



**CORANGAMITE  
SHIRE**

**Corangamite Shire Council**

# **Annual Financial Report**

**For the year ended 30 June 2013**

**Corangamite Shire Council**  
**Financial Report**  
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## Comprehensive Income Statement For the Year Ended 30 June 2013

	Note	2013 \$'000	2012 \$'000
<b>Income</b>			
Rates and charges	2	16,798	15,964
Statutory fees and fines	3	243	184
User fees	4	5,386	5,372
Contributions - cash	6	220	420
Reimbursements	7	1,721	2,062
Grants - Operating (recurrent)	5	10,079	11,694
Grants - Operating (non-recurrent)	5	1,502	298
Grants - Capital (recurrent)	5	1,488	1,624
Grants - Capital (non-recurrent)	5	1,879	1,655
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	8	(201)	11
Other income	9	746	724
Share of net profits/(losses) of associates and joint ventures accounted for by the equity method	16	(11)	(59)
Assets recognised for the first time		-	10,006
<b>Total income</b>		<b>39,850</b>	<b>49,955</b>
<b>Expenses</b>			
Employee costs	10	(13,165)	(13,736)
Employee costs - Defined benefit call	10	-	(2,898)
Materials and services	11	(11,545)	(11,014)
Bad and doubtful debts	12	(48)	(8)
Depreciation and amortisation	13	(10,287)	(9,867)
Finance costs	14	(215)	(247)
Other expenses	15	(3,316)	(3,795)
<b>Total expenses</b>		<b>(38,576)</b>	<b>(41,565)</b>
<b>Surplus/(deficit)</b>		<b>1,274</b>	<b>8,390</b>
<b>Other comprehensive income</b>			
Net asset revaluation increment(decrement)		101	20,258
Share of other comprehensive income of associates and joint ventures accounted for by the equity method		(10)	(2)
<b>Total comprehensive result</b>		<b>1,365</b>	<b>28,646</b>

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

**Balance Sheet**  
**As at 30 June 2013**

	Note	2013 \$'000	2012 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	17	8,111	12,099
Trade and other receivables	18	1,571	1,531
Inventories	19	106	65
Other assets	20	2,008	656
<b>Total current assets</b>		<b>11,796</b>	<b>14,351</b>
<b>Non-current assets</b>			
Trade and other receivables	18	140	147
Investments in regional library corporation	16	279	294
Property, infrastructure, plant and equipment	21	380,213	379,657
<b>Total non-current assets</b>		<b>380,632</b>	<b>380,098</b>
<b>Total assets</b>		<b>392,428</b>	<b>394,449</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	22	2,494	5,820
Trust funds and deposits	23	145	101
Provisions	24	3,272	3,406
Interest-bearing loans and borrowings	25	985	1,170
<b>Total current liabilities</b>		<b>6,896</b>	<b>10,497</b>
<b>Non-current liabilities</b>			
Provisions	24	2,309	1,909
Interest-bearing loans and borrowings	25	3,086	3,274
<b>Total non-current liabilities</b>		<b>5,395</b>	<b>5,183</b>
<b>Total liabilities</b>		<b>12,291</b>	<b>15,680</b>
<b>Net Assets</b>		<b>380,137</b>	<b>378,769</b>
<b>Equity</b>			
Accumulated surplus		207,923	206,539
Reserves	26	172,214	172,230
<b>Total Equity</b>		<b>380,137</b>	<b>378,769</b>

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

**Statement of Changes in Equity  
For the Year Ended 30 June 2013**

	Note	Accumulated		Revaluation	Other
		Total	Surplus	Reserve	Reserves
2013		2013	2013	2013	2013
		\$'000	\$'000	\$'000	\$'000
Balance at beginning of the financial year		378,769	206,539	172,009	221
Surplus / (Deficit)		1,274	1,274	-	-
Net asset revaluation increment (decrement)	26(a)	101	-	101	-
Disposal of revalued assets	26(a)	-	-	-	-
Transfers from other reserves	26(b)	(12)	110	(5)	(117)
Transfers to other reserves	26(b)	5	-	-	5
<b>Balance at end of the financial year</b>		<b>380,137</b>	<b>207,923</b>	<b>172,105</b>	<b>109</b>

		Accumulated		Revaluation	Other
		Total	Surplus	Reserve	Reserves
2012		2012	2012	2012	2012
		\$'000	\$'000	\$'000	\$'000
Balance at beginning of the financial year		350,123	198,227	151,753	143
Surplus / (Deficit)		8,388	8,390	(2)	-
Net asset revaluation increment (decrement)		21,883	-	21,883	-
Disposal of revalued assets	26(a)	(1,625)	-	(1,625)	-
Transfers to other reserves	26(b)	-	(78)	-	78
<b>Balance at end of the financial year</b>		<b>378,769</b>	<b>206,539</b>	<b>172,009</b>	<b>221</b>

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

### Cash Flow Statement For the Year Ended 30 June 2013

	Note	2013 Inflows/ (Outflows) \$'000	2012 Inflows/ (Outflows) \$'000
<b>Cash flows from operating activities</b>			
Rates and charges		16,754	16,901
Statutory fees and fines		243	183
User fees		5,115	6,112
Contributions		215	420
Reimbursements		1,979	2,160
Developer Contributions		5	19
Grants - operating		11,581	15,993
Grants - capital		2,353	-
Other receipts (inclusive of GST)		892	192
Interest		417	566
Rents		49	53
Net GST refund/payment		922	1,201
Employee costs		(13,165)	(13,538)
Material and consumables		(16,370)	(18,034)
Other payments		(3,895)	-
<b>Net cash provided by (used in) operating activities</b>	28	<u>7,095</u>	<u>12,228</u>
<b>Cash flows from investing activities</b>			
Payments for property, infrastructure, plant and equipment		(11,131)	(11,695)
Proceeds from sale of property, infrastructure, plant and equipment		551	761
Repayments of loans and advances from community organisations		7	9
<b>Net cash provided by (used in) investing activities</b>		<u>(10,573)</u>	<u>(10,925)</u>
<b>Cash flows from financing activities</b>			
Finance costs		(215)	(247)
Trust funds and deposits		44	(37)
Proceeds from borrowings		800	1,125
Repayment of borrowings		(1,139)	(891)
<b>Net cash provided by (used in) financing activities</b>		<u>(510)</u>	<u>(50)</u>
Net increase (decrease) in cash and cash equivalents		(3,988)	1,253
Cash and cash equivalents at the beginning of the financial year		12,099	10,846
<b>Cash and cash equivalents at the end of the financial year</b>	29	<u>8,111</u>	<u>12,099</u>
Financing arrangements	30	960	
Restrictions on cash assets	31	4,122	

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

## Introduction

- (a) The Corangamite Shire was established by an Order of the Governor in Council on 23 September 1994 and is a body corporate.  
The Council's main office is located at 181 Manifold Street, Camperdown, Victoria 3260.
- (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.

External Auditor - Auditor-General of Victoria  
Internal Auditor - Crowe Horwath  
Solicitors - SLM Law, 119 Murray Street Colac  
Bankers - Commonwealth Bank of Australia  
Website address - [www.corangamite.vic.gov.au](http://www.corangamite.vic.gov.au)

This financial report is a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, and notes accompanying these financial statements. The general purpose financial report complies with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, 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 under the historical cost convention, except where specifically stated in notes 1(h), 1(j), 1(l) and 1(t).

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

All entities controlled by Council that have material assets or liabilities, such as Special Committees of Management, have been included in this financial report. All transactions between these entities and the Council have been eliminated in full. Details of entities not included in this financial report based on their materiality are detailed in note 43.

**Note 1 Significant accounting policies (cont.)**

**(b) Change in accounting policies**

No changes of accounting policies were made during the financial year.

**(c) Revenue recognition**

*Rates, grants and contributions*

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

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

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

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

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

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in note 5. The note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

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

*User fees and fines*

User 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.

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.

*Rental*

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

*Interest*

Interest is recognised as it is earned

*Dividends*

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



**Note 1 Significant accounting policies (cont.)**

**(d) Trade and other receivables and inventories**

*Trade and other receivables*

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

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

*Inventories*

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

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

**(e) Depreciation and amortisation of property, plant, equipment and infrastructure**

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

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

Artworks 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:

	<b>Period 2013</b>
Property	
Land	
land improvements	25 years
Buildings	
buildings	100 years
building improvements	10 years
leasehold building improvements	25 years
heritage buildings	100 years
Plant and Equipment	
plant, machinery and equipment	10 years
fixtures, fittings and furniture	10 years
computers and telecommunications	3-5 years
motor vehicles	2-5 years
Infrastructure	
Roads	
road pavements and seals	12-100 years
road kerb, channel and minor culverts	79 years
road other culverts and retaining walls	79 years

**Note 1 Significant accounting policies (cont.)**

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

Bridges	
bridges including footbridges	8-100 years
footpaths and cycleways	8-47 years
drainage	100 years
recreational, leisure and community facilities	25 years
waste management	25 years
parks, open space and streetscapes	25 years

**(f) 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.

**(g) Borrowing costs**

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

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

**Note 1 Significant accounting policies (cont.)**

**(h) 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 21.

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

	Threshold Limit \$'000
Property	
Land	
land	10
land under roads	10
land improvements	10
Buildings	
buildings	10
building improvements	10
leasehold building improvements	10
heritage buildings	10
Plant and Equipment	
plant, machinery and equipment	5
fixtures, fittings and furniture	5
computers and telecommunications	2
motor vehicles	5
Infrastructure	
Roads	
roads	3
road substructure	3
road formation and earthworks	3
road kerb, channel and minor culverts	3
bridges	3
footpaths and cycleways	3
drainage	3
recreational, leisure and community facilities	3
waste management	3
parks, open space and streetscapes	3
culverts and retaining walls	3

**Note 1 Significant accounting policies (cont.)**

**(h) Recognition and measurement of assets (cont.)**

**Revaluation**

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

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

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 2 to 3 years. The valuation is performed either by experienced council officers or independent experts.

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

**Land under roads**

Council recognised the value of land under roads it controlled as at 30 June 2008 at deemed cost. Land under roads acquired after 30 June 2008 is brought to account using the cost basis.

**(i) 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 three months or less, net of outstanding bank overdrafts.

**(j) Accounting for investments in associates**

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

**Note 1 Significant accounting policies (cont.)**

**(k) Tender deposits**

Amounts received as tender deposits and retention amounts controlled by Council are recognised as Trust funds until they are returned or forfeited (refer to note 23).

**(l) Employee costs**

*Wages and salaries*

Liabilities for wages and salaries and rostered days off are recognised and measured as the amount unpaid at balance date and include appropriate oncosts such as workers compensation and payroll costs.

*Annual leave*

Annual leave entitlements are accrued on a pro rata basis in respect of services provided by employees up to balance date.

Annual leave expected to be paid within 12 months is measured at nominal value based on the amount, including appropriate oncosts, expected to be paid when settled.

*Long service leave*

Long service leave entitlements payable are assessed at balance date having regard to expected employee remuneration rates on settlement, employment related oncosts and other factors including accumulated years of employment, on settlement, and experience of employee departure per year of service.

Long service leave expected to be paid within 12 months is measured at nominal value based on the amount expected to be paid when settled.

Long service leave expected to be paid later than one year has been measured at the present value of the estimated future cash outflows to be made for these accrued entitlements. Commonwealth bond rates are used for discounting future cash flows.

*Classification of employee costs*

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 32

**Note 1 Significant accounting policies (cont.)**

**(m) Leases**

*Finance leases*

Leases of assets where substantially all the risks and rewards incidental to ownership of the asset, are transferred to the Council are classified as finance leases. Finance leases are capitalised, recording an asset and a liability at the lower of the fair value of the asset and the present value of the minimum lease payments, including any guaranteed residual value. Lease payments are allocated between the reduction of the lease liability and the interest expense. Leased assets are depreciated on a straight line basis over their estimated useful lives to the Council where it is likely that the Council will obtain ownership of the asset or over the term of the lease, whichever is the shorter. Leased assets are currently being amortised over a 3 year period.

*Operating leases*

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

*Leasehold improvements*

Leasehold improvements are recognised at cost and are amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter. At balance date, leasehold improvements are amortised over a 25 year period.

**(n) Allocation between current and non-current**

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next twelve months, being the Council's operational cycle, 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.

**(o) Agreements equally proportionately unperformed**

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

**(p) Web site costs**

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

**(q) Goods and Services Tax (GST)**

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

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

**(r) 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.

**Note 1 Significant accounting policies (cont.)**

**(s) Rounding**

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

**(t) Financial guarantees**

Financial guarantee contracts are recognised as a liability at the time the guarantee is issued. The liability is initially measured at fair value, and if there is material increase in the likelihood that the guarantee may have to be exercised, at the higher of the amount determined in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less cumulative amortisation, where appropriate. In the determination of fair value, consideration is given to factors including the probability of default by the guaranteed party and the likely loss to Council in the event of default.

**(u) Contingent assets and contingent liabilities and commitments**

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

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

**(v) Pending Accounting Standards**

The following Australian Accounting Standards have been issued or amended and are applicable to the Council but are not yet effective.

They have not been adopted in preparation of the financial statements at reporting date.

**Note 1 Significant accounting policies (v) (cont)**

Pronouncement	What's new?	Impact/Action	Transition	Effective date
AASB 9 Financial Instruments	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. 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. The new categories of financial assets are:	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. This will also create a requirement to measure some instruments annually that has not previously existed.	Transitional arrangements are extensive – in general retrospective restatement is required, but there are exceptions. Early-adoption of the standard before 1 January 2014 removes the requirement for restatement of comparatives	Periods beginning on or after 1 January 2015. The standard was amended in 2012 to delay the effective date by two years (previously 1 January 2013).
	<ul style="list-style-type: none"> <li>• Amortised cost – those assets with 'basic' loan features;</li> <li>• 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);</li> <li>• Fair Value through profit and Loss – everything that does not fall into the above two categories.</li> </ul> <p>The following changes also apply:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> </ul>			



**Note 1 Significant accounting policies (v) (cont)**

Pronouncement	What's new?	Impact/Action	Transition	Effective date
AASB 11 Joint Arrangements	<p>AASB 11 classifies all joint arrangements as either <i>joint operations</i> or <i>joint ventures</i>:</p> <ul style="list-style-type: none"> <li>· Joint operations exist where the parties have the right to their assets and the obligation for their liabilities under the arrangement. Each party recognises its own assets, liabilities, revenues and expenses resulting from the arrangement.</li> <li>· Joint ventures exist where the parties have the rights to the net assets of the arrangement. Each party accounts for the arrangement under the equity method in accordance with AASB 128 Investments in Associates and Joint Ventures (see below).</li> </ul>	The use of proportionate consolidation to account for joint ventures is no longer permitted. This is not likely to impact many councils	Early adoption is permitted, but AASB 10, AASB 11, AASB 12, AASB 127 (revised) and AASB 128 (revised) must all be adopted simultaneously.	Periods beginning on or after 1 January 2013
AASB 12 Disclosure of Involvement with Other Entities	<p>AASB 12 requires the disclosure of information to enable users to evaluate the nature of, and risks associated with, its interests in other entities and The effect of those interests on its financial position, financial performance, and cash flows. AASB 12 applies to all entities that have subsidiaries, joint arrangements, associates, or unconsolidated structured entities, and requires disclosures grouped into four categories:</p> <ul style="list-style-type: none"> <li>· Significant judgments and assumptions, including how control, joint control, or significant influence has been determined.</li> <li>· Interests in subsidiaries, including details of the composition of the group, the interests held by any non-controlling interest, any changes in control, and the nature of any associated risks.</li> <li>· Interests in joint arrangements and associates, including their nature and extent, the effects on the group, and any associated risks.</li> <li>· Interests in unconsolidated structured entities, including their nature and extent, any changes during the year, and the associated risks.</li> </ul>	The disclosures required will be both qualitative and quantitative. In particular, management should document and be able to justify its key judgments concerning control and significant influence. In the local government context this is likely to require increased disclosures around the operations of Library Corporations as well as other activities that Council have an interest in.	Early adoption is permitted, but AASB 10, AASB 11, AASB 12, AASB 127 (revised) and AASB 128 (revised) must all be adopted simultaneously.	Periods beginning on or after 1 January 2013

**Note 1 Significant accounting policies (v) (cont)**

Pronouncement	What's new?	Impact/Action	Transition	Effective date
AASB 13 Fair Value Measurement	<p>AASB 13 replaces the existing IFRS guidance on fair value measurement and disclosure. It applies whenever another standard permits or requires the use of fair value measurements. It sets out a fair value hierarchy for such measurements:</p> <ul style="list-style-type: none"> <li>○ Level 1 – quoted prices in active markets for identical assets and liabilities, which can be accessed at the measurement date.</li> <li>○ Level 2 – inputs other than quoted market prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.</li> <li>○ Level 3 – unobservable inputs for the asset or liability.</li> </ul> <p>There are also extensive disclosure requirements relating to each of the three levels within the hierarchy.</p>	<p>The standard determines 'how to' rather than 'when' in respect of fair value measurements, and summarises the existing IFRS guidance in one place. This standards may assist those councils that have equity investments that are no longer able to be held at cost.</p>	<p>Early adoption is permitted.</p>	<p>\$40,000 - \$49,999</p>
AASB 128 Investments in Associates and Joint Ventures	<p>AASB 128 has been amended to ensure consistency with the new requirements of AASB 10 <i>Consolidated Financial Statements</i> and AASB 11 <i>Joint Arrangements</i>. The standard sets out how the equity method of accounting is to be applied, defines 'significant influence,' and how impairment is to be tested for investments in associates or joint ventures.</p>	<p>Some joint ventures which were previously accounted for under the proportionate consolidation method must now be accounted for as associates. These changes are not expected to impact significantly on Councils</p>	<p>Early adoption is permitted, but AASB 10, AASB 11, AASB 12, AASB 127 (revised) and AASB 128 (revised) must all be adopted simultaneously.</p>	<p>Periods beginning on or after 1 January 2013</p>

	2013 \$'000	2012 \$'000
<b>Note 2 Rates and charges</b>		
Council uses capital improved value as the basis of valuation of all properties within the municipal district. The capital improved value of a property is its market value.		
The valuation base used to calculate general rates for 2012/13 was \$5.015 billion (2011/12 \$5.049 billion). The 2012/13 rate in the capital improved value dollar was 0.003077 (2011/12, 0.002773).		
General	5,549	5,069
Farm/Rural	8,711	8,473
Cultural and recreation	6	6
Supplementary rates and rate adjustments	(35)	21
Municipal charge	1,337	1,270
Garbage charge	1,230	1,125
	<u>16,798</u>	<u>15,964</u>
The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2012, and the valuation was first applied in the rating year commencing 1 July 2012.		
The date of the previous general revaluation of land for rating purposes within the municipal district was 1 January 2010, and the valuation first applied to the rating period commencing 1 July 2010.		
<b>Note 3 Statutory fees and fines</b>		
Infringements and costs	24	31
Town planning fees	79	9
Land information certificates	10	11
Health registrations	53	60
Permits	15	73
Landfill Levy	62	-
	<u>243</u>	<u>184</u>
<b>Note 4</b>		
(a) Leisure centre fees	18	-
Private works	209	184
Waste management	2,331	2,292
Family Day Care	930	779
Home and community care	444	463
Saleyards	563	615
Mobile child care/In Home child care	105	209
Recreation programs	7	18
Caravan parks	193	196
Meals on wheels	73	71
Preschools	81	66
Local laws/ animal control	80	-
Registration fees	-	77
Legal expenses recovered	3	68
Tourism projects	74	63
Cultural programs	70	65
Rental and lease	51	53
Building services fees	124	124
Health fees	18	3
Parking and transport	-	8
Environment programs	9	1
Other fees and charges	3	17
	<u>5,386</u>	<u>5,372</u>
<b>(b) Ageing analysis of contractual receivables</b>		
Please refer to table in Note 36(e) entitled Ageing of Trade and Other Receivables for the ageing analysis of contractual receivables.		

	2013 \$'000	2012 \$'000
<b>Note 5 Grants</b>		
Grants were received in respect of the following :		
<b>Summary of grants</b>		
Federally funded grants	10,739	10,819
State funded grants	4,198	4,452
Others	11	-
<b>Total</b>	<b>14,948</b>	<b>15,271</b>
<b>Recurrent</b>		
Commonwealth Government - roads to recovery	1,488	1,624
Commonwealth Government - family and children	558	547
Victoria Grants Commission - unallocated	1,675	2,727
Victoria Grants Commission - local roads	1,431	2,347
Victoria Grants Commission - unallocated forward funding	1,895	1,880
Victoria Grants Commission - local roads forward funding	1,620	1,617
Community health	33	59
School crossing supervisors	13	12
Maternal and child health	160	155
Family and children	801	801
Food services	-	20
Home help/linkages	714	681
Senior citizen centres	62	37
Transport	165	247
Adult day care	142	62
Assessment/welfare support	163	119
Economic development	47	68
Recreation	55	19
State emergency service	51	49
Emergency management	16	-
Tourism	139	-
Community planning	85	-
Organisational training	66	65
Youth services	53	43
Environment	108	61
Meals on wheels	27	-
Diesel rebate scheme	-	78
<b>Total recurrent</b>	<b>11,567</b>	<b>13,318</b>
<b>Non-recurrent</b>		
Flood funding	1,075	278
Roads grants	1,050	1,016
Footpaths	30	-
Streetscape works	300	-
Building projects	292	382
Other recreation projects	283	123
Transport projects	-	41
Theatre Royal Heating	-	50
Fire prevention	-	5
Robert Burns Statue	-	38
Health services	50	-
Transport plan	-	20
Youth	38	-
Landfill	250	-
Environment	7	-
Families and children	6	-
<b>Total non-recurrent</b>	<b>3,381</b>	<b>1,953</b>

	2013 \$'000	2012 \$'000
<b>Note 5 Grants (cont)</b>		
<b>Conditions on grants</b>		
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:		
Victorian Grants Commission	3,515	3,497
Local Government Infrastructure Fund	-	182
Timboon Preschool Project	286	-
HACC minor capital grant	41	-
Camperdown racecourse grandstand	17	-
Mt Leura CCMA grant	9	-
	<u>3,868</u>	<u>3,679</u>
Grants which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were:		
Victorian Grants Commission	3,497	1,680
Local Government Infrastructure Fund	182	-
Pest Grant	-	1
Port Campbell memorial plaque	-	2
Camperdown Little Athletics	-	20
Ragwort Local Government grant	-	6
Mt Leura 20 year celebration	-	1
Mother goose program	-	3
Minor capital grant - kindergartens	-	17
Parenting program	-	1
Cluster Management - preschools	-	22
Smiles 4 Miles program	-	4
Heatwave strategy	-	6
Meals on wheels dementia project	-	17
Pomborneit Fire projects	-	7
Flood plan	-	20
Skipton community recovery fund	-	95
	<u>3,679</u>	<u>1,902</u>
Net increase (decrease) in restricted assets resulting from grant revenues for the year:	<u>189</u>	<u>1,777</u>

	2013 \$'000	2012 \$'000
<b>Note 6 Contributions</b>		
Open Space contributions*	5	20
Roads	86	-
Kerb and channel	-	3
Recreational, leisure and community facilities	115	361
Economic development	14	32
Environment	-	4
<b>Total contributions</b>	<b>220</b>	<b>420</b>
* Open Space contribution received during the year are transferred to other reserves pursuant to section 18 of the Subdivision Act 1988 (Resort and Recreation Reserve) (refer note 26(b))		
<b>Note 7 Reimbursements</b>		
Vicroads	1,191	1,789
Swimming pools	15	4
Recreational Facilities	153	13
Valuations	4	109
Environment	-	6
Landcare	125	64
Insurance payments	181	72
Preschool	21	-
Other	31	5
<b>Total</b>	<b>1,721</b>	<b>2,062</b>
<b>Note 8 Net gain/(loss) on disposal of property, infrastructure, plant and equipment</b>		
Proceeds of sale	551	761
Write down value of assets sold	(543)	(750)
Write down value of disposed infrastructure assets	(209)	-
<b>Total Net gain/(loss) on disposal of property, infrastructure, plant and equipment</b>	<b>(201)</b>	<b>11</b>
<b>Note 9 Other income</b>		
Interest	422	487
Interest on rates	92	79
Environment projects	-	29
Recreation	-	12
Community Services	-	9
Ararat Shire Council*	98	58
Regional training sessions	-	45
Legal Costs Recovered	34	-
Other	100	5
<b>Total other income</b>	<b>746</b>	<b>724</b>
* Corangamite Shire Council's building surveyor is employed between Corangamite Shire Council and Ararat Shire Council. Corangamite Shire pays all wages and associated costs and seeks reimbursement from Ararat Shire Council throughout the year		
<b>Note 10 Employee costs</b>		
Wages and salaries	10,434	11,362
WorkCover	143	171
Annual leave and long service leave	1,254	420
Superannuation	1,153	1,156
Superannuation - additional contribution*	-	2,898
Fringe benefits tax	141	94
Other employee related expenditure	40	534
<b>Total employee costs</b>	<b>13,165</b>	<b>16,635</b>
* During the prior period (2012) Council was required to make an additional contribution to Vision Super to meet our obligations in relation to members of the defined benefit superannuation plan		

	2013 \$'000	2012 \$'000
<b>Note 11 Materials and services</b>		
Contract payments	6,584	6,296
Building maintenance	8	45
Materials and services	4,423	4,101
Utilities	530	572
<b>Total materials and services</b>	<b>11,545</b>	<b>11,014</b>
<b>Note 12 Bad and doubtful debts</b>		
Other debtors	48	8
<b>Total bad and doubtful debts</b>	<b>48</b>	<b>8</b>
<b>Note 13 Depreciation and amortisation</b>		
<b>Property</b>		
<i>Property</i>		
Land		
Land improvements	63	51
Buildings		
Buildings	908	780
Leasehold improvements	98	82
Heritage buildings	75	76
<i>Plant and Equipment</i>		
Plant, machinery and equipment	845	956
Fixtures, fittings and furniture	14	16
Computers and telecommunications	336	243
Motor Vehicles	443	408
<i>Infrastructure</i>		
Roads	6,001	5,818
Bridges	317	361
Footpaths and cycleways	186	157
Drainage	265	257
Recreational, leisure and community facilities	52	53
Parks, open space and streetscapes	99	58
Kerb and channel	263	229
Culverts and retaining walls	322	322
<b>Total depreciation and amortisation</b>	<b>10,287</b>	<b>9,867</b>

	2013 \$'000	2012 \$'000
<b>Note 14 Finance costs</b>		
Bank overdraft charges	1	1
Interest - Borrowings	214	246
<b>Total finance costs</b>	<u>215</u>	<u>247</u>
<b>Note 15 Other expenses</b>		
Councillors' allowances	212	220
Council contributions	1,547	1,207
Insurance	460	405
Telephone and internet	227	210
Printing, stationery and photocopying	153	187
Legal costs	86	121
Levies	13	622
Rent, rates and charges	41	158
Advertising and promotion	155	184
Meals, accomodation and refreshments	73	100
Postage	40	42
Subscriptions, publications and memberships	100	108
Bank charges	56	54
Other	153	177
<b>Total other expenses</b>	<u>3,316</u>	<u>3,795</u>
<b>Note 16 Investment in associates</b>		
Investments in associates accounted for by the equity method are:		
- Corangamite regional library corporation	279	294
<b>Total Corangamite regional library corporation</b>	<u>279</u>	<u>294</u>
<i>Background</i>		
Council shares an interest in the Corangamite regional library with Colac-Otway Shire, Moyne Shire and Warrambbool City Council. Council's share of the investment in the library is based on the census estimates of the Corangamite Shire's population as a percentage of the four Councils. The equity share is based on the audited accounts for the year ended 30 June 2013. Corangamite's share as at 30 June 2013 is 19% (2011/2012 19.3%)		
<i>Council's share of accumulated surplus(deficit)</i>		
Council's share of accumulated surplus(deficit) at start of year	(110)	(3)
Council's share of surplus(deficit) for year	(11)	(59)
Transfers (to) from reserves	(3)	(48)
<i>Council's share of accumulated surplus(deficit) at end of year</i>	<u>(124)</u>	<u>(110)</u>
<i>Council's share of reserves</i>		
Council's share of reserves at start of year	406	358
Transfers (to) from reserves	3	48
<i>Council's share of reserves at end of year</i>	<u>409</u>	<u>406</u>
<i>Movement in carrying value of specific investment</i>		
Carrying value of investment at start of year	294	355
Share of surplus(deficit) for year	(11)	(59)
Share of reserves	(4)	(2)
<i>Carrying value of investment at end of year</i>	<u>279</u>	<u>294</u>



	2013 \$'000	2012 \$'000
<b>Note 17 Cash and cash equivalents</b>		
Cash on hand	6	3
Cash at bank	1,355	1,296
Money market call account	750	1,800
Term deposits	6,000	9,000
<b>Total Cash and cash equivalents</b>	<b>8,111</b>	<b>12,099</b>
Councils cash and cash equivalents are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. These include:		
- Reserve funds allocated for specific future purposes (Note 26(b))	109	104
- Trust funds and deposits (Note 23)	145	101
- Grants received but not acquitted (Note 5)	3,868	3,679
Restricted Funds	4,122	3,884
<b>Total unrestricted cash and cash equivalents</b>	<b>3,989</b>	<b>8,215</b>
<b>Note 18 Trade and other receivables</b>		
<b>Current</b>		
Rates debtors	549	385
Loans and advances to community organisations	9	9
Other debtors	855	782
Provision for doubtful debts - other debtors	(49)	(6)
Net GST receivable	207	361
<b>Total</b>	<b>1,571</b>	<b>1,531</b>
<b>Non-current</b>		
Special charge scheme	86	82
Loans and advances to community organisations	54	65
<b>Total</b>	<b>140</b>	<b>147</b>
<b>Total Trade and other receivables</b>	<b>1,711</b>	<b>1,678</b>
<b>Note 19 Inventories</b>		
Inventories held for distribution	85	42
Inventories held for sale	21	23
<b>Total Inventories</b>	<b>106</b>	<b>65</b>
<b>Note 20 Other assets</b>		
Prepayments	303	322
Accrued income	1,705	334
<b>Total Other assets</b>	<b>2,008</b>	<b>656</b>

	2013 \$'000	2012 \$'000
<b>Note 21 Property, infrastructure, plant and equipment</b>		
<b>Summary</b>		
at cost	41,455	33,030
Less accumulated depreciation	14,310	10,708
	<u>27,145</u>	<u>22,322</u>
at fair value	487,224	488,947
Less accumulated depreciation	134,156	131,612
	<u>353,068</u>	<u>357,335</u>
<b>Total</b>	<u>380,213</u>	<u>379,657</u>
<b>Property</b>		
<b>Land</b>		
at cost	737	737
at fair value	6,139	6,139
	<u>6,876</u>	<u>6,876</u>
<b>Land under roads</b>		
at fair value	42,009	42,009
	<u>42,009</u>	<u>42,009</u>
<b>Land improvements</b>		
at fair value	1,882	1,519
Less accumulated depreciation	64	101
	<u>1,818</u>	<u>1,418</u>
<b>Total Land</b>	<u>50,703</u>	<u>50,303</u>
<b>Buildings</b>		
at cost	5,987	5,189
Less accumulated depreciation	853	415
	<u>5,134</u>	<u>4,774</u>
at fair value	37,620	37,620
Less accumulated depreciation	17,008	16,539
	<u>20,612</u>	<u>21,081</u>
<b>Leasehold improvements</b>		
at cost	1,603	1,590
Less accumulated amortisation	1,061	963
	<u>542</u>	<u>627</u>

	2013 \$'000	2012 \$'000
<b>Note 21 Property, infrastructure, plant and equipment (cont)</b>		
<b>Heritage buildings</b>		
at fair value	10,790	10,790
Less accumulated depreciation	3,883	3,807
	<u>6,907</u>	<u>6,983</u>
<b>Total Buildings</b>	<u>33,195</u>	<u>33,465</u>
<b>Total Property</b>	<u>83,898</u>	<u>83,768</u>
<p>Valuation of land (excluding land under roads) and buildings were undertaken by a qualified independent valuer Mr Mitchell Rowe of Western District 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 on highest and best use permitted by relevant land planning provisions.</p>		
<p>Land under roads is valued at deemed cost. Deemed cost is based on Council valuations at 30 June 2008 for land under roads in existence at that date and at the date acquired for subsequent acquisitions 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.</p>		
<b>Plant and Equipment</b>		
<b>Plant, machinery and equipment</b>		
at cost	10,822	10,256
Less accumulated depreciation	4,999	4,550
	<u>5,823</u>	<u>5,706</u>
<b>Fixtures, fittings and furniture</b>		
at cost	156	155
Less accumulated depreciation	129	115
	<u>27</u>	<u>40</u>
<b>Computers and telecommunications</b>		
at cost	1,682	1,599
Less accumulated depreciation	896	561
	<u>786</u>	<u>1,038</u>
<b>Motor Vehicles</b>		
at cost	2,072	1,964
Less accumulated depreciation	835	720
	<u>1,237</u>	<u>1,244</u>
<b>Artworks</b>		
at cost	110	83
Less accumulated depreciation	-	-
	<u>110</u>	<u>83</u>
<b>Total Plant and Equipment</b>	<u>7,983</u>	<u>8,111</u>

	2013 \$'000	2012 \$'000
<b>Note 21 Property, infrastructure, plant and equipment (Cont)</b>		
<b>Infrastructure</b>		
<b>Roads</b>		
at fair value	271,864	275,150
Less accumulated depreciation	77,290	76,090
	<u>194,574</u>	<u>199,060</u>
at cost	11,486	5,670
Less accumulated depreciation	3,221	1,568
	<u>8,265</u>	<u>4,102</u>
<b>Bridges</b>		
at cost	860	323
Less accumulated depreciation	84	29
	<u>776</u>	<u>294</u>
at fair value	37,495	37,495
Less accumulated depreciation	3,588	3,333
	<u>33,907</u>	<u>34,162</u>
<b>Footpaths and cycleways</b>		
at cost	844	124
Less accumulated depreciation	200	29
	<u>644</u>	<u>95</u>
at fair value	6,740	6,832
Less accumulated depreciation	1,619	1,615
	<u>5,121</u>	<u>5,217</u>
<b>Drainage</b>		
at cost	407	155
Less accumulated depreciation	179	65
	<u>228</u>	<u>90</u>
at fair value	29,611	29,612
Less accumulated depreciation	12,603	12,452
	<u>17,008</u>	<u>17,160</u>
<b>Recreational, leisure and community facilities</b>		
at cost	1,583	1,454
Less accumulated depreciation	686	643
	<u>897</u>	<u>811</u>
<b>Parks, open space and streetscapes</b>		
at cost	2,041	1,538
Less accumulated depreciation	986	888
	<u>1,055</u>	<u>650</u>
<b>Kerb and channel</b>		
at cost	647	235
Less accumulated depreciation	172	60
	<u>475</u>	<u>175</u>
at fair value	18,941	19,089
Less accumulated depreciation	4,882	4,850
	<u>14,059</u>	<u>14,239</u>
<b>Culverts and retaining walls</b>		
at cost	125	38
Less accumulated depreciation	6	-
	<u>119</u>	<u>38</u>
at fair value	24,133	24,189
Less accumulated depreciation	13,219	12,926
	<u>10,914</u>	<u>11,263</u>

	2013 \$'000	2012 \$'000
<b>Note 21 Property, infrastructure, plant and equipment (cont)</b>		
<b>Bus Shelters</b>		
at cost	28	11
Less accumulated depreciation	3	1
	<u>25</u>	<u>10</u>
<b>Total Infrastructure</b>	<u>288,067</u>	<u>287,366</u>
<p>Valuation of infrastructure assets has been determined in accordance with an independent valuation undertaken by Mr Ashay Prabhu MIE Aus CPEng of ACEAM Asset Management Practitioners.</p> <p>The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.</p>		
<b>Work in progress</b>		
Buildings at cost	150	110
Roads at cost	-	131
Bridges at cost	-	21
Drainage at cost	10	-
Footpaths at cost	2	-
Leaehold improvements at cost	-	3
Parks, open space and streetscapes at cost	6	52
Recreational, leisure and community facilities	79	-
Retaining walls at cost	18	-
Computers and telecommunications at cost	-	-
Kerb and channel	-	95
<b>Total Work in progress</b>	<u>265</u>	<u>412</u>
<b>Total property, infrastructure, plant and equipment</b>	<u>380,213</u>	<u>379,657</u>

Note 21 Property, infrastructure, plant and equipment (continued)

2013	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 26(a))	Depreciation and amortisation (note 13)	Written down value of disposals	Impairment losses recognised in profit or loss (a)	Transfers (b)	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Property</b>								
land	6,876	-	-	-	-	-	-	6,876
land under roads	42,009	-	-	-	-	-	-	42,009
land improvements	1,417	-	464	(63)	-	-	-	1,818
<b>Total land</b>	<b>50,302</b>	<b>-</b>	<b>464</b>	<b>(63)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50,703</b>
buildings	21,082	-	-	(469)	-	-	-	20,613
building improvements	4,776	779	-	(439)	-	-	18	5,134
leasehold improvements	627	10	-	(98)	-	-	3	542
heritage buildings	6,982	-	-	(75)	-	-	-	6,907
<b>Total buildings</b>	<b>33,467</b>	<b>789</b>	<b>-</b>	<b>(1,081)</b>	<b>-</b>	<b>-</b>	<b>21</b>	<b>33,196</b>
<b>Total property</b>	<b>83,769</b>	<b>789</b>	<b>464</b>	<b>(1,144)</b>	<b>-</b>	<b>-</b>	<b>21</b>	<b>83,899</b>
<b>Plant and Equipment</b>								
plant, machinery and equipment	6,950	1,941	-	(1,288)	(543)	-	-	7,060
fixtures, fittings and furniture	38	3	-	(14)	-	-	-	27
computers and telecommunications	1,038	84	-	(336)	-	-	-	786
artworks	83	27	-	-	-	-	-	110
<b>Total plant and equipment</b>	<b>8,109</b>	<b>2,055</b>	<b>-</b>	<b>(1,638)</b>	<b>(543)</b>	<b>-</b>	<b>-</b>	<b>7,983</b>
<b>Infrastructure</b>								
roads	203,162	5,604	-	(5,999)	(61)	-	131	202,837
bridges	34,456	530	-	(317)	(7)	-	21	34,683
footpaths and cycleways	5,312	718	-	(186)	(80)	-	1	5,765
drainage	17,250	252	-	(265)	-	-	-	17,237
recreational, leisure and community fa	811	138	-	(52)	-	-	-	897
parks, open space and streetscapes	650	452	-	(99)	-	-	52	1,055
kerb and channel	14,414	316	-	(263)	(29)	-	95	14,533
retaining walls and small culverts	11,301	87	-	(322)	(32)	-	-	11,034
bus shelters	10	17	-	(2)	-	-	-	25
<b>Total infrastructure</b>	<b>287,366</b>	<b>8,114</b>	<b>-</b>	<b>(7,505)</b>	<b>(209)</b>	<b>-</b>	<b>300</b>	<b>288,066</b>
<b>Work in progress</b>								
buildings	110	58	-	-	-	-	(18)	150
roads	131	-	-	-	-	-	(131)	-
bridges	21	-	-	-	-	-	(21)	-
footpaths	1	2	-	-	-	-	(1)	2
kerb and channel	-	-	-	-	-	-	-	-
parks, open space and streetscapes	95	6	-	-	-	-	(95)	6
drainage	52	10	-	-	-	-	(52)	10
retaining walls and small culverts	-	18	-	-	-	-	-	18
recreational, leisure and community fa	-	79	-	-	-	-	-	79
leasehold improvements	3	-	-	-	-	-	(3)	-
<b>Total works in progress</b>	<b>413</b>	<b>173</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(321)</b>	<b>265</b>
<b>Total Property, infrastructure, plant and equipment</b>	<b>379,657</b>	<b>11,131</b>	<b>464</b>	<b>(10,287)</b>	<b>(752)</b>	<b>-</b>	<b>-</b>	<b>380,213</b>

(a) Impairment losses

Impairment losses are recognised in the comprehensive income statement under other expenses.  
Reversals of impairment losses are recognised in the comprehensive income statement under other revenue.

(b) Transfers

Work in progress is transferred to the appropriate asset class resulting in no net movement

Note 21 Property, infrastructure, plant and equipment (continued)

2012	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 26(a))	Found Assets	Depreciation and amortisation (note 13)	Written down value of disposals	Impairment losses recognised in profit or loss (a)	Transfers (b)	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Property</b>									
land	6,921	45	-	-	-	(90)	-	-	6,876
land under roads	42,009	-	-	-	-	-	-	-	42,009
land improvements	1,468	-	-	-	(51)	-	-	-	1,417
<b>Total land</b>	<b>50,398</b>	<b>45</b>	<b>-</b>	<b>-</b>	<b>(51)</b>	<b>(90)</b>	<b>-</b>	<b>-</b>	<b>50,302</b>
buildings	21,690	-	-	-	(470)	(138)	-	-	21,082
building improvements	1,175	2,126	-	-	(309)	-	-	1,784	4,776
leasehold improvements	675	19	-	-	(81)	-	-	14	627
heritage buildings	7,058	-	-	-	(76)	-	-	-	6,982
<b>Total buildings</b>	<b>30,598</b>	<b>2,145</b>	<b>-</b>	<b>-</b>	<b>(936)</b>	<b>(138)</b>	<b>-</b>	<b>1,798</b>	<b>33,467</b>
<b>Total property</b>	<b>80,996</b>	<b>2,190</b>	<b>-</b>	<b>-</b>	<b>(987)</b>	<b>(228)</b>	<b>-</b>	<b>1,798</b>	<b>83,769</b>
<b>Plant and Equipment</b>									
plant, machinery and equipment	6,890	1,934	-	-	(1,364)	(510)	-	-	6,950
fixtures, fittings and furniture	54	-	-	-	(16)	-	-	-	38
computers and telecommunications	466	589	-	-	(243)	-	-	226	1,038
artworks	-	45	-	-	-	-	-	38	83
<b>Total plant and equipment</b>	<b>7,410</b>	<b>2,568</b>	<b>-</b>	<b>-</b>	<b>(1,623)</b>	<b>(510)</b>	<b>-</b>	<b>264</b>	<b>8,109</b>
<b>Infrastructure</b>									
roads	182,818	5,649	21,643	-	(5,818)	(1,606)	-	476	203,162
bridges	34,124	323	346	-	(361)	-	-	24	34,456
footpaths and cycleways	5,472	-	3	-	(157)	(6)	-	-	5,312
drainage	17,478	155	(126)	-	(257)	-	-	-	17,250
recreational, leisure and community facilities	845	31	-	-	(53)	(12)	-	-	811
waste management	-	-	-	-	-	-	-	-	-
parks, open space and streetscapes	667	41	-	-	(58)	-	-	-	650
kerb and channel	14,404	235	17	-	(229)	(13)	-	-	14,414
retaining walls and small culverts	1,580	38	-	10,006	(323)	-	-	-	11,301
bus shelters	-	11	-	-	(1)	-	-	-	10
<b>Total infrastructure</b>	<b>257,388</b>	<b>6,483</b>	<b>21,883</b>	<b>10,006</b>	<b>(7,257)</b>	<b>(1,637)</b>	<b>-</b>	<b>500</b>	<b>287,366</b>
<b>Work in progress</b>									
buildings	1,822	110	-	-	-	-	-	(1,822)	110
roads	433	131	-	-	-	-	-	(433)	131
bridges	24	21	-	-	-	-	-	(24)	21
footpaths	-	1	-	-	-	-	-	-	1
retaining walls	43	-	-	-	-	-	-	(43)	-
kerb and channel	-	95	-	-	-	-	-	-	95
parks, open space and streetscapes	40	12	-	-	-	-	-	-	52
drainage	-	-	-	-	-	-	-	-	-
computers and telecommunications	226	-	-	-	-	-	-	(226)	-
leasehold improvements	14	3	-	-	-	-	-	(14)	3
<b>Total work in progress</b>	<b>2,602</b>	<b>373</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,562)</b>	<b>413</b>
<b>Total Property, infrastructure, plant and equipment</b>	<b>348,396</b>	<b>11,614</b>	<b>21,883</b>	<b>10,006</b>	<b>(9,867)</b>	<b>(2,375)</b>	<b>-</b>	<b>-</b>	<b>379,657</b>

(a) Impairment losses

Impairment losses are recognised in the comprehensive income statement under other expenses.  
Reversals of impairment losses are recognised in the comprehensive income statement under other revenue.

(b) Transfers

Work in progress is transferred to the appropriate asset class resulting in no net movement

	2013 \$'000	2012 \$'000
<b>Note 22 Trade and other payables</b>		
Trade payables	1,797	5,267
Accrued expenses	697	553
	<u>2,494</u>	<u>5,820</u>
<b>Note 23 Trust funds and deposits</b>		
Refundable building deposits	28	21
Refundable contract deposits	42	-
Refundable planning deposits	-	14
Refundable house excision deposits	15	15
Subdivision footpath contribution	-	15
Other refundable deposits	60	36
	<u>145</u>	<u>101</u>



Note 24 Provisions

	Annual leave	Long service leave	Landfill restoration	Total
	\$ '000	\$ '000	\$ '000	\$ '000
<b>2013</b>				
Balance at beginning of the financial year	1,187	2,529	1,598	5,314
Additional provisions	1,051	107	284	1,442
Amounts used	(1,095)	(159)	-	(1,254)
Balance at the end of the financial year	<b>1,143</b>	<b>2,477</b>	<b>1,882</b>	<b>5,502</b>
<b>2012</b>				
Balance at beginning of the financial year	1,141	2,156	1,598	4,895
Additional provisions	652	527	-	1,179
Amounts used	(606)	(154)	-	(760)
Balance at the end of the financial year	<b>1,187</b>	<b>2,529</b>	<b>1,598</b>	<b>5,314</b>

	2013	2012
	\$'000	\$'000
<b>(a) Employee provisions</b>		
<b>Current (i)</b>		
Annual leave	1,143	1,187
Long service leave	2,129	2,140
	<b>3,272</b>	<b>3,327</b>
<b>Non-current (ii)</b>		
Long service leave	348	390
	<b>348</b>	<b>390</b>
Aggregate carrying amount of employee provisions:		
Current	3,272	3,327
Non-current	348	390
	<b>3,620</b>	<b>3,717</b>

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

Weighted average increase in employee costs	4.50%	4.30%
Weighted average discount rates	1.20%	2.79%
Weighted average settlement period	12 mths	12 mths

**(i) Current**

All annual leave and the long service leave entitlements representing 7 or more years of continuous service measured at present value

- Short-term employee provisions, that fall due within 12 months after the end of the period measured at nominal value	1,143	1,034
- Other long-term employee provisions that do not fall due within 12 months after the end of the period measured at present value	2,129	2,293
	<b>3,272</b>	<b>3,327</b>

**(ii) Non-current**

Long service leave representing less than 7 years of continuous service measured at present value

	348	390
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**(b) Landfill restoration**

Council is obligated to restore the Naroghid landfill site to a particular standard. Current projections indicate that the site will cease operation in 2040 and restoration work is expected to commence shortly thereafter. The forecast life of the site is based on current estimates of remaining capacity and the forecast rate of infill. The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

**(c) Other Provisions**

<i>Non-current</i>		
Naroghid Landfill	1,882	1,519
Other minor quarries	79	79
<b>Total Other Provisions</b>	<b>1,961</b>	<b>1,598</b>

	2013 \$'000	2012 \$'000
<b>Note 25 Interest-bearing loans and borrowings</b>		
<b>Current</b>		
Borrowings - secured	985	1,120
	<u>985</u>	<u>1,120</u>
<b>Non-current</b>		
Borrowings - secured	3,086	3,270
	<u>3,086</u>	<u>3,270</u>
<b>Total</b>	<u>4,071</u>	<u>4,390</u>
The maturity profile for Council's borrowings is:		
Not later than one year	985	1,120
Later than one year and not later than five years	2,096	3,107
Later than five years	990	163
	<u>4,071</u>	<u>4,390</u>
<b>Finance leases</b>		
Council had the following obligations under finance leases for the lease of equipment (the sum of which is recognised as a liability after deduction of future lease finance charges included in the obligation):		
Not later than one year	-	50
Later than one year and not later than five years	-	4
Later than five years	-	-
Minimum lease payments	-	54
Less: Future finance charges	-	4
Recognised in the balance sheet as:	<u>-</u>	<u>50</u>
<b>Current</b>		
Leases	-	46
<b>Non-current</b>		
Leases	-	4
<b>Total</b>	<u>-</u>	<u>50</u>
Aggregate carrying amount of interest-bearing loans and borrowings:		
Current	985	1,170
Non-current	3,086	3,274
	<u>4,071</u>	<u>4,444</u>

Note 26 Reserves

	Balance at beginning of reporting period	Increment (decrement)	Disposal of Revalued Assets (Infrastructure)	Share of increment (decrement) on revaluation of Corangamite Regional Library Corporation	Balance at end of reporting period
(a) Asset revaluation reserves	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2013</b>					
<b>Property</b>					
Land	4,090	-	-	-	4,090
Land improvements	106	101	-	-	207
Buildings	16,232	-	-	-	16,232
Heritage buildings	1,193	-	-	-	1,193
	<b>21,621</b>	<b>101</b>	<b>-</b>	<b>-</b>	<b>21,722</b>
<b>Infrastructure</b>					
Roads	87,850	-	-	-	87,850
Bridges	28,276	-	-	-	28,276
Footpaths and cycleways	6,083	-	-	-	6,083
Drainage	13,224	-	-	-	13,224
Kerb and channel	10,238	-	-	-	10,238
Recreation, leisure and community facilities	58	-	-	-	58
Parks, open spaces and streetscapes	26	-	-	-	26
Culverts and retaining walls	4,136	-	-	-	4,136
Furniture and equipment	141	-	-	-	141
Library	356	-	-	(5)	351
	<b>150,388</b>	<b>-</b>	<b>-</b>	<b>(5)</b>	<b>150,383</b>
<b>Total asset revaluation reserves</b>	<b>172,009</b>	<b>101</b>	<b>-</b>	<b>(5)</b>	<b>172,105</b>
<b>2012</b>					
<b>Property</b>					
Land	4,090	-	-	-	4,090
Land improvements	106	-	-	-	106
Buildings	16,232	-	-	-	16,232
Heritage buildings	1,193	-	-	-	1,193
	<b>21,621</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,621</b>
<b>Infrastructure</b>					
Roads	67,813	21,643	(1,606)	-	87,850
Bridges	27,930	346	-	-	28,276
Footpaths and cycleways	6,086	3	(6)	-	6,083
Drainage	13,350	(126)	-	-	13,224
Kerb and channel	10,234	17	(13)	-	10,238
Recreation, leisure and community facilities	58	-	-	-	58
Parks, open spaces and streetscapes	26	-	-	-	26
Culverts and retaining walls	4,136	-	-	-	4,136
Furniture and equipment	141	-	-	-	141
Library	358	-	-	(2)	356
	<b>130,132</b>	<b>21,883</b>	<b>(1,625)</b>	<b>(2)</b>	<b>150,388</b>
<b>Total asset revaluation reserves</b>	<b>151,753</b>	<b>21,883</b>	<b>(1,625)</b>	<b>(2)</b>	<b>172,009</b>

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

Note 26 Reserves

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
<b>(b) Other reserves</b>				
<b>2013</b>				
Resort and recreation reserve	104	5	-	109
Saleyards	117	-	(117)	-
<b>Total Other reserves</b>	<b>221</b>	<b>5</b>	<b>(117)</b>	<b>109</b>
<b>2012</b>				
Resort and recreation reserve	84	20	-	104
Saleyards	59	58	-	117
<b>Total Other reserves</b>	<b>143</b>	<b>78</b>	<b>-</b>	<b>221</b>

The resort and recreation reserve was established to control contribution from developers that will, upon completion of developments, be utilised to develop recreation and other facilities for residents in the respective development areas. The saleyards reserve was established to fund minor improvements at the saleyards or to fund operating deficits when required. Additions to the reserve are saleyards operating surpluses and reductions are from saleyard operating deficits.

	2013 \$'000	2012 \$'000
<b>Note 27 Adjustments directly to equity</b>		
Recognition of proportion of Library Surplus	-	(109)
<b>Note 28 Reconciliation of cash flows from operating activities to surplus (deficit)</b>		
Surplus / (Deficit)	1,365	28,646
Share of revaluation (increment)/decrement of associates and joint ventures accounted for by the equity method	(4)	2
Net asset revaluation (increment)/decrement	(101)	(20,258)
Depreciation/amortisation	10,287	9,867
Net (gain)/loss on disposal of property, infrastructure, plant and equipment	201	(11)
Finance Costs	215	247
Assets recognised for the first time	-	(10,006)
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	(40)	768
(Increase)/decrease in prepayments	19	392
(Increase)/decrease in inventories	(41)	(14)
(Increase)/decrease in accrued income	(1,371)	266
Increase/(decrease) in trade and other payables	(3,402)	2,178
Increase/(decrease) in other liabilities	-	(328)
Increase/(decrease) in trust funds and deposits	(44)	420
Share in (profit)/loss in Library Corporation equity	11	59
<b>Net cash provided by/(used in) operating activities</b>	<b>7,095</b>	<b>12,228</b>
<b>Note 29 Reconciliation of cash and cash equivalents</b>		
Cash and cash equivalents (see note 17)	8,111	12,099
<b>Total Reconciliation of cash and cash equivalents</b>	<b>8,111</b>	<b>12,099</b>
<b>Note 30 Financing arrangements</b>		
Bank overdraft	960	960
<b>Unused facilities</b>	<b>960</b>	<b>960</b>
<b>Note 31 Restricted assets</b>		
Council has cash and cash equivalents (note 17) that are subject to restrictions. As at the reporting date, Council had the following restrictions on its cash and cash equivalents:		
Trust funds and deposits	145	101
Resort and recreation reserve funds (note 26b)	109	104
Grants received but not acquitted (note 5)	3,868	3,679
<b>Total restricted assets</b>	<b>4,122</b>	<b>3,884</b>

	2013 \$'000	2012 \$'000
<b>Note 32 Superannuation</b>		
Council made contributions to the following funds:		
<b>Defined benefit fund</b>		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	278	3,106
	<u>278</u>	<u>3,106</u>
Employer contributions payable to Local Authorities Superannuation Fund (Vision Super) at reporting date	2	2,898
	<u>2</u>	<u>2,898</u>
<b>Accumulation funds</b>		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	806	610
Employer contributions to other funds	248	338
	<u>1,054</u>	<u>948</u>
Employer contributions payable to Local Authorities Superannuation Fund (Vision Super) at reporting date	30	120
Employer contributions payable to other funds	13	15
	<u>43</u>	<u>135</u>

**Note 33 Commitments**

The Council has entered into the following commitments

2013	Not later than 1	Later than 1 year	Later than 2 years	Later than 5	Total
	year	and not later than 2 years	and not later than 5 years		
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating</b>					
Recycling	345	365	-	-	710
Garbage collection	268	275	-	-	543
Green waste collection	188	193	-	-	381
Skip bin transfer	113	116	-	-	229
Recreation facility management	313	290	26	-	629
Environmental Health	46	-	-	-	46
Banking	42	-	-	-	42
Home care services	164	168	-	-	332
Meals for delivery	112	115	-	-	227
<b>Total</b>	<b>1,591</b>	<b>1,522</b>	<b>26</b>	<b>-</b>	<b>3,139</b>

2012	Not later than 1	Later than 1 year	Later than 2 years	Later than 5	Total
	year	and not later than 2 years	and not later than 5 years		
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating</b>					
Recycling	272	277	66	-	615
Garbage collection	295	298	201	-	794
Meals for delivery	23	-	-	-	23
Hard and green waste collection	103	104	70	-	277
Home maintenance services	153	153	-	-	306
Recreation facility management	349	87	-	-	436
Environmental health	182	46	-	-	228
Property valuation	20	-	-	-	20
Banking services	42	42	-	-	84
<b>Total</b>	<b>1,439</b>	<b>1,007</b>	<b>337</b>	<b>-</b>	<b>2,783</b>

	2013 \$'000	2012 \$'000
<b>Note 34 Operating leases</b>		
<b>(a) Operating lease commitments</b>		
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	120	118
Later than one year and not later than five years	464	451
Later than five years	2,005	2,320
	<u>2,589</u>	<u>2,889</u>

**Note 35 Contingent liabilities and contingent assets**

**Contingent liabilities**

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 this financial report.

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

Council operates a landfill at Naroghid. Council will have to carry out site rehabilitation works in the future. At balance date Council is unable to accurately assess the financial implications of such works.

Council has taken action to minimise the potential discharge of waste water into the nearby waterways from the Council saleyards. While this action does minimise the risk, there is a contingent liability of \$250,000 if such an event occurs.

**Guarantees for loans to other entities**

Guarantee - Camperdown Football Netball Club - Original Loan \$300,000  
The amount outstanding as at 30 June 2013 is \$29330 (2012 \$39,400)  
Guarantee is in respect of a loan from the ANZ bank.

Security Deposit Guarantee - National Australia Bank - Original Loan \$300,000  
This guarantee has been in place since 9 February 1996 for \$45,000.

Contract Performance Guarantee - Department of Natural Resources and Environment  
This guarantee has been in place since 24 March 1999 for \$42,500.

Contract Performance Guarantee - State of Victoria - Environment Protection Authority  
This guarantee has been in place since 30 April 2008 for \$728,000. The guarantee is in respect of remedial action for the Corangamite Regional Landfill.

Other Guarantee - Environment Protection Authority (formally Department of Agriculture, Energy and Minerals)  
This guarantee has been in place since 20 March 1996 for \$6,000. Extractive Industry Licence # 1280.

The amount disclosed for financial guarantee in this note is the nominal amount of the underlying loan that is guaranteed by the Council, not the fair value of the financial guarantee.



Note 36 Financial Instruments

(a) Accounting Policy, terms and conditions

Recognised financial instruments	Note	Accounting Policy	Terms and Conditions
<b>Financial assets</b>			
<b>Cash and cash equivalents</b>	17	Cash on hand and at bank and money market call account are valued at face value.  Interest is recognised as it accrues.  Investments are held to maximise interest returns of surplus cash.	On call deposits returned a floating interest rate of 3.25% (4% in 2011/2012).  Term deposits returned a fixed interest rate of between 5.55% (6.39% in 2011/2012), and 3.93% (5.00% in 2011/2012) net of fees.
<b>Trade and other receivables</b>			
<b>Other debtors</b>	18	Receivables are carried at amortised cost using the effective interest method. A provision for doubtful debts is recognised when there is objective evidence that an impairment loss has occurred. Collectability of overdue accounts is assessed on an ongoing basis.	General debtors are unsecured and do not attract an interest rate. Credit terms are based on 30 days.
<b>Financial Liabilities</b>			
<b>Trade and other payables</b>	22	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.
<b>Interest-bearing loans and borrowings</b>	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.  Finance leases are accounted for at their principal amount with the lease payments discounted to present value using the interest rates implicit in the leases.	Borrowings are secured by way of mortgages over the general rates of the Council. The weighted average interest rate on borrowings is 6.29% (6.51% in 2011/2012).  As at balance date, the Council had finance leases with an average lease term of 4 years. The weighted average rate implicit in the lease is 0% (8.05% in 2011/2012).
<b>Bank overdraft</b>	30	Overdrafts are recognised at the principal amount. Interest is charged as an expense as it accrues.	The overdraft is subject to annual review. It is secured by a mortgage over Council's general rates and is repayable on demand. The interest rate as at balance date was 9.73% (10.08% in 2011/2012)

**Note 36 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:

2013	Floating interest rate \$'000	Fixed interest maturing in:			Non-interest bearing \$'000	Total \$'000
		1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000		
<b>Financial assets</b>						
Cash and cash equivalents	2,111	6,000	-	-	-	8,111
Other financial assets	-	-	-	-	106	106
Trade and other receivables	9	-	140	-	1,562	1,711
Other assets	-	-	-	-	2,008	2,008
<i>Total financial assets</i>	<u>2,120</u>	<u>6,000</u>	<u>140</u>	<u>-</u>	<u>3,676</u>	<u>11,936</u>
Weighted average interest rate	3.25%	3.93%				
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	-	2,494	2,494
Trust funds and deposits	-	-	-	-	145	145
Interest-bearing loans and borrowings	-	985	2,096	990	-	4,071
<i>Total financial liabilities</i>	<u>-</u>	<u>985</u>	<u>2,096</u>	<u>990</u>	<u>2,639</u>	<u>6,710</u>
Weighted average interest rate		6.29%	5.92%	5.71%		
Net financial assets (liabilities)	<u>2,120</u>	<u>5,015</u>	<u>(1,956)</u>	<u>(990)</u>	<u>1,037</u>	<u>5,226</u>

2012	Floating Interest rate \$'000	1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000	Non-interest bearing \$'000	Total \$'000
Cash and cash equivalents	1,299	10,800	-	-	-	12,099
Trade and other receivables	-	9	147	-	1,500	1,656
Other assets	-	-	-	-	334	334
<i>Total financial assets</i>	<u>1,299</u>	<u>10,809</u>	<u>147</u>	<u>-</u>	<u>1,834</u>	<u>14,089</u>
Weighted average interest rate	4.50%	5.06%				
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	-	5,820	5,820
Trust funds and deposits	-	-	-	-	101	101
Interest-bearing loans and borrowings	-	1,170	3,111	163	-	4,444
<i>Total financial liabilities</i>	<u>-</u>	<u>1,170</u>	<u>3,111</u>	<u>163</u>	<u>5,921</u>	<u>10,365</u>
Weighted average interest rate		6.51%	6.40%	6.34%		
Net financial assets (liabilities)	<u>1,299</u>	<u>9,639</u>	<u>(2,964)</u>	<u>(163)</u>	<u>(4,087)</u>	<u>3,724</u>

Note 36 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	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>				
Cash and cash equivalents	8,111	12,099	8,111	12,099
Trade and other receivables	1,711	1,678	1,711	1,678
Other assets	2,114	334	2,114	334
<i>Total financial assets</i>	<u>11,936</u>	<u>14,111</u>	<u>11,936</u>	<u>14,111</u>
<b>Financial liabilities</b>				
Trade and other payables	2,494	5,820	2,494	5,820
Trust funds and deposits	145	101	145	101
Interest-bearing loans and borrowings	4,071	4,444	4,071	4,444
<i>Total financial liabilities</i>	<u>6,710</u>	<u>10,365</u>	<u>6,710</u>	<u>10,365</u>

**(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 interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes us to fair value interest rate risk.

Our loan borrowings are sourced from major Australian banks by a tender process. Finance leases are sourced from major Australian financial institutions. Overdrafts are arranged with major Australian banks. We manage interest rate

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

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

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

- conformity with State and Federal regulations and standards,
- capital protection,
- 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 36 Financial Instruments (cont.)

**Credit risk**

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause us to make a financial loss. We have exposure to credit risk on some financial assets included in our balance sheet. To

- we have a policy for establishing credit limits for the entities we deal with;
- we may require collateral where appropriate; and
- we only invest surplus funds with financial institutions which have a recognised credit rating specified in our

Trade and other receivables consist of a large number of customers, spread across the consumer, business and government sectors. Ongoing credit evaluation is performed on the financial condition of our customers and, where appropriate, an allowance for doubtful debts is raised.

We may also be subject to credit risk for transactions which are not included in the balance sheet, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in note 35.

**Movement in Provisions for Doubtful Debts**

	2013 \$'000	2012 \$'000
Balance at the beginning of the year	6	6
New Provisions recognised during the year	43	-
Amounts already provided for and written off as uncollectible	-	-
Amounts provided for but recovered during the year	-	-
Balance at end of year	49	6

**Ageing of Trade and Other Receivables**

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

	2013 \$'000	2012 \$'000
Current (not yet due)	972	1,190
Past due by up to 30 days	98	181
Past due between 31 and 180 days	542	160
Past due by more than 1 year	99	147
Total Trade & Other Receivables	1,711	1,678

Note 36 Financial Instruments (cont.)

**Liquidity risk**

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

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

To help reduce these risks we:

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

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

The table below lists the contractual maturities for Financial Liabilities

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

	6 mths or less	6-12 months	1-2 years	2-5 years	>5 years	Contracted Cash Flow
2013	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trade and other payables	2,494	-	-	-	-	2,494
Trust funds and deposits	-	-	-	-	145	145
Interest-bearing loans and borrowings	516	469	777	1,318	991	4,071
Total financial liabilities	3,010	469	777	1,318	1,136	6,710

	6 mths or less	6-12 months	1-2 years	2-5 years	>5 years	Contracted Cash Flow
2012	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trade and other payables	5,822	-	-	-	-	5,822
Trust funds and deposits	-	-	-	-	101	101
Interest-bearing loans and borrowings	1,173	-	3,108	-	163	4,444
Total financial liabilities	6,995	-	3,108	-	264	10,367

	2013	2012
	\$'000	\$'000
<b>Note 37 Auditors' remuneration</b>		
Audit fee to conduct external audit - Victorian Auditor-General	46	47
Internal audit fees - Crowe Horwath	16	-
	<u>62</u>	<u>47</u>

**Note 38 Events occurring after balance date**

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

**Note 39 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:

<b>Councillors</b>	Councillor Mathew Makin (Mayor 1/7/12 to 27/10/12)
	Councillor Chris O'Connor (Mayor 7/11/12 to current)
	Councillor Ruth Gstrein (1/7/12 to current)
	Councillor Geoff Smith (1/7/12 to current)
	Councillor Jo Beard (1/7/12 to current)
	Councillor Stephen Cumming (1/7/12 to 27/10/12)
	Councillor Michael Absalom (1/7/12 to 27/10/12)
	Councillor Peter Harkins (7/11/12 to current)
	Councillor Wayne Oakes (7/11/12 to current)
	Councillor Neil Trotter (7/11/12 to current)

**Chief Executive Officer** Andrew Mason

**(ii) Remuneration of Responsible Persons**

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

	2013 No.	2012 No.
\$1 - \$9,999	2	-
\$10,000 - \$19,999	3	-
\$20,000 - \$29,999	4	6
\$50,000 - \$59,999	1	-
\$70,000 - \$79,999	-	1
\$200,000 - \$209,999	-	1
\$210,000 - \$219,999	1	-
	11	8
	<b>\$'000</b>	<b>\$'000</b>
Total Remuneration for the reporting year for Responsible Persons included above amounted to:	428	411

No retirement benefits have been made by the Council to a Responsible Person. (2011/12, Nil).

**(iii)** No loans have been made, guaranteed or secured by the Council to a Responsible Person during the reporting year (2011/12, Nil).

**(iv)**

**Other Transactions**

**(v)** No transactions other than remuneration payments or the reimbursement of approved **Senior Officers Remuneration**

**(vi)** A Senior Officer other than a Responsible Person, is an officer of Council who:  
a) has management responsibilities and reports directly to the Chief Executive; or  
b) whose total annual remuneration exceeds \$130,000

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

	2013 No.	2012 No.
Income Range:		
< \$130,000	1	3
\$140,000 - \$149,999	-	2
\$150,000 - \$159,999	3	-
\$160,000 - \$169,999	-	-
	4	5
	<b>\$'000</b>	<b>\$'000</b>
Total Remuneration for the reporting year for Senior Officers included above, amounted to	570	555

Note 40 Income, expenses and assets by function/activities

	Governance	Corporate Services	Community Services	Works and Services	Sustainability and Environment	Total
	2013	2013	2013	2013	2013	2013
	\$'000	\$'001	\$'000	\$'000	\$'000	\$'000
<b>INCOME</b>						
Grants	-	3,636	2,972	7,624	716	14,948
Other	218	21,726	1,684	885	389	24,902
<b>TOTAL</b>	<b>218</b>	<b>25,362</b>	<b>4,656</b>	<b>8,509</b>	<b>1,105</b>	<b>39,850</b>
<b>EXPENSES</b>	<b>(2,606)</b>	<b>(14,558)</b>	<b>(5,798)</b>	<b>(10,320)</b>	<b>(5,294)</b>	<b>(38,576)</b>
<b>SURPLUS (DEFICIT) FOR THE YEAR</b>	<b>(2,388)</b>	<b>10,804</b>	<b>(1,142)</b>	<b>(1,811)</b>	<b>(4,189)</b>	<b>1,274</b>
<b>ASSETS ATTRIBUTED TO FUNCTIONS/ACTIVITIES*</b>	<b>42,009</b>	<b>7,799</b>	<b>29,018</b>	<b>299,027</b>	<b>2,360</b>	<b>380,213</b>

\*Assets have been attributed to functions/activities based on the control and/or custodianship of

	Governance	Corporate Services	Community Services	Works and Services	Sustainability and Environment	Total
	2012	2012	2012	2012	2012	2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>INCOME</b>						
Grants	13	9,055	1,403	3,385	1,415	15,271
Other	21	24,616	2,272	5,482	2,293	34,684
<b>TOTAL</b>	<b>34</b>	<b>33,671</b>	<b>3,675</b>	<b>8,867</b>	<b>3,708</b>	<b>49,955</b>
<b>EXPENSES</b>	<b>(1,530)</b>	<b>(15,975)</b>	<b>(4,056)</b>	<b>(13,390)</b>	<b>(6,614)</b>	<b>(41,565)</b>
<b>SURPLUS (DEFICIT) FOR THE YEAR</b>	<b>(1,496)</b>	<b>17,696</b>	<b>(381)</b>	<b>(4,523)</b>	<b>(2,906)</b>	<b>8,390</b>
<b>ASSETS ATTRIBUTED TO FUNCTIONS/ACTIVITIES*</b>	<b>268</b>	<b>187,303</b>	<b>29,018</b>	<b>70,015</b>	<b>29,279</b>	<b>315,883</b>

\*Assets have been attributed to functions/activities based on the control and/or custodianship of

**Governance**

Council Operations	Public Relations
Executive Services	Customer Services
Elections	

**Corporate Services**

Finance, rating and valuation services	Human resource
Information services	Risk management and occupation
General office and administration	Includes abnormal and extraordinary items

**Community Services**

Family services	Children's services
Aged and disability services	Youth services
Community transport	Community housing

**Works and Services**

and multi purpose halls, swimming pools, sporting facilities, libraries, caravan parks and other	
Contract administration	Plant operations

**Sustainability and Environment**

Environmental and Waste management	Economic Development
Saleyards	Industrial Estates
Public safety and amenity	Environmental health
Planning and Building	Tourism



**Note 41 Financial ratios (Performance indicators)**

	2013	2013	2012	2012	2011	2011
	\$'000	(%)	\$'000	(%)	\$'000	(%)

**(a) Debt servicing ratio** (to identify the capacity of Council to service its outstanding debt)

<u>Debt servicing costs</u>	215	=	0.54%	247	=	0.49%	194	=	0.49%
Total revenue	39,850			49,955			39,948		

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 &amp; redemption costs</u>	1,354	=	8.06%	1,138	=	7.13%	812	=	5.35%
Rate revenue	16,798			15,964			15,169		

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>	16,798	=	42.15%	15,964	=	31.96%	15,169	=	37.97%
Total revenue	39,850			49,955			39,948		

The level of Council's reliance on rate revenue is determined by assessing rate revenue as a proportion of the total revenue of

**(d) Debt exposure ratio** (to identify Council's exposure to debt)

<u>Total indebtedness</u>	12,291	=	13.22%	15,579	=	16.24%	11,261	=	11.89%
Total realisable assets	92,939			95,923			94,678		

For the purpose of the calculation of financial ratios, realisable assets are those assets which can be sold and which are not subject to any restriction on realisation or use.

Any liability represented by a restricted asset (note 31) 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 percentage of total liabilities for each dollar of realisable assets.

Note 41 Financial ratios (Performance indicators) (cont.)	2013 \$'000	2013 (%)	2012 \$'000	2012 (%)	2011 \$'000	2011 (%)
<b>(e) Working capital ratio</b> (to assess Council's ability to meet current commitments)						
<u>Current assets</u>	11,796		14,351		14,428	
Current liabilities	6,896	= 171.06%	10,497	= 136.72%	8,151	= 177.01%

The ratio expresses the level of current assets the Council has available to meet its current liabilities.

<b>(f) Adjusted working capital ratio</b> (to assess Council's ability to meet current commitments)						
<u>Current assets</u>	11,796		14,351		14,428	
Current liabilities*	4,767	= 247.45%	8,204	= 174.93%	6,030	= 239.27%

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	2013 \$'000	2012 \$'000
<b>Note 42 Capital expenditure</b>			
<b>Capital expenditure areas</b>			
Bridges		530	344
Buildings		837	2,303
Information Technology		84	589
Drainage		262	155
Footpaths		720	1
Fixtures, fittings and furniture		3	-
Artworks		27	-
Kerb and Channel		316	330
Land		10	45
Waste		-	-
Motor Vehicles		796	646
Plant and Machinery		1,145	1,288
Parks and Gardens		458	53
Playgrounds		217	31
Roads		5,726	5,910
<b>Total capital works</b>		<b>11,131</b>	<b>11,695</b>
Represented by:			
Renewal of infrastructure	(a)	5,107	5,699
Upgrade of infrastructure	(b)	1,194	598
New road related infrastructure		243	445
New buildings		-	177
Renewal of building infrastructure		737	969
Upgrade of building infrastructure	(b)	100	1,284
New plant and equipment		3,750	2,523
<b>Total capital works</b>		<b>11,131</b>	<b>11,695</b>

**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		11,131	11,695
Asset revaluation movement (excluding library)	26(a)	-	21,883
Asset revaluation movement - Valuation of Landfill Rehabilitation		464	-
Depreciation/amortisation	13	(10,287)	(9,867)
Found Assets	21	-	10,006
Written down value of assets sold	8	(752)	(2,375)
<b>Net movement in property, plant and equipment, infrastructure</b>	21	<b>556</b>	<b>31,342</b>

**(a) Renewal**

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

**(b) Upgrade**

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

**(c) Expansion**

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

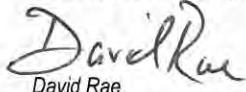
**Note 43 Special committees and other activities**

The following section 86 committees are not included in this financial report:

Berrybank Hall Committee of Management  
Camperdown Swimming Pool Committee of Management  
Cobden Airstrip Committee of Management  
Cobden Civic Hall Committee of Management  
Cobden Swimming Pool Committee of Management  
Ecklin Hall Committee of Management  
Kilnoorat Cemetery Committee of Management  
Lismore Swimming Pool Committee of Management  
Mount Leura and Mount Sugarloaf Committee of Management  
Port Campbell Public Purposes Reserve Committee of Management  
Simpson and District Public Hall Committee of Management  
Skipton Swimming Pool Committee of Management  
Terang Civic Centre Committee of Management  
Terang Swimming Pool Committee of Management  
Timboon and District Public Hall Committee of Management  
Timboon Sporting Centre Committee of Management  
Timboon Swimming Pool 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.



David Rae

**Principal Accounting Officer**

**Date :** 24-September-2013  
Camperdown, Victoria

In our opinion the accompanying financial statements present fairly the financial transactions of Corangamite Shire Council for the year ended 30 June 2013 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 24 September 2013 to certify the financial statements in their final form.



Ruth Gstrein

**Councillor**

**Date :** 24-September-2013  
Camperdown, Victoria



Wayne Oakes

**Councillor**

**Date :** 24-September-2013  
Camperdown, Victoria



Andrew Mason

**Chief Executive Officer**

**Date :** 24-September-2013  
Camperdown, Victoria

**Corangamite Shire Council**

# **Annual Standard Statements**

**For the year ended 30 June 2013**

# Standard Statements

## Note 1 - Basis of preparation

The Corangamite Shire Council is required to prepare and include audited Standard Statements within its Annual Report. Four Statements are required:

- Standard Income Statement
- Standard Balance Sheet
- Standard Cash Flow Statement and;
- Standard Statement of Capital Works

These statements and the 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 Report. 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 the Council's financial plan, expressed through its budget, with actual performance. The *Local Government Act 1989* requires explanation of any material variances. The Council has adopted a materiality threshold of 10 per cent.

Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature. The budget figures included in the Statements are those adopted by the Council on 26 June 2012.

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

Detailed information on the actual financial results are contained in the General Purpose Financial Report. The detailed budget can be obtained by contacting Council or through the Council's website - [www.corangamite.vic.gov.au](http://www.corangamite.vic.gov.au). The Standard Statements must be read with reference to these documents.

**Standard Income Statement**  
**For the year ended 30 June 2013**

	BUDGET 2012-2013 \$'000	ACTUAL 2012-2013 \$'000	VARIANCE \$'000	%	REF:
<b>REVENUE</b>					
Rates and charges	16,808	16,798	-10	(0)	
Statutory fees and fines	200	243	43	22	1
User fees	5,968	5,386	-582	(10)	
Contributions	213	220	7	3	
Grants - Operating	10,230	11,581	1,351	13	2
Grants - Capital	4,137	3,367	-770	(19)	3
Reimbursements	1,235	1,721	486	39	4
Other Revenue	613	746	133	22	5
<b>Total revenue</b>	<b>39,404</b>	<b>40,062</b>	<b>658</b>		
<b>EXPENDITURE</b>					
Employee benefits	13,905	13,165	-740	(5)	
Materials and services	9,268	11,545	2,277	25	6
Bad and doubtful debts	2	48	46	2,300	7
Depreciation	8,700	10,287	1,587	18	8
Finance costs	312	215	-97	(31)	9
Other expenses	4,635	3,316	-1,319	(28)	10
<b>Total expenditure</b>	<b>36,822</b>	<b>38,576</b>	<b>1,754</b>		
<b>Surplus/ (deficit) from operations</b>	<b>2,582</b>	<b>1,486</b>	<b>-1,096</b>		
Net gain/ (loss) on disposal of property, infrastructure, plant and equipment	270	-201	-471	(174)	11
Share of net profits/ (losses) of associates and joint ventures accounted for by the equity method	-	-11	-11	(100)	12
<b>Surplus / (deficit) for the period</b>	<b>2,852</b>	<b>1,274</b>	<b>-1,578</b>		



## Variance Explanation Report

Ref - Item	Explanation
1 - Statutory fees and fines	The levy that is charged the landfill and transfer stations has now been classified as a "Statutory" fee as the amounts are set set by the Environment Protection Authority. User fees lower as a consequence.
2 - Operating grants	Increase of 13.2 %. Prepayment of 2 installments of 2014-2015 Grants Commission payment, this amount totalled \$3.515 M, however the first quarter payment for the 2013 year was paid in the prior financial year. Several grant programs totalling \$250,000 did not eventuate. There was also higher than budget increase in grant income in the Preschool area and traineeship grants.
3 - Capital grants	The timing of acquittals of grants and payments will cause variances in this category, the final payment of the Terang Streetscape is yet to be paid \$500,000, the Old Port Campbell Bridge funding of \$120,000 and the North Robilliards Road Bridge funding of \$60,000 are also yet to be paid.
4 - Reimbursements	The Terang Streetscape project included work on assets that are actually owned by Vicroads, they reimbursed \$93,000 of expenditure on this project. \$46,000 in unbudgeted reimbursements was received within the community services area. The reimbursement from the Lismore Landcare Group projects was \$125,000 greater than budgeted and the Deep Lake Jetty renewal project reimbursement of \$63,000 had not been budgeted.
5 - Other revenue	Includes \$98,000 savings from the early payment of the unfunded superannuation liability and \$15,000 payment from the Federal Government for the paid parental leave scheme.
6 - Materials and services	24.6% higher than budgeted, part of this are items originally being categorised as budgeted as Other expenses and employee expenses. \$692,000 was categorised as employee costs in the family day care area. Expenditure requirements from carry forward projects also contributed substantially to this variance.
7 - Bad and doubtful debts	Significant increase in debts unlikely to be collected. Efforts are still being undertaken to recover amounts, however an, impairment, has been recognised.
8 - Depreciation	The budget was set prior to the completion of the 2011-2012 financial statements which reported a depreciation amount of \$9.8M and assets recognised for the first time of \$10M. The actuals result is consistent with 2011-2012 amount reported after allowing for capital works.

## Variance Explanation Report (cont)

<b>Ref - Item</b>	<b>Explanation</b>
9 - Finance costs	A decrease from budget of 31.1% this was due to the timing of the interest calculations of certain loans (National Australia Bank) and the late take up of the new loan
10 - Other expenses	A decrease from budget of 28.5% due to items expended in the Materials and Services category.
11 - Net gain/(loss) on the disposal of property, infrastructure, plant and equipment	Income received from the sale of plant was less than originally budgeted. Capital works expenditure on new fleet and plant was postponed and as such less plant was sold resulting in the reduction of budgeted income.
12 - Share of net profits/ (losses) of Corangamite Regional Library Corporation	These are unknown and involve complexities regarding ownership based on population and the result of the Corangamite Regional Library Corporation, whose accounts are completed by the Colac Otway Shire, as such Council does not budget for these amounts.

## Standard Balance Sheet

As at 30 June 2013

	BUDGET 2012-2013 \$'000	ACTUAL 2012-2013 \$'000	VARIANCE \$'000	%	REF:
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	6,162	8,111	1,949	32	13
Trade and other receivables	2,500	1,571	(929)	(37)	14
Inventories	50	106	56	112	15
Other assets	715	2,008	1,293	181	16
<b>Total Current Assets</b>	<b>9,427</b>	<b>11,796</b>	<b>2,369</b>		
<b>NON CURRENT ASSETS</b>					
Trade and other receivables	250	140	(110)	(44)	17
Investments in associates	355	279	(76)	(21)	18
Fixed assets	356,106	380,213	24,107	7	
<b>Total Non Current Assets</b>	<b>356,711</b>	<b>380,632</b>	<b>23,921</b>		
<b>Total Assets</b>	<b>366,138</b>	<b>392,428</b>	<b>26,290</b>		
<b>CURRENT LIABILITIES</b>					
Trade and other payables	3,000	2,494	(506)	(17)	19
Trust funds and deposits	115	145	30	26	20
Interest bearing liabilities	964	985	21	2	
Provisions	3,100	3,272	172	6	
<b>Total Current Liabilities</b>	<b>7,179</b>	<b>6,896</b>	<b>(283)</b>		
<b>NON CURRENT LIABILITIES</b>					
Interest bearing liabilities	3,090	3,086	(4)	(0)	
Provisions	1,900	2,309	409	22	21
<b>Total Non Current Liabilities</b>	<b>4,990</b>	<b>5,395</b>	<b>405</b>		
<b>Total Liabilities</b>	<b>12,169</b>	<b>12,291</b>			
<b>Net Assets</b>	<b>353,969</b>	<b>380,137</b>			
<b>EQUITY</b>					
Accumulated surplus	199,222	206,649			
Operating Surplus/ (Deficit)	2,852	1,274			
Asset revaluation reserve	151,752	172,105			
Reserves	143	109			
<b>Total Equity</b>	<b>353,969</b>	<b>380,137</b>			

## Variance Explanation Report

Ref - Item	Explanation
13 - Cash and cash equivalents	<p>Opening cash reserves at the start of the year exceeded budget due to the budget being set prior to the completion of the 2011-2012 audit. Other factors resulting in a higher than expected cash position:-</p> <ul style="list-style-type: none"> <li>- receiving first quarter of grant payment from the Victorian Grants Commission amounting to \$3.515million</li> <li>- cost savings in both the operating and capital area</li> <li>- several positions being vacant during the year causing a reduction in employee costs</li> <li>- postponing the replacement of several large items of plant and equipment</li> </ul>
14 - Current Trade and other receivables	<p>The budgeted amount of trade and receivables is an estimate based on historical data. Council manages any outstanding accounts closely and has proper processes in place for debt collection. Amounts uncollected are below budget.</p>
15 - Inventories	<p>The budgeted amount of inventories is an estimate based on historical data. Council manages its inventory using various systems and completes a manual stocktake at year end. The difference is a timing issue depending on materials used and delivered in the last few weeks of June.</p>
16 - Other assets	<p>The budgeted amount of other assets is based on historical trends, however the variance relates to the income from the final claim of \$1.04M from the Department of Treasury and Finance for the Flood Repairs works taken out over the last two years.</p>
17 - Non current trade and other receivables	<p>Non Current Trade and other receivables relates to Special Charge Schemes and loans to organisations, the movement in this category is due to amounts being moved to current and thus becoming due in the next twelve months. Amounts uncollected are below budget.</p>
18 - Investment in associates	<p>Council's share of its interest in the Corangamite Regional Library Corporation was 19.0% for the 2012-2013 year, (19.3% for the 2011-2012 year). This decrease against budget is due to the Library Corporation making a loss during the year and the reduction in the percentage of ownership. A full copy of the Library's Annual Report can be found at <a href="http://www.corangamitelibrary.vic.gov.au">www.corangamitelibrary.vic.gov.au</a></p>

## Variance Explanation Report (cont)

<b>Ref - Item</b>	<b>Explanation</b>
19 - Trade and other payables	The budgeted amount of trade and other payables is an estimate based on historical data and can vary due to timing of payments. The decrease against budget is primarily due to abnormally high amount held in the 2011-2012 accounts, due to the defined benefit call of \$2.9M due on 1 July 2013, on which the 2012-2013 budget was based. Amounts held at 30 June 2013 are below budget.
20 - Trust funds and deposits	Council recognised as income several bonds for footpaths, previously held as part of planning requirements. Amounts vary depending on planning activity during any given year.
21 - Non Current Provisions	Council's provisions have increased by \$409,000 against budget. The main driver of this increase is due to the provision of landfill rehabilitation, which is revalued annually, with the building of the new cell, larger long term expenditure in ongoing maintenance need to be provided for. Employee provisions were steady during the year.

**Standard Cash Flow Statement**  
**For the year ended 30 June 2013**

	BUDGET 2012-2013 \$'000	ACTUAL 2012-2013 \$'000	VARIANCE \$'000	%	REF:
<b>Cash flows from operating activities</b>					
<i>Receipts</i>					
Rate and charges	17,110	16,754	(356)	(2)	
Statutory fees and fines	200	243	43	22	22
User fees	5,966	5,115	(851)	(14)	23
Contributions	213	215	2	1	
Reimbursements	1,235	1,979	744	60	24
Developer Contributions	-	5	5	-	
Grants - Operating	10,230	11,581	1,351	13	25
Grants - Capital	4,137	2,353	(1,784)	(43)	26
Other Revenue	614	2,280	1,666	271	27
	<u>39,705</u>	<u>40,525</u>	<u>820</u>		
<i>Payments</i>					
Payments to employees	(13,800)	(13,165)	635	(5)	
Payments to suppliers	(14,893)	(20,265)	(5,372)	36	28
	<u>(28,693)</u>	<u>(33,430)</u>	<u>(4,737)</u>		
<b>Net cash provided by operating activities</b>	<u>11,012</u>	<u>7,095</u>	<u>(3,917)</u>		
<b>Cash flows from investing activities</b>					
Proceeds from sale of property, infrastructure, plant and equipment	920	551	(369)	(40)	29
Payments for property, infrastructure, plant and equipment	(12,088)	(11,131)	957	(8)	
Repayment of loans and advances from community organisations	-	7	7		
<b>Net cash flow from investing activities</b>	<u>(11,168)</u>	<u>(10,573)</u>	<u>595</u>		
<b>Cash flows from financing activities</b>					
Finance costs	(312)	(215)	97	(31)	30
Proceeds from Borrowings	800	800	-	-	
Trust funds and deposits	-	44	44	-	
Repayment of interest bearing loans and borrowings	(1,112)	(1,139)	(27)	2	
<b>Net cash from financing activities</b>	<u>(624)</u>	<u>(510)</u>	<u>114</u>		
Net increase (decrease) in cash and cash equivalents	(780)	(3,988)			
Cash and cash equivalents at the beginning of the year	6,942	12,099			
<b>Cash and cash equivalents at the end of the year</b>	<u>6,162</u>	<u>8,111</u>			

# Variance Explanation Report

Ref/Item	Explanation
22 - Statutory fees and fines	The levy that is charged at the gate of the landfill and transfer stations has now been classified as a "Statutory" fee as the amounts are set set by the Environment Protection Authority (EPA).
23 - User fees	The variance is due to the timing of receivables. Council anticipated on having \$2.2million of receivables at year end however, \$1.5million was receivable at year end. Refer to note 14 for the movement in receivables. Previously EPA levy's were recognised as user fees.
24 - Reimbursements	Council received additional reimbursements from Vicroads for works carried out on Vicroads assets as part of the Terang Streetscape project, this totalled \$200,000. Additional amounts were received for Building services provided to other Councils.
25 - Grants - operating	The timing and payment of grants, will cause variances in this note, however additional grants were received in the community services area totally \$318,000, additional training grants received of \$56,000. A net increase in Grants Commisions funding of 1 quarter was also received during the year.
26 - Grants - capital	The timing of acquittals of grants and payments will cause variances in this category, the final payment of the Terang Streetscape is yet to be paid \$500,000, the Old Port Campbell Bridge funding of \$120,000 and the North Robilliards Road Bridge funding of \$60,000 are yet to be paid.
27 - Other revenue	The other revenue classification includes \$988,000 Net GST payment which is not included at budget time, \$98,000 savings from the early payment of the unfunded superannuation liability, \$15,000 payment from the Federal Government for the paid parental leave scheme.
28 - Payments to suppliers	The reclassification of the Family Day Carers from Employee costs to suppliers costs accounts for \$800,000 of this increase in expenditure. Carry forward project expenditure from the 2011-2012 financial year was \$1.444 M. The payment of the Unfunded Superannuation debt also occurred - \$2.9M. Higher payments to suppliers is also reflected in lower trade payables held.
29 - Proceeds from the sale of property, infrastructure plant and equipment	Income received from the sale of plant was less than originally budgeted. Capital works expenditure on new fleet and plant was postponed and as such less plant was sold resulting in the reduction of budgeted income.
30 - Finance costs	A decrease from budget of 31.1% this was due to the interest savings recognised by paying the unfunded superannuation debt early and the late take up of the new loan.

**Standard Statement of Capital Works**  
**For the year ended 30 June 2013**

<b>Capital Expenditure Areas</b>	<b>BUDGET 2012-2013 \$'000</b>	<b>ACTUAL 2012-2013 \$'000</b>	<b>VARIANCE \$'000</b>	<b>%</b>	<b>REF:</b>
Artworks	-	27	(27)	100	31
Bridges	250	530	(280)	(112)	32
Buildings	2,460	837	1,623	66	33
I.T. Hardware/Software	69	84	(15)	(22)	34
Drainage	101	262	(161)	(159)	35
Footpaths	204	720	(516)	(253)	36
Furniture and equipment	-	3	(3)	100	37
Kerb and channel	160	316	(156)	(98)	38
Land	-	10	(10)	100	39
Waste	103	-	103	100	40
Motor Vehicles	1,014	796	218	21	41
Plant and machinery	1,195	1,145	50	4	
Parks and gardens	40	458	(418)	(1,045)	42
Playgrounds	330	217	113	34	43
Roads	6,162	5,726	436	7	
<b>Total Capital Works</b>	<b>12,088</b>	<b>11,131</b>	<b>957</b>	<b>8</b>	
Represented by:					
Asset renewal	7,455	5,844	1,611	22	
New Assets	816	243	573	70	
Asset expansion/upgrade	1,607	1,294	313	19	
Plant, furniture and equipment	2,210	3,750	(1,540)	(70)	
<b>Total Capital Works</b>	<b>12,088</b>	<b>11,131</b>	<b>957</b>	<b>8</b>	
Total Capital Works	12,088	11,131	957	8	
Asset Revaluation increment	-	464	(464)	100	
Depreciation	(8,700)	(10,287)	1,587	(18)	
Written down value of assets sold	(650)	(752)	102	(16)	
<b>Net movement in property, plant and equipment</b>	<b>2,738</b>	<b>556</b>	<b>2,182</b>	<b>80</b>	



## Variance Explanation Report

Ref - Item	Explanation
31 - Artworks	This was purchased as a component of the Terang Streetscape Project, it was correctly categorised as part of the capitalisation process
32 - Bridges	This increase from budget is due to the original impairment of River Nook bridge, the expenditure occurred in the Flood Recovery area of the Income Statement, but due to the original impairment at the time of the disaster, it was required that it be categorised as part of capitalisation.
33 - Buildings	A budget review at mid-year reduced saw the requirement for the reduction in expenditure, this was to assist in the funding of the Unfunded superannuation benefit call. Many of those reductions were made in the buildings and some include:- Cobden swimming pool entrance \$11,000, Cobden Preschool Toilet Upgrade \$20,000, Terang Preschool entrance \$10,000, Camperdown clocktower face renewal \$90,000, Cobden SES building upgrades \$12,000, Access to public buildings reduced by \$60,000 and swimming pool upgrades reduced by \$40,000
34 - I.T. Hardware/Software	\$15,000 additional expenditure for upgrade of storage and retrieval software
35 - Drainage	Items reclassified as part of the Terang Streetscape program and footpath and kerb and channel projects that also had a component of Drainage, including the Dow St Terang and Anderson St Skipton projects
36 - Footpaths	Items reclassified as part of the Terang Streetscape program and carried forward projects from the 2011-2012 financial year. The Anderson St Footpath was originally classified in Flood works but reclassified under the capital works program, \$40,000. The Fenton St footpath was a carried forward project from 2011-2012 and this years expenditure was \$18,000.
37 - Furniture and equipment	Air conditioner originally budgeted in IT equipment, correctly categorised
38 - Kerb and channel	Items reclassified as part of the Terang Streetscape program and carried forward projects from the 2011-2012 financial year. Also the Emeny St Terang project was a carry forward from 2011-2012, this year's expenditure \$96,000
39 - Land	Upgrades of transfer stations required, \$10,000
40 - Waste	Projects deferred for cost saving purposes

## Variance Explanation Report (cont)

<b>Ref - Item</b>	<b>Explanation</b>
41 - Motor Vehicles	Reduction in fleet replacement for cost saving purposes
42 - Parks and gardens	Several projects were carried forward from commencement in 2011/2012, these were Princetown Streetscape \$206,000 and the Lake Tooliorook project \$145,000
43 - Playgrounds	Camperdown playspace project incomplete and will be carried forward to the 2013-2014 financial year

## **Certification of the Standard Statements Statement by Principal Accounting Officer**

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

  
\_\_\_\_\_  
**David Rae**  
Principal Accounting Officer


**Date:** 24-September-2013  
**Camperdown, Victoria**

## **Statement by Councillors and Chief Executive Officer**

In our opinion the accompanying standard statements have been prepared on accounting basis consistent with the financial statements 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.

We have been authorised by the Council on 24 September 2013 to certify the standard statements in their final form.

  
\_\_\_\_\_  
**Ruth Gstrein**  
Councillor

**Date:** 24-September-2013

  
\_\_\_\_\_  
**Wayne Oakes**  
Councillor

**Date:** 24-September-2013  
**Camperdown, Victoria**

  
\_\_\_\_\_  
**Andrew Mason**  
Chief Executive Officer

**Date:** 24-September-2013  
**Camperdown, Victoria**

## INDEPENDENT AUDITOR'S REPORT

### To the Councillors, Corangamite Shire Council

#### *The Financial Report and Standard Statements*

The accompanying financial report for the year ended 30 June 2013 of the Corangamite Shire Council which comprises comprehensive income statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of the significant accounting policies and other explanatory information, and the certification of the financial report has been audited.

The accompanying standard statements for the year ended 30 June 2013 of the Council or Corporation which comprises standard income statement, standard balance sheet, standard cash flow statement, standard statement of capital works, the related notes and the certification of the standard statements have been audited.

#### *The Councillors' Responsibility for the Financial Report and Standard Statements*

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

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

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

#### *Auditor's Responsibility*

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

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

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

## Independent Auditor's Report (continued)

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

### *Independence*

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

### *Opinion*

In my opinion:

- (a) the financial report presents fairly, in all material respects, the financial position of the Corangamite Shire Council as at 30 June 2013 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 Corangamite Shire Council for the year ended 30 June 2013 included both in the Corangamite Shire Council's annual report and on the website. The Councillors of the Corangamite Shire Council are responsible for the integrity of the Corangamite Shire Council's website. I have not been engaged to report on the integrity of the Corangamite Shire Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report and standard statements are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report and standard statements to confirm the information contained in the website version of the financial report and standard statements.

MELBOURNE  
25 September 2013

  
John Doyle  
Auditor-General

**Corangamite Shire Council**

**Performance  
Statement**

**2012 - 2013**

## KEY STRATEGIC ACTIVITIES

For the year ending 30 June 2013

This statement reviews Council's Key Strategic Activities Performance targets as set in the annual budget, and actual performance in

### GOVERNANCE

Key Strategic Activity	Performance Measure	Target	Actual Performance	Ranking	Target Achieved
Improve Council's sound financial position using key sustainability indicators	Underlying Operating result as a % of total revenue	> 0%	3.2%	n/a	Achieved
	Liquidity	> 130%	171.06%	n/a	Achieved
	Indebtedness	<40%	23.0%	n/a	Achieved
Build ongoing partnerships with our communities	Prepare community plans for Camperdown, Terang, Skipton and Princetown.	Plans received by Council by 30 June 2013	Community Plans completed for Camperdown, Port Campbell, Terang Completed. Noorat and Skipton Plans also completed and received by Council on 23 July and 27 August 2013 respectively.	n/a	Not Achieved
	Community satisfaction rating for council's engagement in decision making on key local issues	> 65%	67%	12 points higher than large rural shires average. 12 points higher than state-wide average	Achieved
Strategically manage risk to minimise exposure to Council and the community	Undertake a strategic risk assessment	Completion by 31 December 2012	Completed December 2012	n/a	Achieved
	Develop a 3 year strategic internal audit plan.	Completion by 31 March 2013	Completed December 2012	n/a	Achieved

### PROSPERITY

Key Strategic Activity	Performance Measure	Target	Actual Performance	Ranking	Target Achieved
Improve planning to ensure our decision making reflects community values and provide for sustainable growth	Proportion of applications decided within statutory timeframe per annum	>75%	74.0%	Regional Average 68%	Not achieved
	Community satisfaction with planning and building permits	> 60%	58%	4 points higher than large rural shires average. 3 points higher than state-wide average	Not achieved
Maximise economic development opportunities and engage business to increase, diversify and promote benefits of the municipality	Complete Visitor Information Centre feasibility study	Completion by 30 June 2013	Project did not proceed due to budget reallocation	n/a	Not Achieved
	Undertake industrial land review and amendment	Completion by 30 June 2013	Review completed June 2013. Amendment not commenced	n/a	Not achieved

## ENVIRONMENT

Key Strategic Activity	Performance Measure	Target	Actual Performance	Ranking	Target Achieved
Improve and protect Corangamite's natural assets and biodiversity and control threats to these areas	Complete 12 Apostle Trail design	Design completed by 30 June 2013	Design finalised June 2013	n/a	Achieved
Foster environmentally sustainable behaviour in the community and our organisation	Continue funding program for adapting community infrastructure for climate change	Funding program fully subscribed and spent by 30 June 2013	Program fully subscribed & funding disbursed by 30 June 2013	n/a	Achieved
	Percentage of material collected from kerbside that is recycled including green organics	> 58%	59.0%	n/a	Achieved
	Community satisfaction rating for waste management	> 70%	70.0%	2 points higher than large rural shires average. 1 point lower than state-wide average	Not achieved

## COMMUNITY WELLBEING

Key Strategic Activity	Performance Measure	Target	Actual Performance	Ranking	Target Achieved
Care and support for our communities by influencing factors that affect health and wellbeing	Implement actions from the Municipal Health and Wellbeing Plan	Year 3 actions completed 30 November 2012	Year 3 Actions completed by 30 June 2013	n/a	Achieved
	Community satisfaction rating for family support services	> 75%	74.0%	7 points higher than large rural shires average. 7 points higher than state-wide average	Not achieved
	Community satisfaction of elderly support services	> 75%	78.0%	9 points higher than large rural shires average. 9 points higher than state-wide average	Achieved
Support for our communities in times of emergency	Complete Skipton Flood Study Amendment	Study completed by 30 June 2013	Skipton Flood Study completed March 2013	n/a	Achieved



## LIFESTYLE

Key Strategic Activity	Performance Measure	Target	Actual Performance	Ranking	Target Achieved
Continue to deliver and support high quality recreational and cultural facilities and pursuits	Financial support for projects at Cobden Civic Hall, Terang Civic Hall, Camperdown Theatre, Skipton Mechanics Institute, Lake Recreation Reserve, Lismore Bowls Club, Timboon Bowling Club.	85% projects completed by 30 June 2013	70%. Council deferred 3 projects during year.	n/a	Not achieved
	Community satisfaction rating for recreational facilities	> 75%	74.0%	8 points higher than large rural shires average. 4 points higher than state-wide average	Not achieved

## INFRASTRUCTURE

Key Strategic Activity	Performance Measure	Target	Actual Performance	Ranking	Target Achieved
Maintain a focus on the importance of our infrastructure to underpin service delivery and ensure they meet community requirements	Maintain asset renewal gap ratio	> 100%	105.8%	n/a	Achieved
	Maintain capital replacement ratio	> 100%	108.2%	n/a	Achieved
	Percentage of annual capital budget spent within the year	> 85%	92.1%	n/a	Achieved
	Community satisfaction rating for the condition of local streets and footpaths	>50%	58.0%	6 points higher than large rural shires average. Equal with state-wide average	Achieved

## Council approval of the Performance Statement

In our opinion, the accompanying performance statement of the Corangamite Shire Council in respect of the 2012-2013 financial year is presented fairly in accordance with the *Local Government Act 1989*. The statement outlines the Key Strategic Activities set out in Council's Budget and describes the extent to which these activities were achieved in the year.

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



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David Rae  
Principal Accounting Officer  
24 September 2013  
Camperdown



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Ruth Gstrein  
Councillor  
24 September 2013  
Camperdown



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Wayne Oakes  
Councillor  
24 September 2013  
Camperdown



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Andrew Mason  
Chief Executive Officer  
24 September 2013  
Camperdown

## INDEPENDENT AUDITOR'S REPORT

### To the Councillors, Corangamite Shire Council

#### *The Performance Statement*

The accompanying performance statement for the year ended 30 June 2013 of the Corangamite Shire Council which comprises the statement and the council approval of the performance statement has been audited.

#### *The Councillors' Responsibility for the Performance Statement*

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

#### *Auditor's Responsibility*

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

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

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

## Independent Auditor's Report (continued)

### *Independence*

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

### *Auditor's Opinion*

In my opinion, the performance statement of the Corangamite Shire Council in respect of the 30 June 2013 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 Corangamite Shire Council for the year ended 30 June 2013 included both in the Corangamite Shire Council's annual report and on the website. The Councillors of the Corangamite Shire Council are responsible for the integrity of the Corangamite Shire Council's website. I have not been engaged to report on the integrity of the Corangamite Shire Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this statement. If users of the performance statement are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited performance statement to confirm the information contained in the website version of the performance statement.

MELBOURNE  
25 September 2013

  
John Doyle  
Auditor-General