrade/Expansion	5,837,288	9,269,000	3,431,712	37%	
New	6,490,573	10,103,000	3,612,427	36%	
Total capital works	25,286,760	36,203,000	10,916,240	30%	

Property, infrastructure, plant and equipment, movement reconciliation worksheet	Actual	Budget	Variance		Note
	2013-14	2013-14	Fav/(Unfav)		
	\$	\$	\$	%	
The movement between the previous year and the current year in property, infrastructure, plant and equipment as shown in the Balance Sheet links to the net of the following items:					
Total capital works	25,286,760	36,203,000	(10,916,240)	(30%)	
Asset revaluation movement	50,930	-	50,930	100%	
Contributed Assets	2,604,328	3,000,000	(395,672)	(13%)	
Depreciation and amortisation	(21,176,669)	(18,452,000)	(2,724,669)	15%	
Written down value of assets disposed	(4,138,502)	(513,000)	(3,625,502)	707%	
Net movement in property, infrastructure, plant and equipment	2,626,847	20,238,000	(17,611,153)	(87%)	

Greater Shepparton City Council

Notes accompanying the Standard Statements

for the year ended 30 June 2014

1. BASIS OF PREPARATION OF STANDARD STATEMENTS

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

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

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

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

The Standard Statements compare council's financial plan, expressed through its budget, with actual performance. The *Local Government Act 1989* requires explanation of any material variances. The Council has adopted a materiality threshold of \$100,000 and 10 per cent. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures included in the Statements are those of the annual budget adopted by Council on 20 August 2013. The budget was based on assumptions that were relevant at the time of adoption. The council set guidelines and parameters for revenue and expense targets in this budget in order to meet council's business plan and financial performance targets for both short and long term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

2. EXPLANATION OF MATERIAL VARIANCES

NOTE	ITEM	EXPLANATION
Standard Income Statement - Revenue		
1	Operating Grants and Contributions	More than budget by \$5,815,129 largely due to Goulburn Broken Greenhouse Alliance (GBGA) street lighting project \$3,223,750 which is \$2,623,750 over the budget. GBGA budgeted income of \$600,000 had originally been recorded under Capital Grants and Contributions - Other Revenue in the adopted budget. Council has received Flood Event Grants \$995,516, Children Services Management Grants \$246,881 and Digital Enterprise Program grants \$114,045 which were not budgeted. Council also received insurance claim for the Visitor Information Centre \$456,939 in excess of budget.
2	Other	More than budget by \$1,112,236 mainly due to interest income \$232,306 in excess of the budget and accrual adjustment of \$519,235 due to purchase orders raised in previous financial years that were no longer required or were greater than the actual invoice received.
Standard Income Statement - Expenses		
3	Depreciation and Amortisation	More than budget by \$2,724,669 mainly due to depreciation of revalued assets and gifted assets, details of which were not available at the time of preparation of the budget.
Standard Income Statement - Other		
4	Contributed Assets	Less than budget by \$395,672. Contributed assets include developer contributions which are difficult to predict. This is a non-cash item.
5	Written Down Value of Assets Sold	More than budget by \$3,706,792. Majority of this relate to the write-off of road assets which were replaced with new sealed roads.

Greater Shepparton City Council

Notes accompanying the Standard Statements

for the year ended 30 June 2014

2. EXPLANATION OF MATERIAL VARIANCES (continued)

NOTE	ITEM	EXPLANATION
Standard Balance Sheet - Current Assets		
6	Cash	More than budget by \$4,163,077. Cash balance is largely affected by the level of spending in capital projects and year end debtor and creditor balances which are difficult to predict.
7	Receivables	More than budget by \$917,583 largely due to accrued interest income from investments and Fire Service Property Levy receivable balance of \$302,242 which was not budgeted and is difficult to predict.
8	Investments	More than budget by \$16,808,408 due to funds allocated for specific projects such as Waste Management Strategy \$9,563,912, Building Better Regional Cities \$3,135,389 and Goulburn Broken Greenhouse Alliance Street Lighting Project \$2,762,020 being invested throughout the year which generate higher returns.
Standard Balance Sheet - Non Current Assets		
9	Property, Infrastructure, Plant and Equipment	More than budget by \$145,440,944 which largely relates to the infrastructure assets revaluation recorded in 2012/2013 financial year, information of which was not available at the time of preparation of the budget.
10	Other	More than budget by \$1,271,870 largely due to the recognition of the Council's investment in the Goulburn Valley Regional Library Corporation of \$ 1,314,893.
Standard Balance Sheet - Current Liabilities		
11	Payables	More than budget by \$3,215,678 largely due to trade creditors of \$2,543,501 most of which is relevant to payables for capital works, prepayment of rates of \$661,600, Fire Service Property Levy liability of \$302,242 which was not budgeted and is difficult to predict.
12	Employee Benefits	More than budget by \$748,527 largely due to reclassification of annual leave expenses of \$678,571 to current liabilities expected to be settled beyond 12 months.
Standard Balance Sheet - Non Current Liabilities		
13	Payables	Less than budget by \$406,000 which largely relates to defined benefit superannuation liability of \$240k which has been incorrectly budgeted for 2013/2014 financial year. The budget also includes a loan obtained in 1999 for the Cosgrove Landfill development of which the outstanding balance of \$57,471 (due in September 2014) has been classified under Current Liabilities - Payable.
Standard Balance Sheet - Equity		
14	Reserves	More than budget by \$165,912,776 which largely relates to the infrastructure assets revaluation recorded in 2012/2013 financial year, information of which was not available at the time of preparation of the budget.
Standard Cash Flow Statement		
15	Government receipts	More than budget by \$2,751,084 largely due to the Goulburn Broken Greenhouse Alliance street lighting project \$2,320,826 which received grants and contributions in advanced. Council has received Flood Event Grants \$995,516, Children Services Management Grants \$246,881 and Digital Enterprise Program grants \$114,045 which were not budgeted.
16	Payments for property, infrastructure, plant and equipment	Less than budget by \$10,916,240 once the final position of the capital works program for 2013/2014 was determined. This is more fully described in notes 16 to 21 in this document.

Greater Shepparton City Council

Notes accompanying the Standard Statements

for the year ended 30 June 2014

2. EXPLANATION OF MATERIAL VARIANCES (continued)

Standard Cash Flow Statement (continued)

17	Trust Funds	More than budget by \$156,656 and includes monies received for contract retentions and bonds for hire of buildings. This item is difficult to predict when developing the budget.
18	Term Deposits	More than budget by \$12,500,000 largely due to the lower than expected capital works program (refer note 16). The original budget is based on full expenditure of the capital works program.
19	Cash and cash equivalents at the end of the year	More than budget by \$3,315,485 largely due to an additional \$2,751,084 in Government receipts (see note 15) and committed expenditure from the 2013/2014 Capital Works Program (see note 16) that has been invested in term deposits less than 90 days.

Standard Statement of Capital Works

20	Roads	Less than budget by \$3,102,696 which includes \$1,714,794 for Verney road reconstruction, GBGA street lighting project budget of \$1,103,974 and \$781,390 for Culvert & Link Road. Most of these unspent balances have been considered for re-budget in the 2014/2015 financial year. Expenses of GBGA street lighting project has been recorded in Income Statement as an expense under Material and Consumables due to a reclassification from capital to operating.
21	Drains	Less than budget by \$1,015,060 which includes urban and rural drainage programs \$615,419, Mooroopna West Gate Corridor flood mitigation strategy \$252,944, Murchison Rail Trail \$182,704 and Kialla Green Wetland Planting \$195,000. Most of these unspent balances have been considered for re-budget in the 2014/2015 financial year.
22	Open Space	Less than budget by \$2,877,880 which largely relates to the Greater Shepparton Regional Sports Precinct Project \$2,017,152 and Shepparton Showgrounds Grassed Area \$545,119 where the work will be completed in 2014/2015. Most of these unspent balances have been considered for re-budget in the 2014/2015 financial year.
23	Buildings	Less than budget by \$1,554,180 which is largely due to the Shepparton Library Redevelopment \$412,409, Utility Management Upgrade \$309,501, Visitor Information Centre \$250,000 and Victoria Lake Caravan Park \$244,800 most of which have been considered for re-budget in 2014/2015.
24	Waste Management	Less than budget by \$1,812,170 mainly due to the purchase of land for a new landfill at Cosgrove. This has been considered for re-budget in 2014/2015.
25	Other	Less than budget by \$162,528 which largely due to Toolamba Recreation Reserve car park works which has been considered for re-budget in 2014/2015.

Greater Shepparton City Council

Certification of the Standard Statements

for the year ended 30 June 2014

In my opinion, the accompanying standard statements of Greater Shepparton City Council for the year ended 30 June 2014 have been prepared on accounting bases consistent with the financial statements and in accordance with the *Local Government Act 1989* and the *Local Government (Finance and Reporting) Regulations 2004*.



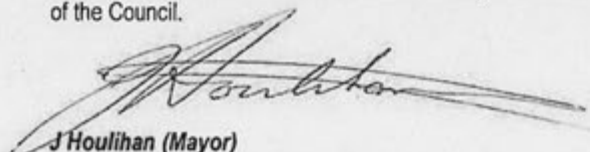
M Jarvis
PRINCIPAL ACCOUNTING OFFICER

Date: 23/9/2014

In our opinion, the accompanying standard statements of Greater Shepparton City Council for the year ended 30 June 2014 have been prepared on accounting bases consistent with the financial statements and in accordance with the *Local Government Act 1989* and the *Local Government (Finance and Reporting) Regulations 2004*.

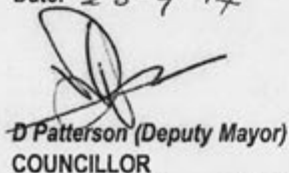
As at the date of signing, we are not aware of any circumstances which would render any particulars in the standard statements to be misleading or inaccurate.

On 23 September 2014 we were authorised by the Council to certify the standard statements in its final form on behalf of the Council.



J Houlihan (Mayor)
COUNCILLOR

Date: 23-9-14



D Patterson (Deputy Mayor)
COUNCILLOR

23-9-14.
Date:



G Cator
CHIEF EXECUTIVE OFFICER

Date: 23/09/14



PERFORMANCE STATEMENT

FOR THE YEAR ENDED

30 June 2014



INTRODUCTION TO THE PERFORMANCE STATEMENT

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

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

The following table details the Key Strategic Activities and performance target and measures contained in the Council's 2013-2014 budget compared to actual results for the year.

Key Strategic Activity	Performance Measure	How Data is Reported	Performance Target	Actual Result	Outcome	Comments
Active and Engaged Community						
Community Engagement.	Community Engagement Community Satisfaction Survey Result.	Customer Satisfaction Survey.	>56	59	Met	
Continue to work with our Communities to develop their Community Plans.	Congupna Community Plan endorsed by Council.	Ordinary Council Meeting.	31-Dec-13	17-Dec-13	Met	
Develop and implement neighbourhood planning within the Shepparton community.	1 Neighbourhood plan and 1 locality plan endorsed by Council.	Ordinary Council Meeting.	30-Jun-14	N/A	Not Met	Arcadia Locality Plan and Kiatta Lakes Neighbourhood Plan to be endorsed at September/October 2014 Council Meetings.
Implement the Safer City Camera Project as part of Council's Safer City Strategy	Stage 1 Safer City Camera Project operational.	Ordinary Council Meeting.	31-Dec-13	N/A	Not Met	Safer City Camera Project launched 30 May 2014 and is currently in the evaluation phase.
Implement Universal Access to Early Childhood Education 15 Hours in all Council Kindergartens.	All Council Kindergartens offer all eligible children 15 hours of Kindergarten per week facilitated by a qualified kindergarten teacher.	Ordinary Council Meeting.	28-Feb-14	17-Dec-13	Met	
Review Council's Tertiary Education Strategy with the aim to improve the aspirational goals of students to gain further skills by attending higher education.	Tertiary Education Strategy adopted by Council.	Ordinary Council Meeting.	31-Mar-14	N/A	Not Met	Strategic Activity planned for the 2015 / 2016 financial year.
Development of a Marketing Strategy to increase community awareness, understanding, ownership and patronage of Council services and programs.	Marketing Strategy adopted by Council.	Ordinary Council Meeting.	30-Jun-14	N/A	Not Met	Marketing Strategy developed but not adopted by Council.
Council Services endeavour to be inclusive and provide universal access to the community.	Universal Access and Inclusion Plan 2013-2017 adopted by Council.	Ordinary Council Meeting.	30-Sep-13	17-Sep-13	Met	
Enhancing the Environment						
Review of Council Waste Management Services.	Waste Management Strategy Adopted by Council.	Ordinary Council Meeting.	31-Dec-13	17-Dec-13	Met	
Finalise the Council's Environment and Sustainability Strategy	Environment and Sustainability Strategy adopted by Council.	Ordinary Council Meeting.	31-Dec-13	15-Jul-14	Not Met	Adopted by Council 15 July 2014
Installation of environmental utility management improvements at Aquamoves.	Aquamoves environmental utility management improvements in operation.	Ordinary Council Meeting.	30-Jun-14	N/A	Not Met	Anticipate completion on Strategic Activity by December 2014
Economic Prosperity						
To accommodate future population growth, infrastructure within the Mooroopna West Growth Corridor funded by the Building Better Regional Cities Program will be constructed.	Construction of Flood mitigation, drainage and infrastructure within the Mooroopna West Growth Corridor funded by the Building Better Regional Cities Program.	Certificate of Practical Completion	30-Jun-14	28-Apr-14	Met	
Develop a Greater Shepparton Retail Strategy.	Retail Strategy adopted by Council.	Ordinary Council Meeting	30-Jun-14	N/A	Not Met	Strategic Activity currently in the process of being implemented with anticipated completion of December 2014.
Develop a destination brand for Greater Shepparton that authentically represents the people, products and experiences of the region.	Destination brand adopted by Council.	Ordinary Council Meeting.	30-Jun-14	N/A	Not Met	Strategic Activity currently in the process of being implemented with anticipated completion of 31 October 2014.

Key Strategic Activity	Performance Measure	How Data is Reported	Performance Target	Actual Result	Outcome	Comments
Quality Infrastructure						
Implementation of a project management system to improve the planning and delivery of capital works.	Ninety per cent of the adopted 2013/2014 Capital Works Budget expended, excluding works undertaken by developers.	Ordinary Council Meeting / Annual Report.	90%	70%	Not Met	Implementation of a Project Management System completed and all Council projects are being managed through this system. The 2013 / 2014 budget was \$36.2 million, delivered and committed \$25.29 million = 70% of budget.
Implementation of a proactive maintenance inspection program for road, path and drainage assets.	Ninety per cent of maintenance delivered in line with service levels set out in the Inspection Maintenance Service Level Plan.	Confirm Asset Management System.	90%	90.5%	Met	
High Performance Organisation						
Community Satisfaction	Overall Community satisfaction survey result.	Customer Satisfaction Survey.	>55	58	Met	
Overall Council direction.	Overall Council direction community satisfaction survey result.	Customer Satisfaction Survey.	>51	59	Met	
Customer Contact.	Customer contact community satisfaction survey result.	Customer Satisfaction Survey.	>68	72	Met	
Advocacy	Advocacy community satisfaction survey result.	Customer Satisfaction Survey.	>55	62	Met	
Commence implementation of a service planning model for the services Council provides for the community.	2 service planning reviews adopted by Council.	Ordinary Council Meeting	30-Jun-14	N/A	Not Met	Strategic Activity Incomplete, current tender in place for Service Planning.
Responsible management of resources in the delivery of Council services for the community.	Actual operating surplus greater than the adopted 2013/2014 budget	VAGO, Audit Committee and Ordinary Council Meeting.	> \$8.813m	\$5.42m	Not Met	Result impacted by \$3.93m write off of assets replaced during 2013/14 (non-cash item).
Sufficient working capital maintained to sustain operations.	Actual working capital ratio greater than the adopted 2013/2014 Budget.	VAGO, Audit Committee and Ordinary Council Meeting.	> 1.55:1	2.2:1	Met	

Greater Shepparton City Council

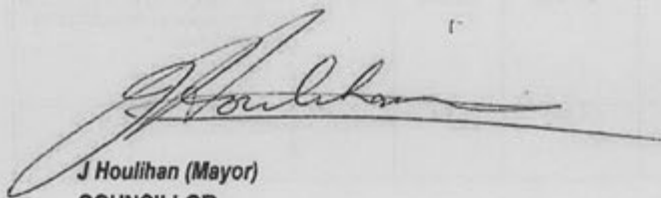
Certification of the Performance Statement

for the year ended 30 June 2014

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

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

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



J Houlihan (Mayor)
COUNCILLOR

Date: 23-9-14



D Patterson (Deputy Mayor)
COUNCILLOR

23-9-2014,
Date:



G Cator
CHIEF EXECUTIVE OFFICER

Date: 23/09/14