



Annual Report

2013/14



About our Annual Report

Swan Hill Rural City Council is pleased to present its 2013/14 Annual Report, which provides a detailed account of our performance from 1 July 2013 to 30 June 2014.

Documenting Council's performance against the 2013/14 Budget and the Council Plan, the Annual Report highlights achievements and challenges faced within key service areas and programs in the first year of the 2013-2017 Council Plan.

Council seeks to achieve community engagement and an understanding of Council's operations by conducting its affairs openly and with integrity.

Transparency in our decision-making and accountability are core values of this Council, therefore reflecting high levels of good governance.

This report provides information to a variety of audiences including all community townships, businesses, ratepayers, visitors, investors, government agencies and other interested stakeholders.

Acknowledgement

Swan Hill Rural City Council would like to acknowledge the elders both past and present and the peoples of the Wamba Wamba, Barapa Barapa, Wadi Wadi, Tati Tati and the Latji Latji clans whose traditional lands form the Swan Hill Rural City Council municipality.

How to read our Annual Report

Part one – About Us and Our Performance

An overview of Council and the organisation. This includes our profile, a snapshot of our performance, a financial overview, messages from our Mayor and CEO and our organisational structure.

Part two – Our Sustainability

An outline of Council's social, economic and environmental impacts.

Part three – Community Health and Wellbeing

How Council engages and supports our community.

Part four – Economic Growth

A focus on how Council promotes and pursues economic growth and development.

Part five – Environmental Management

Information on how Council has actively worked to manage our environment.

Part six – Governance and Leadership

Council's efforts to lead and govern our community.

Part seven – Our People

Information on Council's employees, including Occupational Health and Safety, Equal Opportunity and appreciating our staff.

Part eight – Corporate Governance

Governance and statutory information including decision-making, risk management, benchmarking and accountability.

Part nine – Financial Performance

Council's financial performance for 2013/14.

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Part one

About us and our performance

Our Vision

A vibrant community that displays growth and sustainability with a strong identity and confidence in a prosperous future by working together.

Our Mission

Swan Hill Rural City Council will lead, work with, help and empower our communities to build our future together.

Our Values

Council values our residents and community and will be responsive to their needs. In pursuing our objectives, we believe in, and are committed to, the following values:

Community Engagement

We will ensure our communities are engaged, informed and able to contribute to Council's decision-making process.

Leadership

We will lead and develop leadership within our community.

We will act with integrity, honesty and in ways that reflect our values.

Fairness

We will ensure that all members of the community are treated equitably as well as accepting, valuing and embracing the diversity of our community.

Accountability

We will be transparent in our decision-making and value public opinion and community feedback.

Our history

For thousands of years, the traditional owners of the lands that now form the Swan Hill Rural City Council lived in the region, with the land providing abundant food sources and a permanent water supply.

In 1836, led by explorer Major Thomas Mitchell, the first Europeans arrived. Settlers started to arrive soon after, establishing large sheep stations next to the Murray River.

In 1871 the Shire of Swan Hill was proclaimed and was located in Kerang (which now forms part of the Gannawarra Shire).

In 1893, the Shire of Castle Donnington was created and centered around the town of Swan Hill. By 1904 it had assumed the name Shire of Swan Hill.

The Borough of Swan Hill was formed in 1939 and in March 1965 became the City of Swan Hill.

Thirty years later, in January 1995, the Shire and the City were amalgamated to form Swan Hill Rural City Council.

Our municipality's profile

The municipality covers more than 6,100 square kilometres and is home to just under 21,000 people.

It includes the townships of Swan Hill, Robinvale, Lake Boga, Nyah, Nyah West, Piangil, Woorinen, Ultima, Manangatang, Boundary Bend and Tresco.

Featuring a modern and thriving regional centre, the Swan Hill municipality also boasts the characteristics of rural living, including a strong community and relaxed lifestyle.

With more than 40 commercially grown products – including almonds, olives, stonefruit, grapes, vegetables, cereals, legumes, lucerne, sheep, beef and dairy – it is easy to see why our municipality is an important part of Victoria's food bowl.

Located on the Murray River, tourism also plays an important role in our region's economy. Our climate and natural beauty attracts about 380,000 domestic visitors each year, injecting \$55 million into the local economy.

Our municipality is also proud to have more than 40 nationalities among its community and a population that is welcoming and resilient.

Continued investment and a strong focus on long-term growth and sustainability remain high priorities for Council.

The Council sets a number of initiatives and targets through each four-year Council Plan, which helps establish the foundations to achieve our vision during the next 30 years.

20,867	Our population
6,116km²	Our area
4,177km	The length of our local roads
11,798	Our rateable properties
\$1.028 billion	Gross regional product
7,927	People working



A message from the Mayor Les McPhee

It is a pleasure to present this 2013/14 Annual Report on behalf of Swan Hill Rural City Council.

Looking through this report, I believe we really are on the cusp of an exciting and progressive time across the Swan Hill Rural City municipality.

So many projects have been developed, and in 2013/14 received funding. In the coming 12 months and beyond we will start to see many of these projects come to fruition.

For example, projects from the Swan Hill Riverfront Masterplan received a combined \$560,000 from State Government in 2013/14, to go with \$250,000 from Council. This includes a new riverfront pathway, lighting and fitness stations. This success is testament to community input during the previous year to develop the masterplan, and I hope the start of many more projects to come.

While this annual report only covers the 2013/14 financial year, in July 2014, we received exciting news that the State Government would contribute \$2 million to develop the quarter mile drag strip at

Chisholm Reserve in Swan Hill. Once complete, the development will draw thousands of people and their dollars to the region.

In other areas of our municipality we are looking forward to things like new drainage in Robinvale, the Piangil community centre completion, and new roads in places like Lake Boga and around our rural areas. All these projects are outlined in this report.

Also in this report we look at our successes in 2013/14 relating to advocacy and working together. We have continued to advocate strongly on a regional level through the Murray River Group of Councils, and through the Central Murray Regional Transport Forum. And of course community planning continues to go from strength to strength. Highlights from the 11 community plans are outlined on pages 34 and 35 of this report.

Finally I would like to thank my fellow Councillors for their input this year, as well as the Council staff whose commitment to Council ensures we maintain a high level of services and that our region continues to progress.

A message from the CEO Dean Miller

The 2013/14 Swan Hill Rural City Council Annual Report provides a wonderful overview of our operations and performance over the past 12 months. I encourage community members to read it, and hope you find it both informative and interesting.

As well as continuing to provide about 150 services to the community, highlights from 2013/14 include:

- Swan Hill CBD redevelopment - The third and final stage was completed in May.
- Active Transport Strategy – This strategy aims to making walking, cycling and public transport easier and more viable for residents and visitors.
- The Nyah West Kindergarten – This integrated children's facility is almost complete.
- NOVO Youth Awards – The NOVO Youth Council ran their first youth awards in 2014.
- Special Rate for Marketing purposes – This was declared again in 2014 and will provide Swan Hill Incorporated with funds to market the region as a place to live, work, visit, shop and invest.

I am pleased when looking at these projects to say that each of them has involved Council working closely with community members and business owners to get the best possible outcome.

Also in 2013/14, an organisational restructure took place, part of Council's ongoing commitment to seeking efficiencies. In 2014/15, when the restructure comes into place, it will trim about \$500,000 from Council's operating costs (representing about 2.5 per cent of rates revenue).

More broadly, Council's balance sheet remains strong, despite deferring the budgeted borrowings of \$3.5 million until the 2014/15 financial year.

Current assets exceed current liabilities by almost \$5 million, and our debt servicing costs and exposure continue to reduce as a percentage of revenue.

With this solid footing, I look forward to working with Councillors, staff and other levels of government to implement more projects, deliver community services and ultimately see our region and its people prosper.

Year at a glance

July

Riverfront plan endorsed

The Swan Hill Riverfront Masterplan was endorsed at a Special Council Meeting on 2 July. The masterplan will guide the redevelopment of a 4.5 kilometre section of the Murray and Little Murray rivers over the next 30 years.

Fire Services Levy

Council issued its 2013/14 rates notices with the new inclusion of the Fire Services Property Levy. The levy is collected and re-directed to State Government.

August

Beveridge Street upgrade

Work started to reconstruct Beveridge Street, between McCallum and McCrae streets in Swan Hill. The reconstruction was completed in two sections, leaving one half of the street accessible to vehicles. The work was finished in September.

Recycling audit

Council and its waste contractor Ellwaste conducted kerbside recycling audits. Contents from randomly selected bins was sorted to identify recycling and contamination rates. Data was used to form education programs.

New Director

Council welcomed new Director Development and Planning Brett Luxford. Brett joined Council from Melton City Council, where he was Manager of Business Growth and Sustainability.

September

Fairfax and YesFest

The 17th Fairfax Festival was topped off with a hugely successful YESFest:13. More than 100 young people took part in the Fairfax Festival, which included workshops and performances, while more than 1100 people attended YESFest.

Pioneers weekend

The traditional Pioneers Week became Pioneers Weekend in 2013, and included the Great Pioneers Debate, a nostalgic movie night, Antiques and Collectables Appraisals Day, River Bookfest and Pioneer Settlement Rare Trades and Skills Day.

School holidays

The Vacation Care Program, Library, Gallery, Pioneer Settlement and Youth Inc hosted programs during the September school holidays, and other school holidays throughout the year.

Youth Leading the World in Robinvale

Students from Robinvale P-12 College and St Mary's P-8 School hosted a two-day Youth Leading the World Congress. Supported by Council, students learnt about environmental issues and created action plans to encourage change in their schools and communities.

October

Street tree clean up

Council's works teams were busy clearing fallen tree branches and debris after strong winds on 30 September. The tree branches were mulched and made available to residents free of charge.

Seniors week

Council once again hosted a range of events for the 2013 Seniors Festival Week. The local program included seven events in Swan Hill, Tooleybuc, Euston and Cohuna.

ACRE residencies inspire creativity

Three artists were paired with four farming families from Pira, Burraboi, Meade and Niemur as part of the Swan Hill Regional Art Gallery's ACRE project. The artists – who had skills in film making, sculpture, sound and percussion – stayed on the farms, and made new work through workshops.

Business breakfast

Council's Economic Development Unit conducted 50 visits to local businesses, aiming to identify business opportunities and challenges, and to gauge business confidence. As a direct result of the surveys, a business breakfast was held in Swan Hill on 15 October to assist local businesses to develop new services and products.

More active transport

Residents were asked to complete a survey to provide ideas on how to increase walking, cycling and the use of public transport, as part of an Active Transport Strategy. The draft strategy was released for comment in June.

Top marks for Family Day Care

Council's Family Day Care Program earned the highest ranking that can be immediately awarded to an approved child care service from the Australian Children's Education and Care Quality Authority.

Pool, spa audits to ensure summer safety

Residents were urged to ensure they made pool safety a priority, with Council starting swimming pool and spa safety barrier audits.

November

Governor of Victoria tours region

Council was privileged to host His Excellency the Honourable Alex Chernov AC QC, Governor of Victoria, and Mrs Elizabeth Chernov as they toured the municipality on 28 and 29 November.

Dispose of your green organics

Council offered residents the chance to dispose of their household green waste for free on 23 and 24 November.

LOUD @ the Library

Swan Hill Regional Library hosted the sixth Loud @ the Library. A Freeza event supported by Youth Inc, it provided the chance for young local musicians to perform live in front of an audience. Another Loud @ The Library was held in March.

Cr Les McPhee elected as Mayor

Cr Les McPhee was re-elected as the Mayor on 6 November. Cr McPhee, from Lakes Ward, was returned unopposed, while Cr Michael Adamson from Central Ward was elected as Deputy Mayor.

Speewa Punt Road reconstruction

Work began to reconstruct Speewa Punt Road at the end of November. The work took place between the Murray Valley Highway and Tyntynder Central Road. The existing road pavement was replaced and the road widened to 6.2 metres.

Bromley Road

The Bromley Road Streetscape Masterplan was endorsed at Council's November Meeting. The masterplan was designed to enhance Robinvale and encourage visitors to stopover.

December

Aerodrome business case

The Swan Hill Aerodrome Business Case was adopted. The document is aimed at facilitating aerodrome development over the next 20 years.

Black Bess is back



The Pioneer Settlement welcomed a valuable item back to its collection – a 1920 Z7 Class Ploughing Engine, Black Bess. Black Bess was restored to pristine working condition over five years.

Rock the Dock

The Settlement hosted Rock the Dock. The Freeza-funded event showcased some of Swan Hill's most talented young musicians. Swan Hill Rural City Youth Council NOVO organised the event.

New Year's Eve

The 14th annual New Year's Eve celebrations were held at Swan Hill's Riverside Park.

January

Stage 3 CBD redevelopment starting

Work on the third and final stage of the Swan Hill CBD redevelopment began in January. The work completed the CBD redevelopment, bringing that section of Campbell Street in line with the previously completed sections.

Australia Day

Australia Day was celebrated with events around the municipality. Award winners were – Citizen of the Year Marion Leslie, Young Citizen of the Year Ashley Valinoti, and Community Event of the Year State Schools Extravaganza (Woorinen District Primary School).

February

Heatwave impacts

The region had more than a week of temperatures at or above 40 degrees, with Council reminding residents to stay safe. A 44 degree forecast also forced one of Performing Arts' annual highlights – the Essential Theatre Shakespeare performance – from the Pioneer Settlement to the Town Hall.

March

Business planning

Council and Small Business Victoria organised Business Planning Basic Workshops in Swan Hill and Robinvale.

Providing feedback on Council performance

Residents were asked to give feedback on Council's performance through the 2014 Community Satisfaction Survey. Independent company JWS Research made calls to randomly selected phone numbers for three weeks.

Celebrate Harmony Day 2014

An estimated 2000 people enjoyed delicious food, colourful fashions, singing and dancing on 22 March when the community came together to help celebrate Harmony Day.

Mobile Library – going the extra mile



The Mobile Library's Wal St Clair in Manangatang with the temporary set-up.

Mobile Library staff members went the extra mile to deliver their service after mechanical difficulties with their truck. The dedicated team created a temporary mobile library in a station wagon, and selecting books they thought would best suit their members in each individual town.

Morwell students visit



Mayor Les McPhee greeted the Morwell students at the Pioneer Settlement.

About 60 students from Morwell Primary School got some respite from the Hazelwood Mine Fire when they visited the Pioneer Settlement and stayed at the adjoining lodges following an invitation from Council.

Major project on Woorinen Road

Major road works started on Woorinen Road, with an 800 metre section from Bish Road towards Woorinen South completely reconstructed. The project was finished in May.

Work starts on \$700,000 road project

Work started on a \$700,000 project to widen a 5.4km section of the Lake Boga-Ultima Road. The widening has made the road safer and more user-friendly for trucks carrying grain and other produce.

Education on smoking bans

Council installed signage and distributed educational material ahead of statewide smoking bans that came in on 1 April. Smoking was banned in public places where children play, like outdoor playgrounds, skate parks, pools and sporting venues (during organised underage sport).

Yamagata exchange

Fifteen Japanese students and four leaders arrived in Swan Hill as part of the biennial Sister City student exchange with Yamagata. They toured the area, went to school and lived with host families. Eleven of the host families were from Swan Hill, three from Robinvale and one from Manangatang.

Rowe Street park plans

Council agreed to work with Robinvale community to re-establish the Rowe Street park. The decision came after extensive community input into a concept plan, and a petition with 154 signatures.

April

Youth winners

Eight young people were recognised for their contributions to the community at the inaugural NOVO Youth Awards.

Karinie Street works

Karinie Street was closed between Bish and Jennings roads in April and May to allow for road reconstruction. The road was rebuilt from west of Jennings Road to the irrigation channel crossing.

Regional Living Expo success



Mayor Les McPhee, Council's Amanda Young, Janelle Earle and Nathan Keighran, and Swan Hill Inc's Rebecca Dick at the expo.

More than 100 people expressed genuine interest in moving to Swan Hill during the Regional Living Expo in Melbourne from 11 to 13 April. Council and Swan Hill Incorporated hosted a stall to promote the region's career, lifestyle, education, health and housing opportunities to potential tree-changers.

Special Rate declared

Council agreed to declare a Special Rate for marketing and business development programs in the Swan Hill region. The money raised from the rate will fund Swan Hill Incorporated activities.

May

Prestigious art awards

Swan Hill Regional Art Gallery celebrated its National Print and Drawing Awards, with more than 200 entries received and 55 finalists announced.

Youth Leading the World

Statewide Youth Leading the World facilitator training was held in Swan Hill. The training was delivered by OzGREEN, in partnership with Council, the Youth Council NOVO and others.

Volunteer thanks

The Pioneer Settlement and Council thanked long-time volunteer Phyllis Summerhayes for 50 years of service. She started at the Settlement when it opened in 1963 and retired in 2014.

Farmers' Market interest

There was strong interest in a Swan Hill Region Farmers' Market Steering Committee after Council asked for input. Work has started on a feasibility study looking at the prospect of a regular farmers' market for the Swan Hill region.

Retail strategy on the cards

A three-part project to strengthen Swan Hill's retail industry started in May.

June

New waste options

Boundary Bend residents will use a skip bin service after the closure of the local transfer station. The station closed on 30 June after an audit showing low community use.

Off to Yamagata

Mayor Les McPhee joined 15 students and four leaders on their exchange to Yamagata, Japan. Cr McPhee funded his own trip to see the exchange firsthand and to visit Swan Hill's sister city.

Changes ahead for New Years' Eve

Council called for community groups or businesses to register their interest in running New Year's Eve events in Swan Hill and Robinvale in 2014.

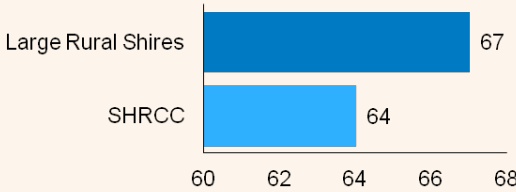
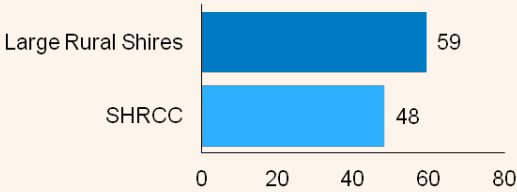
Draft budget released

Swan Hill Rural City Council's draft 2014/15 budget was released for public comment. In a first for the city, residents were able to learn more at public information sessions in Swan Hill and Robinvale.

Saving energy and cash

Council slashed its annual electricity bill by \$11,000. Twenty-two staff undertook energy efficiency training, audited their workplaces and identified retro-fitting opportunities.

Our performance at a glance

	Community Health and Wellbeing <i>For more information see pages 22-41</i>	Economic Growth <i>For more information see pages 42-53</i>												
Highlights	<p>NOVO Youth Awards</p> <p>Active Transport Strategy adopted</p> <p>Top marks for Family Day Care</p> <p>Nyah West Kindergarten redevelopment</p> <p>Swan Hill Riverfront Masterplan progress</p> <p>Public Health and Wellbeing Plan adopted</p>	<p>Regional Victoria Living Expo success</p> <p>Completion of the Swan Hill CBD Masterplan</p> <p>Well attended local business breakfasts and workshops</p> <p>Swan Hill Regional Livestock Exchange redevelopment</p> <p>Pioneer Settlement redevelopment</p>												
Challenges	<p>Aged care reforms</p> <p>Swan Hill Riverfront Masterplan funding opportunities and negotiations</p> <p>Robinvale levee bank funding</p>	<p>Solar energy for Swan Hill</p> <p>Aerodrome redevelopment</p> <p>Rail freight and river access</p> <p>Ability to gain funding for new major attraction for Pioneer Settlement</p>												
The year ahead	<p>Chisholm Reserve Motor Sport complex drag strip development</p> <p>Swan Hill Pound upgrades</p> <p>Cultural Plan adoption</p> <p>Implementation of Disability Action Plan priorities</p> <p>Completion of Piangil Community Centre</p>	<p>Future housing options in South West Development Precinct</p> <p>Farmers' Market feasibility study</p> <p>Development of Swan Hill Retail Strategy</p> <p>Continued development at Tower Hill</p> <p>Robinvale stormwater project</p>												
Community satisfaction with Council performance	<p>Family support services</p>  <table border="1"> <thead> <tr> <th>Entity</th> <th>Satisfaction Score</th> </tr> </thead> <tbody> <tr> <td>Large Rural Shires</td> <td>67</td> </tr> <tr> <td>SHRCC</td> <td>64</td> </tr> </tbody> </table>	Entity	Satisfaction Score	Large Rural Shires	67	SHRCC	64	<p>Business and community development and tourism</p>  <table border="1"> <thead> <tr> <th>Entity</th> <th>Satisfaction Score</th> </tr> </thead> <tbody> <tr> <td>Large Rural Shires</td> <td>59</td> </tr> <tr> <td>SHRCC</td> <td>48</td> </tr> </tbody> </table>	Entity	Satisfaction Score	Large Rural Shires	59	SHRCC	48
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	Environmental Management <i>For more information see pages 54-59</i>	Governance and Leadership <i>For more information see pages 60-69</i>												
Highlights	<p>Council energy reductions through staff-led initiatives</p> <p>Free Green Organics weekend</p> <p>Continued expansion of green waste collection service</p> <p>Youth Leading the World Congress held in both Swan Hill and Robinvale</p>	<p>Council organisation restructure</p> <p>Completion of Business Continuity Plan</p> <p>New website for Council</p> <p>Council received awards from LGPro, VLGA and Aged and Disability Service Awards</p>												
Challenges	Improving Turtle Lagoon in Lake Boga	<p>Cross-border relationships – transport forum</p> <p>Financial Assistance Grants not indexed for three years</p>												
The year ahead	<p>Efficient street lighting project</p> <p>Virtual Renewable Energy Station investigation</p>	<p>Planning for Swan Hill bridge</p> <p>Fire Services Property levy</p>												
Community satisfaction with Council performance	<p>Waste management</p>  <table border="1"> <thead> <tr> <th>Category</th> <th>Satisfaction Score</th> </tr> </thead> <tbody> <tr> <td>Large Rural Shires</td> <td>70</td> </tr> <tr> <td>SHRCC</td> <td>70</td> </tr> </tbody> </table>	Category	Satisfaction Score	Large Rural Shires	70	SHRCC	70	<p>Overall performance</p>  <table border="1"> <thead> <tr> <th>Category</th> <th>Performance Score</th> </tr> </thead> <tbody> <tr> <td>Large Rural Shires</td> <td>57</td> </tr> <tr> <td>SHRCC</td> <td>53</td> </tr> </tbody> </table>	Category	Performance Score	Large Rural Shires	57	SHRCC	53
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Our Council



Cr Les McPhee

Mayor – Representing Lakes Ward

Cr Les McPhee, a local police officer for more than 20 years, was first elected to Council in 2008.

Cr McPhee has held the position of Mayor since November 2012. He resides in and stands for the Lakes Ward.

Mobile: 0427 319 394

Email: les.mcphee@swanhill.vic.gov.au



Cr Michael
Adamson



Cr Jessie
Kiley



Cr Greg
Cruickshank



Cr Gary
Norton



Cr Jim Crowe



Cr John Katis

Cr Michael Adamson

Deputy Mayor – Representing Central Ward

Cr Adamson works for Mallee Family Care in Swan Hill, after first coming to the area as a Minister of the Church of Christ.

He was elected as one of four Central Ward Councillors in the 2012 Local Government elections.

Cr Adamson was elected Deputy Mayor in November 2013.

Mobile: 0400 143 100

Email: michael.adamson@swanhill.vic.gov.au

Cr Greg Cruickshank

Representing Central Ward

A local business owner and photographer, Cr Greg Cruickshank was first elected to Council in 2003 and was re-elected in the 2008 and 2012 elections.

Cr Cruickshank held the position of Mayor of Swan Hill Rural City Council from December 2008 to December 2011.

Mobile: 0419 754 174

Email: greg.cruickshank@swanhill.vic.gov.au

Cr Jim Crowe

Representing Central Ward

A lifelong resident of the region, Cr Jim Crowe is a farmer and property developer who has been involved with a range of community organisations.

He was elected as one of four Central Ward Councillors in the 2012 Local Government elections.

Mobile: 0418 181 656

Email: jim.crowe@swanhill.vic.gov.au

Cr Jessie Kiley

Representing Central Ward

A Swan Hill woman, Cr Jessie Kiley works as an audiometrist for Sunraysia Hearing Clinic. She was elected as one of four Central Ward Councillors in the 2012 Local Government elections.

Mobile: 0417 755 414

Email: jessie.kiley@swanhill.vic.gov.au

Cr Gary Norton

Representing Murray Mallee Ward

Former dried fruit grower and cleaner/handyman, Cr Gary Norton has represented the Murray Mallee Ward for Council since 2003.

He was re-elected in the 2008 and 2012 elections.

Cr Norton served as Mayor of Swan Hill Rural City Council from December 2006 to December 2008.

He is also the North West Representative of Municipal Association of Victoria.

Mobile: 0428 398 981

Email: gary.norton@swanhill.vic.gov.au

Cr John Katis

Representing Robinvale Ward

A retired business owner, Cr John Katis has represented the Robinvale Ward since 1997.

Cr Katis was Swan Hill Rural City Council Mayor from December 2011 until November 2012. He also held the position of Deputy Mayor from December 2008 until December 2009.

Mobile: 0459 077 532

Email: john.katis@swanhill.vic.gov.au

Our executive management team



Dean Miller

Chief Executive Officer

Dean joined Swan Hill Rural City as its CEO in May 2013.

He has more than 24 years experience in Local Government, including 18 years in management roles.

He has a Bachelor of Commerce Degree, an MBA and is a Fellow of CPA Australia. Before moving to Swan Hill, Dean was CEO at Hindmarsh Shire Council in the state's west.



David Lenton



David Leahy



Brett Luxford



Bruce Myers

David Lenton

Director Corporate Services

David is a qualified accountant who joined the Swan Hill City Council (now Swan Hill Rural City Council) as Finance Manager in December 1992.

Since the amalgamation of the City and Shire of Swan Hill in January 1995, David has held the positions of Financial Controller and Finance and Administration Manager.

In 2011 David was appointed as Group Manager Corporate Services. Under a restructure in April 2006, David's position was reclassified as Director Corporate Services.

Before joining Local Government, David worked in a variety of finance roles with a large multi-national company in the private sector for 14 years.

Brett Luxford

Director Development Services

Brett joined Swan Hill Rural City Council in August 2013.

As well as a business degree, Brett has a Graduate Diploma in Planning and Environment. He has extensive experience in economic development in a variety of settings including regional development, which plays a critical role in Swan Hill's future.

Brett was a Board Member for Economic Development Australia for eight years and served as Treasurer for four years.

Before joining Council, Brett was Manager of Business Growth and Sustainability at Melton City Council for five years.

David Leahy

Director Infrastructure

David joined Swan Hill Rural City Council as its Director Infrastructure in 2009.

He has more than 15 years experience in Local Government after 16 years with the State Government in South Australia.

David has played a key role in Council's Riverfront Masterplan, Central Murray Transport Strategy, CBD redevelopments, Pioneer Settlement redevelopment and ongoing development of Council's roads program.

Bruce Myers

Director Community and Cultural Services

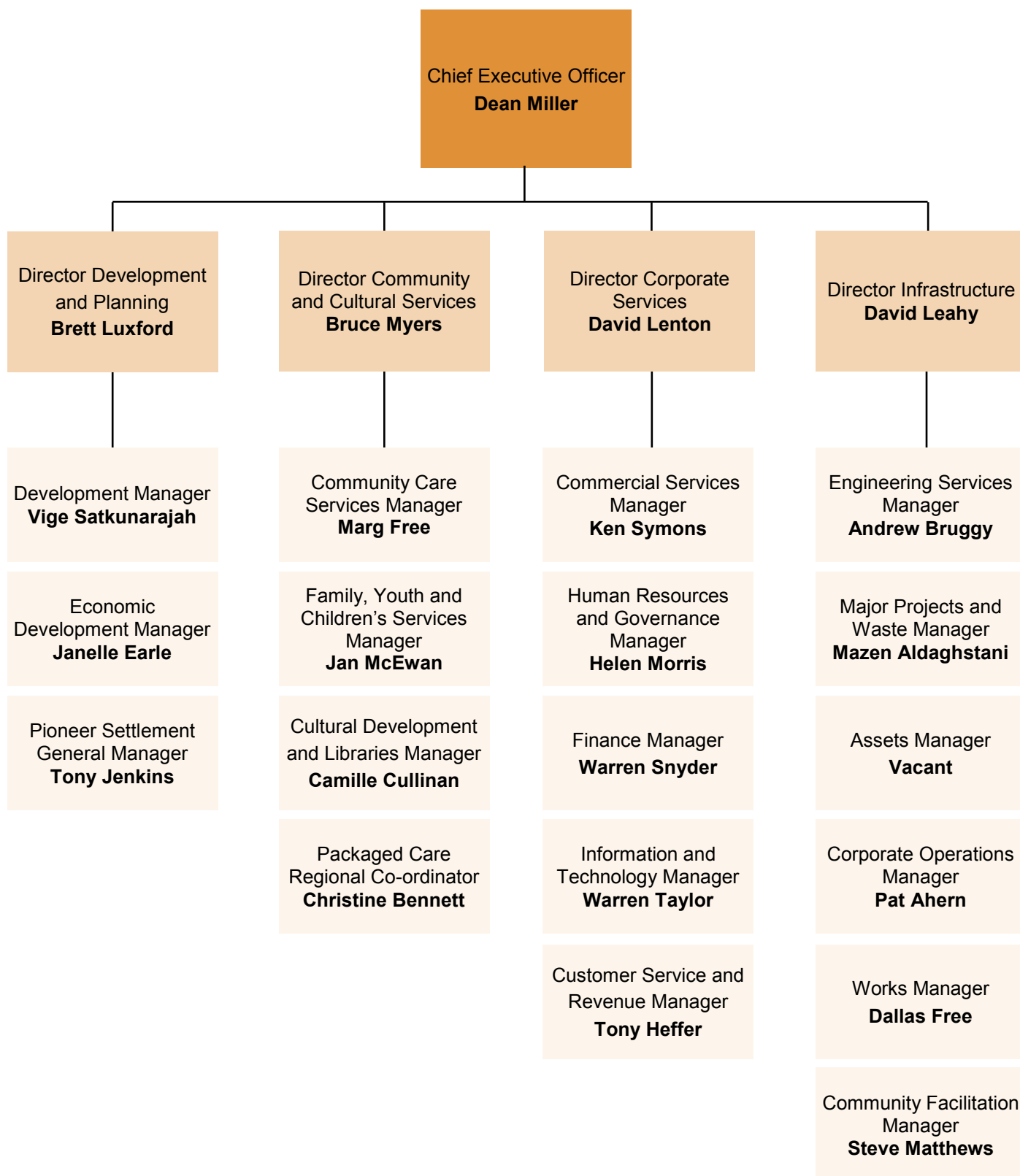
Bruce is a qualified librarian who started his career at the Swan Hill Regional Library, managing the mobile library, in 1994.

From 1998 until 2007 Bruce was Manager of the Library.

During this time he took a lead role in moving the service to its current site, designing and constructing a new mobile library, and improving service (after consultation with the local community).

Bruce became the Director Community and Cultural Services in 2007.

Our organisation structure



Note: A new organisation structure was implemented from 1 July 2014.



Part two

Our Sustainability

Our sustainability

Environment

Reducing our paper trail

Council is currently in the process of implementing a new records management system. Moving away from a primarily paper-based process, the new system utilises Council's current online document management system and will decrease the use of paper-based records and encourage a paper free environment.

Currently in the implementation stage, the new system is expected to be in place in early 2015. For more information on Council's new records management system see page 69.

Sustainable Living in the Mallee

Council's Environment Unit continues to support Sustainable Living in the Mallee (SLiM), a community-driven group with over 40 financial members. The aim of SLiM is to increase community awareness and knowledge of how to live sustainably in our region.

Council supports SLiM through grant funding and in-kind support such as providing venues for events, assistance with funding applications as well as project management, delivery and promotion. Projects in 2013/14 included:

Sustainable house day

A guided bus tour around the region to sustainably built houses providing information to participants on how they can incorporate sustainable practices in their homes.

Perma blitz

A team of 20 came together to landscape a local backyard. This included a complete clean up, planting a vegetable and herb garden, installing a compost bin and building a fire pit.

Tree planting

Various tree planting days held throughout the municipality.

Road rejuvenation

SLiM was named a finalist for the Tidy Towns Sustainability Award for its Nyah West Road Rejuvenation Project.

Swan Hill Ethical Produce

This group provides access to local organic produce using an online ordering system.

Social

Community grants

Council recognises, respects and values the contributions that community, sporting and not-for-profit organisations make within our community. One of the ways Council recognises and supports this contribution is through our Community Grants Program.

In 2013/14, Council gifted more than \$56,000 to our community groups and organisations to undertake cultural, recreational, environmental and community support projects and activities.

For more information on Community Grant contributions see pages 38 to 41.

Community Plans

Council continues to work closely with its communities to support and encourage them to participate in issues and projects that are important to them.

With 11 Community Plans currently in place across the municipality, Council can assist communities to manage their own plans, ensuring they feel a sense of pride and accomplishment.

In 2013/14 Council dedicated \$529,665 towards the review and implementation of the plans.

For more information on the outcomes from the Community Plans see pages 34 and 35.

Occupational Health and Safety

Council places the safety of staff, volunteers and visitors as a top priority.

The OH&S committee, consisting of management and staff, met six times in 2013/14 to discuss policy reviews, review hazard and injury incidents, discuss workplace OH&S issues, and identify opportunities to improve Council's OH&S performance.

For more information on Council's OH&S performance see page 75.

Staff training and professional development

Council's Learning and Development Program supports a broad range of staff training and development needs.

Our annual organisational training plan is developed to align with strategic priorities as well as in response to needs identified through annual staff performance reviews.

The plan provides the framework for these activities and targets employees from all levels of Council.

By developing and implementing an organisational training plan, Council can assure a competent and skilled workforce, accurate training budget, and forecasting, analysis and projections for current and future training needs.

More than 1,280 hours were dedicated to staff training in 2013/14. Council also offers a Diploma of Management Program, runs Raw Talent for emerging leaders, a Scholarship Program for students completing university or TAFE courses, and encourages staff members to undertake further studies offering study leave and financial assistance. For more information see page 76.

Economic

Swan Hill Region Workforce Development Strategy

In conjunction with Regional Development Victoria, SuniTAFE and Swan Hill Incorporated, Council has developed the Swan Hill Region Workforce Development Strategy.

This strategy provides a comprehensive and detailed analysis of the region's current workforce capabilities and the skill set required to drive economic growth in our region.

Focussing on four key industries - agriculture, manufacturing, health and community services - the region now has an action plan in place to address the needs and issues to increase economic growth, employment opportunities and population growth for the region.

Procurement Policy

Council's Procurement Policy ensures compliance with all legislative requirements.

It is aimed at achieving best value for money for Council and the community; to treat all potential suppliers who respond to quotations or tenders in a fair manner; to be administratively efficient; to be clearly documented; to be subject to the need for confidentiality; and available for inspection.

In assessing best value for major purchases, Council endeavours to give preference to suppliers and products that will enhance achievement of Council objectives, such as sustainable and socially responsible procurement.

Council also aims to give preference to those offering bottom-line cost savings, supporting the municipal economy and achieving innovation.

Long-term financial plan

Council reviews and updates its five-year financial plan annually, and is intending to move to a 10-year financial plan in 2014/15

Sourcing the right off-the-shelf long-term financial plan (LTFP) software package will enable us to prepare better three-way models incorporating income statements, cash flow and balance sheets. We anticipate that it will also integrate seamlessly with our 10-year capital works program.

The LTFP software will assist in improving financial planning methodologies and highlight the importance of key strategies such as rating and meeting long-term infrastructure renewal needs.



Part three

Community health and wellbeing

What we seek to achieve

Through our Community Health and Wellbeing objective, Council seeks to achieve the following for our community:

- Engage communities in:
 - Working together to develop a realistic long term vision for their district.
 - The preparation of living Community Plans which enables each community to aspire to achieve its vision.
 - Provide and maintain the necessary infrastructure assets and services for our communities.
- Empower our community and nurture local leadership.
- The development of a sense of regional cohesion where everyone realises that they are interdependent, and benefit from each other's successes.
- Promote a sense of belonging, ensuring that everyone has a place in our community.
- Recognition and respect of the uniqueness and differences between our communities.
- Support and advocate on behalf of our communities to identify their own needs and aspirations and how to achieve them.
- Build a stronger community with, and between, established and new arrivals.

“We will continue to provide a range of community services in partnership with other organisations and levels of government.”

– Council Plan 2013-17



Council Plan initiatives

Our commitments and performance

✓ Completed >> In progress/continuing in 2014/2015 << Delayed due to funding/budget

Council Plan initiative	Action	Status
Implement Youth Action Plan	Youth Strategy reviewed and Action Plan developed	<<
	Determine Council responsibilities and prioritise for resource allocation.	<<
Provide leadership/support to the community as issues of significance arise	Determine Council's role in our community addressing youth mental health and early intervention service gaps.	>>
	Determine Council's role in closing community mental health service gaps.	>>
Investigate implications and opportunities through Council's role regarding the Community Based Aged Care reform	Review implications of aged care reform	>>
	Provide the community with a clear direction on what services Council could provide post-2015	>>
Finalise, adopt and implement an Early Years Priority Plan	Early Years Plan completed	>>
Implement Disability Action Plan	Implement actions from Objective 1 – 4	✓
Develop a Hazmat and Structural Fire Plan	Complete an Environmental Scan (including commodity flow survey) of hazardous materials	✓
	Complete an Environmental Scan Structures including completion of Structure Fire Plan	✓
Investigate a scheme to provide an incentive for undertaking responsible pet ownership training	This initiative will be included as a major focus in the Domestic Animal Management Plan. Plan to be adopted in 2014.	>>
Continue development and continue to identify other partners for Barry Steggall Reserve in partnership with Places Vic and Swan Hill Inc	Develop specification for next stage of works	✓
	Identify potential funding sources	✓
	Apply for funding	✓
	Secure funding	✓

Council Plan initiative	Action	Status
Develop the Swan Hill Riverfront Masterplan	Schedule internal committee meetings, stakeholder committee meetings and community consultations	✓
	Develop communications plan	✓
	Complete Masterplan and seek Council adoption	✓
Develop Implementation Plan	Identify individual projects within Masterplan	✓
	Allocate resources and schedule implementation of Masterplan	✓
	Update Major Projects plan in accordance with Implementation Plan	✓
Investigate options for the development of Chisholm Motor Sports Complex including the possibility of a drag racing facility	Consider the SGS Business Plan and the Essential Economics Business Case	✓
Investigate the options for bus shelters in Swan Hill	Contact MAV and Public Transport Victoria (PTV) to determine responsibilities in regard to the installation and maintenance of bus shelters	>>
	Determine the standards of construction of bus shelters and the optimum locations within the municipality	>>
	Obtain cost estimates and investigation of possible funding options	>>
Support for new citizens to the municipality to increase awareness of local customs and practices	Review existing services to address short-term options.	>>
Encourage Community harmony, cultural understanding and tolerance	Support and develop Harmony Day as the central point for a larger festival of events	<<

Council Plan initiative	Action	Status
Pursue funding to develop a Diversity Plan and investigate the potential to develop a multicultural hub	Identify potential funding sources	<<
	Develop project scope (consultants brief)	<<
	Apply for funding	<<
Develop and implement a Cultural Plan	Develop an understanding of the cultural experiences currently available in the municipality	>>
Be an active participant in the Aboriginal Community Planning processes throughout the Municipality	Encourage Local Indigenous Networks (LIN) in Robinvale and Swan Hill to consider completion of Aboriginal Community Plans	✓

Community health and wellbeing highlights

First NOVO Youth Awards



Members of Novo Youth Council at the awards.

Eight young people were recognised for their contributions to the community at the inaugural NOVO Youth Awards.

NOVO Youth Council members helped run the awards, and hosted the awards night itself. About 240 people attended the night.

Winners were – Young Artist Joshua Lowe, Will Dickinson; Young Champion Harry Coffey, Jessica Carroll; Young Neighbour Montana Earle, Rebecca Connor; Young Leader Robbie Caccaviello, Beau Knight; NOVO Group Award Swan Hill Theatre Group Ensemble.

FReeZA events

In partnership with FReeZA, more than 1,300 young people attended the events listed below.

FReeZa event	Young people engaged
Australia Day pool party	150
NOVO Youth Awards	250
Neondezvous dance party	125
YESFest:13 (partner)	650
Rock the Dock music event	145

Coaching young people

Coaching Youth People for Success (CYPFS) is a complete life, career and school performance coaching system that transforms students' approach to traditional career guidance, case management and support with young people.

Council's Youth Support Co-ordinator is an accredited coach and delivers modules one-on-one or in a group environment to cater for the diverse needs of young people. About 350 young people participated in CYPFS in 2013/14, gaining regular support to ensure their goals and outcomes were achieved.

Active Transport Strategy

More than 200 surveys informed the draft Active Transport Strategy, which was released in June.

The strategy aims to making walking, cycling and using public transport easier and more viable for residents and visitors. It includes actions like new bike and walking tracks, catering for cyclists when upgrading intersections, and installing more bike racks and outdoor fitness equipment.

It was put together after community meetings and surveys throughout the municipality, and in partnership with local health organisations. Council employees even cycled around some local towns to find out firsthand what the challenges and positives were.

The draft was released in June 2014 for 42 days of public comment. The final strategy is expected to be adopted in August 2014.

“Over 200 surveys were completed in developing the Active Transport Strategy, as well as help from community groups and well-attended information sessions.”

– Mayor Les McPhee

Nyah West Kindergarten



The much-anticipated Nyah West Kindergarten upgrades are almost complete.

The floor area of the kindergarten will increase from 134 square metres to 213 square metres and will include a new waiting area and Maternal Child Health consulting room.

The upgraded building will also feature new all access toilets, a bigger play area and a new kitchen. Large windows will be installed to let in more natural light, while new flooring will be installed and a fresh coat of paint applied throughout. Outside, new pavers and concrete pathways will be laid and two new rainwater tanks installed. The community will hold a working bee to landscape the back area followed by an official opening.

Funding was sourced from the State Government's Local Government Infrastructure Program (\$300,000) and Council (\$26,000).

Top marks for Family Day Care

Council's Family Day Care Program earned the highest ranking that can be immediately awarded to an approved child care service from the Australian Children's Education and Care Quality Authority.

The 'Exceeding National Quality Standard' rating is awarded under the National Quality Framework, which sets a new benchmark for quality service delivery. This rating recognises Swan Hill Regional Family Day Care's unwavering commitment to high quality early childhood education and care.

Swan Hill Riverfront

The Swan Hill Riverfront development is continuing to roll out, after the masterplan was endorsed at a Special Council Meeting in July 2013.

In 2013/14, the State Government announced grants for:

- Solar-powered lighting (\$183,000 State, \$20,425 Council in-kind and financial)
- About 1.5km of sealed pathway, lighting, safety and information signs, bins, seats and table improvements at the Pioneer Settlement entrance (\$300,000 State, \$100,000 Council).
- Outdoor fitness stations (\$80,000 State, and \$130,000 Council)

The first section of pathway has been completed and will be continued along the riverbank towards the Milloo Street Wetlands in 2014/15. The other projects will also start during 2014/15. A Cultural Heritage Management Plan and Historical Survey are being compiled, and will be submitted to Aboriginal Affairs Victoria for evaluation. As a part of the plan, Riverfront Restoration Guidelines will be developed to ensure that any further riverfront development will not cause further erosion to the riverbank.

Council has appointed a Riverfront Co-ordinator who will work with the community to implement the masterplan. An open house will be held early in 2014/15 to discuss short, medium and long-term actions and how the community can get involved.



Mayor Les McPhee and Member for Swan Hill Peter Walsh at the fitness stations announcement.

Safety projects get funding

Two projects to improve community safety received funding in May, through the State Government's Public Safety Infrastructure Fund.

Solar-powered lighting will be installed along the new Swan Hill river walk, to provide safe access to the area at night time. Extra CCTV cameras will also be installed in the Swan Hill and Robinvale CBDs, in a bid to deter violence and anti-social behaviour and provide police with another avenue for identification and prosecution.

More than \$230,000 was received, to complement \$26,000 in financial and in-kind Council support for the projects. The projects will both be completed in 2014/15.

Harmony Day 2014



Rebecca Wuor at Harmony Day 2014 in Swan Hill.

An estimated 2000 people celebrated Harmony Day at Swan Hill's Riverside Park in March 2014.

In keeping with the event's popular tradition, local community members cooked traditional dishes from countries like India, Afghanistan, Nigeria, Sudan and the Philippines. Entertainment included giant puppets, hair braiding, dingoes, henna and kids' activities, plus a parade of national costumes.

With support from Council, the Victorian Multicultural Commission and the Swan Hill community, the event has grown to become one of the largest regional multicultural events in Victoria. Council has budgeted to increase its financial contribution to the event in 2015.

YESFest and Fairfax success

The hugely successful YESFest:13 (Young Entertainers in the Street Festival), saw more than 1100 people participate in a night of music, theatre, food and fun. YESFest continues to evolve and become a way for young people to express themselves, connect and learn from each other.

The street party was the finale for the annual Fairfax Festival. Almost 120 young people, 24 leaders and 15 artists from regional and remote Victoria and southern New South Wales worked together for eight days of workshops, enjoyed live performances by HIT Productions, and then performed alongside young musicians at YESFest.

The Fairfax also continues to give one young person the chance to learn about the industry through the Young Artists in Residence Program. Alex Comitti from Balranald was the successful young person in 2013.

World class performances

During the 2013/14 season, Swan Hill Performing Arts brought world class performances into towns throughout the municipality.

This season was a mix of old favourites like Shakespeare in the Settlement and the Comedy Festival Roadshow, through to regional tours of the one woman comedy Everything Must Go and internationally renowned David Scheel performing at Swan Hill Regional Art Gallery.

The Performing Arts Department also partnered with Melbourne's Malthouse Theatre to bring Blak Cabaret to our community to help raise funds for the Hurricane Haiyan appeal. Workshops were held with comedian Kevin Kropinyeri and song writer Kutcha Edwards with people of all ages, and some of them joined Kutcha on stage during the performance.

Through the Swan Hill Performing Arts' major project, the Fairfax Festival and YESFest, the Performing Arts Department generated \$101,742 in funding from Federal and State grants, private donations and philanthropic funds. In total the department brought in more than \$140,000 through external funding for all of its projects, performances and events.

Print and Drawing Awards



Art Gallery Director Ian Tully (centre) with awards judges Terry Matassoni and Anne Virgo.

More than 1800 people visited the Swan Hill Regional Art Gallery during the National Print and Drawing Acquisitive Awards in May and June.

The awards included a dinner and launch, where prizemoney of \$14,000 was awarded to two winning works. There was also a seven-week exhibition of 55 finalists, a supporting exhibition of local students' printmaking, and public workshops and artist talks. Artists and printmakers around Australia hold the biennial awards in high regard – more than 200 entries were received in 2014.

Art gallery figures on the up

Initiatives to bolster attendance at Swan Hill Regional Art Gallery started to pay off in 2013/14. Figures increased 11.7%, from 9,010 in 2012/13 to 10,067 in 2013/14.

The gallery has taken a more strategic approach to exhibitions, to reflect its business plan. This also resulted in the inclusion of technology-based exhibitions, including Australian Chamber Orchestra Virtual in July and the Shifting Skin augmented reality exhibition planned for 2014.

School engagement has also increased after a teachers' PD in December, and support for local artists and art groups has continued. A strategic approach has also been taken to social media and other publicity to encourage more attendance.

Swan Hill Regional Library

Swan Hill Regional Library delivers a wide range of services through the Library in Swan Hill and the Mobile Library. Highlights for 2013/14 include:

Almost 7,000 members and 107,000 visits

The library has 6,953 members who reside in the Swan Hill municipality – that's 33 per cent of the municipality's population. During 2013/14, the Library in Swan Hill was visited 107,515 times, with a total of 88,601 loans. There were also 2118 loans of e-resources, including e-books and e-audiobooks. The library's wi-fi service was used 5055 times, logging 13,106 hours.

Mobile library visited almost 80,000 times

The mobile library continued to service 28 stops in 18 towns in the Swan Hill, Wakool, Buloke and Gannawarra municipalities. The Mobile Library was visited 79,456 times, with a total of 27,080 loans. The Mobile Library also reached about 2,500 children through its storytime service.

Home Library Service

Volunteers delivered 1,323 books and audiobooks to 22 people in their homes and at Alcheringa.

E-books

E-books was launched in August 2013. Members can now borrow e-books on their computer or use the BorrowBox App on their Smartphone or tablet.

Loud @ the Library

Loud @ the Library events were held in November and March – with a total audience of 217 people. The events offer local musicians up to the age of 25 a chance to perform in front of an audience. Wilis, whose first public performance was at one of the first Loud @ the Library events, launched his first EP at the November 2013 event. FReeZA, MacKillop College, Muso's Stuff, Morpeth's Audio Visual and Dominos support these events.

Move and Groove

The Move and Groove Storytime on Wednesday mornings was very popular, with 1,178 children, parents and carers attending, an increase of more than 441 on 2012/13.

Summer Reading Club

More than 120 children took part over the summer school holidays, reading a combined 2010 books.

Talking Difference

The Library and Mobile Library hosted Talking Difference in February. As part of the Museum Victoria and VicHealth project, workshops were held to discuss how race-based discrimination affected lives and communities. Questions were generated during the workshops and recorded in the Talking Difference studio for the public to respond to using video, audio, text and drawing.

High Road to Reading



Illustrator Andrew Plant held a workshop as part of High Road to Reading.

The Library hosted children's author visits as part of High Road to Reading, in conjunction with the State Library of Victoria. A total of 468 people attended three talks and workshops.

Special events

The library hosted An Evening with Afghani Refugees and Asylum Seekers; and Sister to Sister, looking at life from a Muslim woman's perspective. Author talks for adults included those from Dave Morgan talking about his memoir Ice Journey, and Bill Robertson, a former Assistant Police Commissioner and author of No Witness, No Case. Sea Lake author Marnie Lester launched her young adult novel Ariel's Charm. Twelve community displays, four musical performances, six children's and adults workshops, and teen photo competition Youthspective were also held.

New groups

New groups formed at the library in 2013/14 included the Knit and Natter knitting and crochet group, Scrabble Club and Book Club.

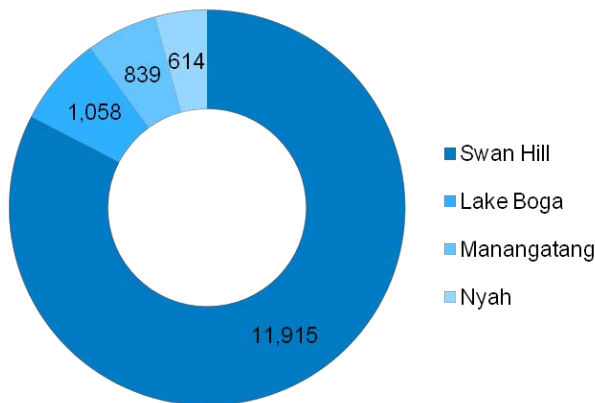
Community Care excels

Council's Community Care Service aims to support people in their own homes and communities, providing services through two distinct funding streams – Home and Community Care (HACC) and Home Care Packages. The two programs offered more than 45,000 hours of care and service in 2013/14.

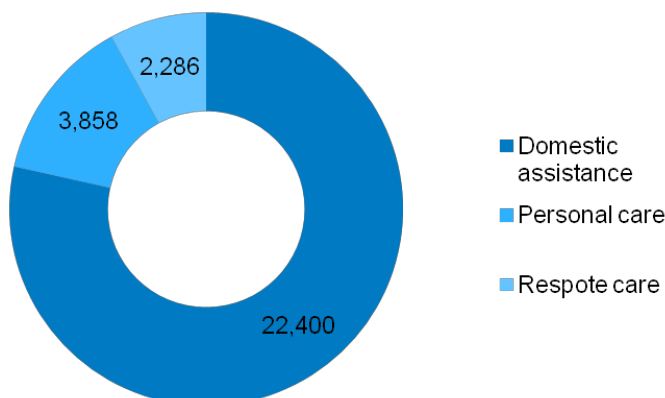
In partnership with Swan Hill District Health and Swan Hill Rotary Club, Council's Community Care program also delivered 14,426 meals to frail and aged community members in Nyah, Lake Boga, Manangatang and Swan Hill.

The social support team also offered its regular activity sessions and outings for HACC clients. Highlights in 2013/14 were a trip to Melbourne in June for the King and I production; a three-day Riverland tour to Renmark and Mannum; and a popular outing to the Homebush Hotel (five buses over two trips).

Meals delivered through Meals on Wheels



Hours delivered in three key service areas



Positive care survey results

More than 230 clients responded to Council's Community Care annual survey. Satisfaction from clients receiving Council's Community Care Services remained at very high levels.

Service type	Average rating out of 10
Quality of services provided	8.2
Regularity of services provided	9.1
Staff presentation and safety in the home	8.7
Office service response levels	8.7
Quality and timeliness of assessment	9.0

Public Health and Wellbeing plan

The Public Health and Wellbeing Plan was adopted at the November 2013 Council meeting before being forwarded to the Department of Health.

A number of strategies from the plan have been achieved, including an education campaign around the introduction of new smoking bans at children's play areas, which started in April.

More objectives relating to health and physical activity will be achieved as a result of actions contained in Council's Active Transport Strategy, and as a result of the Swan Hill Riverfront Masterplan works.

Achievements through Disability Action Plan

Council continued to implement actions from its Disability Action Plan.

Two new courses were added to Council's annual training calendar – Communicating Effectively with People with a Disability, and Easy English. Some staff from the Swan Hill Region Information Centre have also been trained in key word sign.

A hearing loop was installed at the Swan Hill Town Hall, to aid those hard of hearing, while Council's new website was designed to conform with W3C Web Content Accessibility Guidelines and includes accessibility features like a Read Speaker function and variable font sizes.

Council's RuralAccess Co-ordinator played a vital role in major projects and infrastructure planning, including the Swan Hill CBD upgrade, the Swan Hill Riverfront Masterplan, and the Active Transport Strategy. One outcome was an increase in accessible car parking options in the Swan Hill CBD.

Community events that provided opportunities for people with a disability to participate included the very successful Sailability event at Lake Boga. It included sailing, rock climbing, kite making, football clinics, art, tennis, Zumba, petting nursery and disability awareness. About 240 people attended over two days. The event was held to co-incide with International Day of People with a Disability and was run with support from Progressive Unit Swan Hill (PUSH), Council and community organisations. A come and try football day and a Football For All program were also held in 2013/14.

Animal management

Council continues to work with animal rescue groups to rehouse dogs and cats. The number of animals rehoused in 2013/14 increased to 183 dogs and 17 cats.

Council also expects to complete its Domestic Animal Management Plan in 2014/15. The plan will set out a range of objectives to ensure domestic animals are managed effectively across the municipality.

	2011/12	2012/13	2013/14
Dogs registered	2,759	2,632	2,777
Cats registered	423	405	394
Impounded dogs, inclusive of surrendered	424	396	338
Dogs returned to owner	183	148	129
Dogs rehoused	46	171	183
Dogs euthanised	144	77	26
Cats impounded, inclusive of trapping program	339	337	267
Cats returned to owner	5	9	9
Cats rehoused	1	9	17
Cats euthanised	333	319	241
Domestic animal businesses	0	5	5

Local laws and parking

In addition to animal management, Council's Regulatory Services Department oversees car parking meters and infringements, and enforces local laws.

	2011/12	2012/13	2013/14
Parking infringements	1,064	1,109	680
Regulatory services infringements	72	28	86
Local Law infringements	24	6	3
Parking meter revenue	\$205,536	\$181,342	\$253,069
Fines	\$55,089	\$78,919	\$40,048
Infringements withdrawn	47	33	30

Hazardous Materials Planning

Swan Hill's Municipal Emergency Management Planning Committee (MEMPC) adopted the Hazardous Materials Sub-Plan in 2013/14. From this sub-plan, Community Level Facility plans have also been completed and will return to the MEMPC and the Municipal Fire Management Plan Committee in 2014/15.

These plans will ensure that Council and emergency services are aware of the risks associated with hazardous materials, and that plans are put in place to mitigate the risk to community safety in the event of a hazmat incident.

A state-funded Emergency Projects Officer has completed the work for Mildura and Swan Hill councils. The officer's role is to develop emergency plans that concentrate on the transport of hazardous materials through a municipality, and facilities containing large amounts of hazmat that might affect community safety.

Aboriginal Community Planning

Council's Aboriginal Community Planning Officer has assisted the local Aboriginal community, through the Local Indigenous Network (LIN), to complete their community plan.

This was an extensive and detailed process that has provided the local Aboriginal community with future direction following an active community consultation process.

Council's Aboriginal Partnership Plan will be reviewed in 2014/15 to incorporate the community planning objectives that Council can play an active role in assisting the Aboriginal community to achieve.

During 2013/14, Council's Aboriginal Community Planning Officer also played an active role in the management of Aboriginal Cultural Heritage issues in close association with Aboriginal Affairs Victoria; has been actively involved in local Aboriginal issues in Swan Hill and Robinvale; and as a Council representative has taken the lead within the Aboriginal community to organise activities like NAIDOC Week.



Community members walk across the Swan Hill bridge during NAIDOC Week 2014.

Community planning kicking goals

Eleven communities in the Swan Hill municipality have worked with Council to build their own Community Plans. Community planning gives community members a combined voice to determine projects they see as important. It also helps Council learn what the community would like to see and be involved in. Community groups manage the plans, with the help of community volunteers to carry out projects. Plans are reviewed and updated about every 18 months.

Highlights from 2013/14 included:

Ultima



Bill and Lynda King, and Rene Brawn at the Ultima path opening.

More than 300 people returned to Ultima on the Labor Day long weekend in March 2014 for the opening of the Lions Club Park path. The community's focus is now on the old machinery museum, which will be located behind the former Scout Hall and on the north side of the park.

Beverford

The Beverford community reviewed its Community Plan and has highlighted community events such as a community garage sale, social barbecues, movie nights, book swap nights, Clean Up Australia Day and celebrating Australia Day with a community breakfast.

Woorinen

The Woorinen community is proud to report that most activities within the current Community Plan have been achieved, including new amenities at Woorinen South Park like seats, paths and a water bubbler. New town entrance signs are up, there is a new community noticeboard and the community is especially excited with the school bus/library van indentation. As a result of these successes, the community plan will be reviewed in 2014/15 – 12 months earlier than initially planned.

Piangil

The new Piangil Multipurpose Community Centre – a project listed as a priority in the Piangil Community Plan – is underway. The Piangil community played an integral role in the project, helping to put together a detailed funding application, scoping the project and raising an incredible \$26,000 towards its cost. Funding was also received from State Government and Council. The building should be completed by November 2014, and the community plans to hold a Christmas party as one of the first events to celebrate the new building.

“The Piangil community fully scoped the project including building plans, costing – everything down to the landscaping.”

– Murray Mallee Ward Councillor Gary Norton

Robinvale

The Robinvale Community Garden is being developed in partnership with Council, groups and organisations, the community and the Robinvale P-12 College. Council provided start up money and the school received NAB funding to continue implementing the garden design. An open day and working bees have been run with community members. Tours of the garden are being conducted to engage the wider community. Community members and groups can volunteer in the garden or obtain a garden box to plant and maintain.



A big crowd at the Robinvale Community Garden open day.

Boundary Bend

The Boundary Bend community continues to improve Memorial Park and recently installed seating for the barbecue area. The community is also keen to support Council's Active Transport Strategy by creating a walking path for both tourists and community members.

Wemen

The Wemen community continues to focus on and make improvements to the community hall.

Lake Boga

The Lake Boga community has worked with Council to redevelop the Lake Boga foreshore, including a much-improved walking path. The community is also focused on active transport and is creating other walking paths to connect amenities within the town. The community is also working with Council on a design and feasibility study to connect Lake Boga to Swan Hill with a cycling path. Also stay tuned for some quirky bike racks that the Lake Boga community is designing.

Manangatang

Through its Community Plan, Manangatang provided a travellers rest, as well as continual improvements to Lowan Park and its youth facilities. A bike pump installed at the park has been a great success. The community is also very keen to support a walking path from the town to the recreation reserve, with fitness stations and seating along the way.

Nyah District

The Nyah District has recently finalised its Beyond Tomorrow Community Plan and has highlighted a number of projects to be undertaken. The community hopes to continue investing in the Nyah Recreation Reserve with the Lions Club leading the development of a walking path for tourists to the area. The community has already started to celebrate its heritage with a window display depicting the heritage of the dip tray. The Men's Shed and Op Shop located in Nyah West continue to grow and act as a central hub for community activity.

Swan Hill

George Lay Park residents have developed a community vegetable garden where they have successfully grown a range of produce. Another Swan Hill Community Plan focus group – Creating Learning Opportunities – has been working with a St Mary's MacKillop College placement student to design a brochure promoting activities that help strengthen numeracy and literacy skills in our community. The brochure will be available on Council's website once complete.

The year ahead

Chisholm Reserve development

Council has applied to the State Government for \$2 million to build a nationally accredited quarter mile drag strip at Swan Hill's Chisholm Reserve.

Council, the State Government, Swan Hill Drag Racing Club, Australian National Drag Racing Association and other local motorsport groups have been working on this proposal since 2008. The strip will complement the already active motorsport community that includes speedway, motocross, go karts and shortcourse.

Council will receive an outcome from the funding application early in 2014/15.

Local history project



Pat Salau (centre) will work on the project with Library staff, including Karen Delmenico and Rodney Pierce.

Photographs, hospital records, community group meeting minutes and other records will be preserved as part of a Swan Hill Regional Library local history project. The project received \$11,085 in State Government funding. The first digital records are expected to be publically available through the library's catalogue in February 2015.

Swan Hill Pound upgrade

Stage 2 of the Swan Hill Pound upgrade has started, and will be completed in 2014/15. The upgrade includes a socialisation area, more long-term dog pens, an office and vet room, and an area for impounded livestock.

Cultural Plan

Council's Cultural Plan is in final draft form. Work will continue in 2014/15 to integrate Council's prioritised diversity planning into the Cultural Plan. Council actively sought financial assistance to develop a separate Diversity Plan, but will now ensure recognition of all aspects of cultural importance to the community are included in one broad but achievable Cultural Plan.

Piangil Community Centre

Construction of the new Piangil Multipurpose Community Centre has started. The new building will replace the former community centre and will feature a large function room, a Maternal and Child Health consulting room, new commercial kitchen and public toilets. The Piangil community played an integral part in the planning, and raised \$26,000. The State Government contributed \$300,000 and Council \$81,000.

Aboriginal planning continues

Council's Aboriginal Community Planning Officer will spend more time in Robinvale in 2014/15, working with the people of Robinvale to assist in the development and delivery of their Aboriginal Community Plan. An Aboriginal-themed park in Swan Hill's Harrison Crescent has also been made a priority, and the Aboriginal Employment Placement program that Council delivers with EWorks will continue.

Disability Action Plan priorities

A range of projects from Council's Disability Action Plan will be prioritised in 2014/15.

To help ensure that all Councillors can represent the needs of people with a disability, disability awareness training will occur in 2014.

Communication boards, which use written words and symbols to aid communication, will be rolled out at the Swan Hill Region Information Centre. The centre is expected to be used as a champion site for the new national Communication Access symbol and standards. Further refinements will also be made to Council's website and other Council program websites will be assessed for their accessibility.

Challenges

Aged care reforms

The Commonwealth aged care reforms continue to be a challenge for Victorian local governments, as the Commonwealth and state negotiate the ongoing future of community-based aged care.

Council continues to review options for the future, and is working to develop a way to ensure eligible people in the community are provided with a full range of services to allow them to live independently in their own homes for longer.

Swan Hill Riverfront

A large number of stakeholders are involved in the Swan Hill Riverfront development, including Council, the community, private businesses and State Government authorities. Implementation of the masterplan will need co-operation and input from all stakeholders.

Councillors and Council's Executive Management Team will continue to lobby government bodies to support the plan's implementation. Discussions will be held with key stakeholders like GrainCorp, V/Line, VicTrack, and the Shell and Mobile fuel companies.

One of the key discussions in 2014 will be the proposal for an at-grade level crossing to link the Swan Hill CBD (via McCrae Street) to the riverfront. It is a complex project that involves a number of government agencies, and which must consider community safety.

Community meetings will also be held in 2014/15 to discuss how community members can get involved in the masterplan's rollout.

Robinvale levee bank



Part of the existing Robinvale levee bank.

Following a number of unsuccessful funding applications, a project to complete a levee bank to protect the eastern section of Robinvale has been redesigned to be more financially viable.

The levee bank reconstruction has been designed to be located on the existing footprint of the levee, with the length of the project shortened by about one kilometre, reducing the expected project cost.

Council negotiated with the Mallee Catchment Authority, Parks Victoria, and the Department of Environment and Primary Industries to seek their permission to reconstruct the levee on its existing site. A Cultural Heritage Management Plan was also completed and approved by Aboriginal Affairs Victoria.

Council has allocated funds in the 2015/16 Major Projects Plan and intends to apply to State and Federal government agencies for further funds. The greatest challenge will be to prove the business case for government investment. The benefit cost ratio figure requires significant improvement from the last application that was lodged.

Community funding

Swan Hill Rural City Council recognises, respects and values the contribution that community, sporting and not-for-profit organisations make within our community. One of the ways Council recognises and supports this contribution is through a Community Grants Program. Recipients of the 2013/14 Community Grants are as follows:

Category One

Category One provides grants of up to \$2,000 to suitable community groups and organisations. Generally funding will only be provided for applications that target the following types of projects – structural repairs or minor upgrades, new or upgraded equipment essential to operation of the group, current OH&S or risk management issues, new programs or activities within a community, minor or local festivals or events that have broad community benefit and projects for specific high-needs groups such as Indigenous people, women and youth.

Organisation	Funded amount \$	Project description
1st Nyah Nyah West Cub and Scout Group	2,000	Funding for shipping container
Afghani Association of Swan Hill Incorporated	2,000	Driving lessons for women
Australian Inland Wine Show	2,200	Inland Wine Show
Boundary Bend Progress Association	1,998	Purchase one air-conditioner
Diggers and Dolls Playgroup Incorporated	454	Diggers and Dolls Playgroup activity funding
Healthy Minds Network	1,100	Strategic plan
Italian Social Club	2,000	Toilet and washroom upgrade
Lake Boga Incorporated	2,000	Active Walking Path
Loddon Mallee Pre-School Association	2,000	Woorinen South Pre-School family friendly room creation
Mallee Family Care	1,000	Gamers Community Funding
Mallee Sports Assembly	2,000	Sailability
Manangatang Improvement Group	500	Equipment trolley
Mid Murray Pistol Club Incorporated	2,000	Upgrade toilets
Nyah District Christmas Carnival Committee	1,000	Annual Nyah District Christmas Carnival
Nyah District Men's Shed Incorporated	1,500	Purchase of a scroll saw

Organisation	Funded amount \$	Project description
Nyah District Pony Club Incorporated	1,000	Horse yards
Nyah District Pool Committee Incorporated	900	Purchase administration equipment
Racing In Nyah Incorporated	780	Purchase of water tank
Robinvale Secondary College and Community Brass Band	1,000	Purchase three brass cornets
Robinvale Tongan Community Council	450	Local Tongan educational awards
Swan Hill and District Agricultural and Pastoral Society Incorporated	1,000	Pavilion refurbishment
Swan Hill Bowls Club Incorporated	1,000	New scoreboard project
Swan Hill Neighbourhood House Incorporated	863	New computer
Swan Hill Playgroup Incorporated	498	Bike safety supplies
Swan Hill Pony Club	1,000	Show jumping supplies
Swan Hill Poultry Club	400	Pavilion repairs
Swan Hill South Kindergarten	1,000	Waterwise sandpit
Swan Hill Specialist School	500	Swan Hill Specialist School camp
Swan Hill Sporting Car Club Incorporated	1,000	Lights
Swan Hill Stroke Support Group	1,000	Trip to Barham
Swan Hill Theatre Group Co-Operative Ltd	1,000	Air-conditioning at Memorial Hall
The Portsea Camp	500	Portsea Camp
Tyntynder Football Netball Club Incorporated	1,000	Upgrade disability ramp
Ultima Football Netball Club	1,000	Grand exhaust canopy
Ultima Tyntynder United Football Cricket Club	1,000	Training nets upgrade
Woorinen Football Netball Club	1,000	Upgrade kitchen

Community funding

Category Two

Category Two provides small amounts of funding (generally no more than \$200) to community groups and organisations.

Generally funding will only be provided for applications that target new programs or activities within a community and activities and events that have broad community benefit.

Organisation	Funded amount \$	Project description
Swan Hill Blind Auxiliary	200	Annual Vision Australia Fundraiser
Swan Hill Eisteddfod	200	Annual Swan Hill Eisteddfod encouragement awards
Lake Boga and District Landcare	200	Annual Lake Boga Gala event
Pioneer Animal Nursery Incorporated	200	Purchase of uniforms for animal nursery staff
Pelican Appeal Committee	200	Annual Royal Flying Doctors Appeal Row-a-thon
Australian Inland Wine Show Incorporated	200	Annual Australian Inland Wine Show
Mallee Eagles	200	Funds towards grand final breakfast 2013
Robinvale Euston Agriculture Show Society	200	Entertainment at the Robinvale Euston Show
Mallee Family Care	200	Children's Book Week
RSPCA Million Paws Walk	200	Million Paws Walk 2014
Swan Hill and District Agricultural and Pastoral Society Incorporated	200	Hosting of the 2014 regional finals for the NDASA
St Mary's P-8 School Fete	200	2013 school fete
SuniTAFE	200	Bus trip for students to Melbourne to view art exhibition
Swan Hill Squash Club Incorporated	200	Uniforms for the squash club
Swan Hill Basketball Association Incorporated	180	Assist with the purchase of a printer
St Mary MacKillop College	200	End of school art awards
Nyah District Action Group	200	Plaque for Nyah West wire sculptures

Organisation	Funded amount \$	Project description
Collizon Youth - Southern Lights Church	200	Co-ordinate a family fun night at the Harrison Crescent Park
Ultima Progress Association	150	Ultima Community Christmas celebrations
Lake Boga and District Landcare	150	Watering system at Catalina Park
Swan Hill College	200	Sponsorship of Jennifer Brabham Memorial Art Award
Swan Hill District Health	200	Water wise garden at High Street Health Promotion Building
Robinvale Swimming and Diving Club Incorporated	200	Installation of a diving block at the Robinvale Outdoor Pool

Community Pride

The Community Pride Grants Program makes funds available to support a range of projects that promote local sustainability initiatives.

The program aims to encourage community groups to show initiative and make a difference to the environment that they operate in. Grants of up to \$2,000 for groups and organisations are available.

Organisation	Funded amount \$	Project description
Kunawaa Pre-School Parents Club	1,000	Water tank
Lake Boga Bowling Club Incorporated	1,810	Community Garden Project
Lake Boga Incorporated	1,805	Lake Boga Palm Project
Manangatang and District Bowling Club	1,000	Water tank
Mallee Artists Swan Hill	536	Mural
Nyah West Golf Club Incorporated	1,200	Water cart
Robinvale Euston Business Association	2,000	Robinvale Community Art Project
Sustainable Living in the Mallee	991	Community garden



Part four

Economic Growth

What we seek to achieve

Through our Economic Growth objective, we will actively promote and develop partnerships with government and other sectors in order to pursue economic growth and development by:

- Supporting the development of a prosperous, growing, vibrant and diverse economy.
- Encouraging development and new business establishment based on the region's comparative and competitive advantages.
- Promoting an economy that consists of a number of diverse sustainable small and medium industries.
- Providing infrastructure and a range of services that makes us a 'region of choice'.
- Supporting existing businesses to be sustainable and expand.
- Council will support the major regional change strategies as indicated by the Northern Loddon Mallee Regional Strategic Plan.
- Take advantage of opportunities presented by regional groups.
- Awareness of international, national and regional based initiatives including the Murray Darling Basin Plan.

“We will encourage new business development and will provide support to attract new business investment and expansion in the community.”

– Swan Hill Rural City Council Plan 2013-2017



Council Plan initiatives

Our commitments and performance

✓ Completed >> In progress/continuing in 2014/2015 << Delayed due to funding/budget

Council Plan Initiative	Action	Status
Begin implementation of the Central Business District masterplans for Robinvale and Swan Hill including identifying links to Riverfronts	Determine and complete Year 3 of the Swan Hill CBD Masterplan	✓
Development of a strategy to support the attraction of new business based on the regions comparative and competitive advantages as identified in the Economic Development Strategy	Develop and implement an Investment Attraction Strategy to streamline processes for business investment and to promote the regions comparative and competitive advantages	>>
Conduct a review of Council operated aerodromes and implement both Civil Aviation Safety Authority requirements and Council recommendations	Renewal of current infrastructure	>>
Conduct a review of Council operated aerodromes and implement both CASA requirements and Council recommendations	Call for expressions of interest in potential operation of passenger air services from Swan Hill aerodrome	✓
Commence Program to identify works required on access roads to enable B-Double access	Determine suitability of Council roads in accordance with the road hierarchy	✓
Develop Rural Land Use/Living Strategy	Scoping paper to be developed	✓
Continue to investigate options for renewable energy for the municipality	Complete a Study that explores opportunities to source renewable energy for Council operations	>>
Assist local businesses to upskill and retrain their workforce	Establish specific skill shortages in the region	✓

Council Plan Initiative	Action	Status
Review of Special Rates and Levies to support marketing activities	Review effectiveness of existing Special Marketing Rate and determine whether to continue	✓
	Review and update Deed between Council and Swan Hill Incorporated	>>
	Undertake Statutory Process to establish a Special Marketing Rate	✓
	New Special Marketing Rate in place	✓
Develop and implement a Workforce Development Strategy	Develop steering committee to manage strategy development	✓
	Appoint consultancy to facilitate strategy development	✓
	Complete strategy	✓
Commence implementation of Swan Hill and Robinvale Riverfront Plans	Identify individual projects within Masterplan	✓
	Allocate resources and schedule implementation of masterplan	>>
	Update Major Projects Plan in accordance with implementation plan	>>
Actively pursue suitable alternative opportunities arising from decommissioned irrigation infrastructure	Swan Hill modernisation plan approved by Federal Funding body	✓
Implement outcomes of the review of the Swan Hill Regional Livestock Exchange	Council endorsement of Functional Design Plan for the Livestock Exchange	✓
	Subdivision and sale of surplus land	>>
	Identify and apply for funding	<<

Council Plan Initiative	Action	Status
Investigate the possibilities for railhead and rail freight centres in the municipality	Develop project scope (consultants brief)	✓
	Apply for funding	✓
Implement staged redevelopment of the Pioneer Settlement	Identify funding source and apply for funding for stage 1.2 works	>>
	Secure funding	<<
	Tender and construct stage 1.2 works (which includes new steam workshop, men's shed and workshops)	>>
Pursue funding for a levee bank at Robinvale	Complete Cultural Heritage Management Plan	✓
	Complete detailed design	✓

Economic growth highlights

Special rate declared

Council declared a special marketing rate in April 2014. The rate will be collected from commercial, industrial and tourism businesses in the southern sector of the municipality. Swan Hill Incorporated will use the rate to market the region as a place to live, work, shop, invest and visit.

The rate was declared for five years, starting 1 July 2014, with \$339,130 to be raised in the first year and the total raised increasing by CPI per annum each year.

Council completed an extensive public consultation process before declaring the special rate. A total of 381 submissions were received to the proposed rate, with 11 of those submitters presenting to a Special Council Meeting. Of the 381 submissions, 318 were received from those liable to pay the rate, representing 43 per cent of the 747 rateable properties. Of those 318, 177 supported the rate while 141 raised objections.

The special rate for marketing purposes has been in place in Swan Hill since 2002.

Pioneer Settlement redevelopment

Work to revitalise the Settlement continued in 2013/14 with a number of upgrades helping to further re-energise the site.

The old Signwriter's and Pottery buildings have been rebuilt to provide a multipurpose space for the local Men's Shed and mechanic's work area. A new Cabinet Makers and Joinery has also been created. The original woodturner's shop – at the river end of the main street – has been dismantled and replaced with a small garden, opening up views of the river and the Pyap. The Chemist Shop has had an external makeover, while the Photographic Parlour has a new verandah and disabled access.

The return of Black Bess was also considered a boon. The rare 1920 Z7 Class Ploughing Engine returned to the Settlement in December, after undergoing five years of restoration. The Mallee Steam and Oil Group, Pioneer Settlement staff and volunteers, and local businesses all contributed to see Bess return.

Swan Hill CBD Masterplan

The third and final stage of the Swan Hill CBD upgrade was completed in May thanks to funding from the State Government's Regional Growth Fund. The Swan Hill CBD upgrades stages 1 through to 3 have been a crucial aspect of maintaining and assisting local business growth.

The Swan Hill CBD Masterplan was developed to improve the visual appeal of the city, and to also have flow-on benefits for the community, including employment, business revitalisation and tourism development and is seen as a major step in a redefinition of Swan Hill.

These upgrades have seen the Swan Hill CBD transform into a visually stunning, pedestrian friendly city centre.

Upgrades in stage 3 included:

- Kerb realignment
- New paving
- Shade structure installation
- New benches, seats and tables
- 10 additional trees
- Seven new car parks
- One additional disabled car park
- Banner poles
- Road restoration
- New garden beds



Council's works team and contractors during CBD Stage 3 work.

Regional Living Expo success

More than 70 people expressed genuine interest in moving to Swan Hill during the Regional Living Expo in Melbourne in April. Council and Swan Hill Incorporated hosted a stall to promote the region's career, lifestyle, education, health and housing opportunities to potential tree-changers.

Those who expressed interest in moving to the area ranged from people looking to retire to the Swan Hill region, through to those looking for employment in professions like nursing, truck driving, IT and mechanics.

Council and Swan Hill Incorporated are working together to follow up with those interested people, and are planning a weekend in 2014 to bring some of them to the region for a firsthand experience.

“Lots of the people who came to us were genuinely interested in moving to regional Victoria, and had singled out Swan Hill as one of their potential locations.”

- Mayor Les McPhee

Business breakfasts, workshops

Council hosted five business breakfasts in Swan Hill and Robinvale in 2013/14, in a bid to assist local business to build their skills and to network.

Guests speakers included Council's newly appointed CEO Dean Miller, marketing expert Ailsa Page, Murray Regional Tourism Board CEO Mark Francis and REMPLAN economist Matthew Nichol. Council and Small Business Victoria also partnered to present a range of workshops in Swan Hill and Robinvale, focussing on topics like marketing strategies and business plans.

More breakfasts and workshops are planned for 2014/15.

Building permit success

Council's Building Department achieved a better than target average for processing and issuing building permits in 2013/14 – an average of 11.63 days, compared to the best value target of 16 days.

A total of 384 building permits were issued in 2013/14, with a total value of \$37.07 million. This is up from 2012/13 when 325 permits were issued, with a value of \$30.73 million. The Building Department also conducted about 1,400 mandatory inspections on properties in 2013/14, up from about 1,200 in 2012/13.

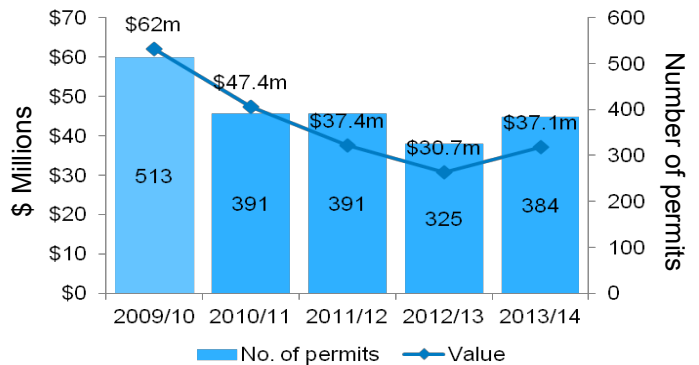
Some facts for the year 2013/14 –

- Total dwellings/townhouses for the municipality – 65 with a total value \$18.56 million
- Total dwellings/townhouses built in Swan Hill and district – 44 (67.7% of municipality total). Of these, 23 were at Tower Hill, representing 52.27% of Swan Hill and district permits.
- Total dwellings constructed in Robinvale and district – 7 (10.75% of municipality total).

Planning approvals up

There was a slight increase in the number of planning permit applications approved in 2013/14, up to 134 from 119 in 2012/13.

All building permits



Business, housing growth

About 20ha of land at Swan Hill's north and south entrances were rezoned to Commercial 2 in December. The changes make way for future development on the mostly privately-owned land. The rezoning also included a small parcel of land at the Swan Hill Livestock Exchange, which Council plans to make available for sale at a later date.

A 16ha parcel of Lake Boga land was rezoned from Farming to General Residential in December. This private development will eventually create 86 new residential lots around the eastern side of the lake. Council expects to receive Development Plan and subdivision applications from the landowner in 2014/15.

Planning procedures status	2012/13	2013/14
Permit applications lodged	133	135
Decision on applications lodged	122	143
Permit applications approved	119	134
Permit applications refused	1	2
Permit applications withdrawn/lapsed	8	7
Notice of Decision to Grant a Permit	1	2
Review lodged at VCAT	2	1
Subdivision applications received (under the Subdivision Act)	58	34

Roads and infrastructure maintenance

The municipality has 2808km of unsealed roads, 1369km of sealed roads and 134km of footpaths to maintain, along with kerb and channel, signs, drains, bridges, roadside vegetation, streetscapes, playgrounds, parks and sporting grounds.

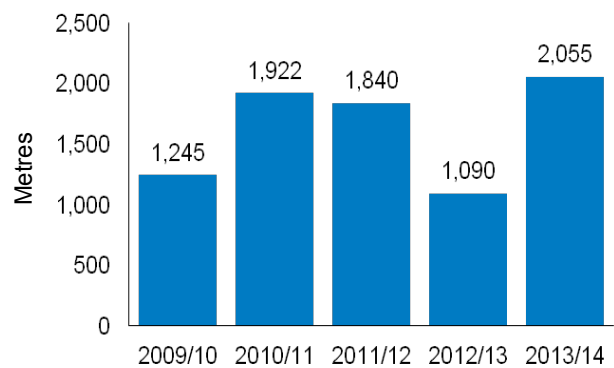
In 2013/14 –

- 2055 square metres of footpath was replaced, renewing and replacing unsafe and broken sections of concrete footpath and pavers.
- 578 trip hazards were grinded throughout the footpath network.
- About 193,970 square metres of urban and rural roads was resealed, and 31,550 square metres of final seal was completed during the year. This was the final year of a five year contract.
- 380 tonnes of asphalt was profiled and placed at various locations.
- 11km of road shoulder was re-sheeted.
- 41km of unsealed road was re-sheeted.
- 14.7km of sealed road was reconstructed.
- 1435km of unsealed roads was graded. Grading of unsealed roads and shoulders on sealed roads was limited to six months of the financial year.
- 75km of centre line marking was painted on various sealed roads throughout the municipality.
- Playground equipment upgrades were completed throughout the municipality as identified in Council's Playground Asset Management Plan.
- 1000 power line clearances were completed, 65 trees were removed and 1050 trees were trimmed to allow footpath and road clearance. Council's Tree Maintenance Contractor completed this work following inspection of trees on nature strips and Council-controlled properties.
- 660 hours were spent clearing rural roadsides to allow and improve access.

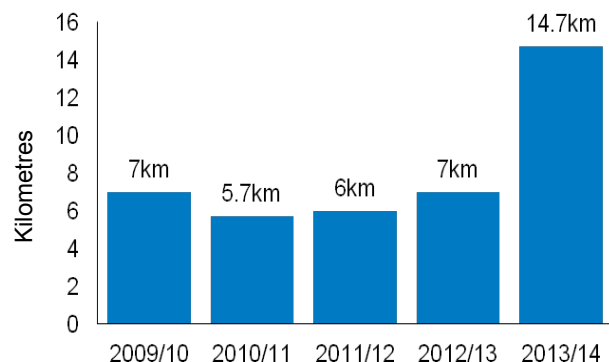


CEO Dean Miller, Civil Works Supervisor Ben Hawthorn, Coburns Earthmoving's Kent Coburn and Member for Swan Hill Peter Walsh at the Lake Boga-Ultima Road in March when the road was being widened with funding from the State Government's Country Roads and Bridges program.

Footpath repair/replacement



Reconstruction of sealed roads



Rail freight and river access

Discussions have started with state authorities on the long-term future of freight on the Swan Hill rail line and how that might be affected by riverfront development.

Through the Central Murray Regional Transport Forum, Council has also been briefed on the Victorian Government's Murray Basin Freight study. The study provides a number of options for investment into north west Victorian rail infrastructure. They include standardisation of the Mildura freight line, or a network standardisation including the Manangatang line. Council supports the option to invest in the region's rail freight network, which will cover the Mildura, Sea Lake and Manangatang lines.

In addition to the work being undertaken on rail freight, Council continues to advocate for increased passenger rail for Swan Hill.

Agriculture – transport links

Council continued its program of widening and upgrading roads that carry high volumes of heavy traffic, including grain, almond and fruit trucks. In 2013/14 this included widening sections of the Culgoa-Ultima Road, and the Lake Boga-Ultima Road.

In 2014/15 Council will continue these upgrades, including North South Road from School Road to the Murray Valley Highway; the next stage of Lake Boga-Ultima Road (to the Donald-Swan Hill Road); the next stage of the Culgoa-Ultima Road; and a 1.6km section of Annuello-Wemen Road to accommodate almond transport.

Stock selling numbers growing

Cattle and sheep numbers sold through the Swan Hill Regional Livestock Exchange both boomed in 2013/14. Numbers have steadily increased over the past six years. In that time cattle numbers have more than doubled from just over 17,000 in 2008/09 to more than 40,500 in 2013/14.

	Sheep numbers	Sheep turnover	Cattle numbers	Cattle turnover
2008/09	169,259	\$9.88m	17,103	\$10.19m
2009/10	177,491	\$15.38m	17,718	\$10.81m
2010/11	180,721	\$24.74m	27,586	\$20.61m
2011/12	196,336	\$22.02m	30,567	\$21.80m
2012/13	201,624	\$16.34m	33,651	\$21.12m
2013/14	242,026	\$23.07m	40,535	\$23.55m

Saleyards redevelopment

As part of the ongoing saleyards redevelopment, new holding yards and a laneway have been built, resulting in 13 additional holding pens for cattle with a capacity of 1,000 head. The old agents' hut has been removed and new drafting pens installed in its place. The cattle draft has also been redesigned and extended. The livestock selling complex has also introduced a Saleyards Safety Induction Program.



The year ahead

South West development progress

Work will continue on the Swan Hill's South West Development Plan. Following the review of the Swan Hill Residential Development Strategy 2006-2030, which was finalised in March 2013, Council officers reviewed the Outline Development Plan for the South West Precinct. This included consultation with owners of the 33 relevant properties, and with government authorities in relation to environment, transport and cultural heritage.

In 2014/15, Council will continue to work with landowners to finalise cost-sharing arrangement, and will work towards a planning scheme amendment to rezone land in the South West Precinct.

The South West Precinct covers 240 hectares, bordered by Werril Street, Dead Horse Lane and Sea Lake-Swan Hill Road. The precinct has the potential to provide about 2000 new residential lots, as well as community and commercial facilities.

Swan Hill Retail Strategy

A project to strengthen Swan Hill's retail industry will take place in 2014/15. State Government funding of \$40,000 was announced in March 2014, and a consultant appointed soon after.

The consultant will work with retailers, Swan Hill Incorporated and Council, and will conduct a floorspace survey and other research to compile a Retail Development Strategy. A place management strategy will also be developed, along with a digital marketing strategy and workshops for retailers. The retail strategy is expected to be completed by October.

North Park development

Council will finalise its assessment of a Development Plan and planning permit application from Peninsula Planning Consultants, on behalf of Bunnings Group. Bunnings plans to build a new store on the corner of Beveridge and Pye streets in Swan Hill – a portion of North Park that was rezoned and sold in 2012/13.

Farmers' Market study

The Swan Hill Region Farmers' Market Working Group has been formed to guide a feasibility study into a high-quality, regular and accredited farmers' market for the region.

The 16-member working group includes local growers, volunteer groups, community organisations and key Council personnel, and is chaired by Cr Jessie Kiley. The group will appoint a consultant early in 2014/15 to undertake the feasibility study and hopes to complete the study in October.

“Interest in this project has been fantastic and the market working group has really good representation from community groups and producers.”

– Central Ward Councillor Jessie Kiley

Robinvale stormwater project

This project will improve the drainage of an urban area of Robinvale, including Rowe Street, Kennedy Street and Ronald Street, by increasing the system's capacity and reducing the risk of road inundation.

Negotiations are taking place with the Department of Education to gain access to a section of land on the Robinvale P-12 College site to act as an easement. Pipes for the project have already been purchased and the final touches are being put on the technical specification to enable the tender process to start.

The project will be tendered in the second half of 2014 and Council hopes to complete the project by early 2015. Funding is from the State Government's Local Government Infrastructure Program (LGIP).

Tower Hill development continues

Stage 8 of Tower Hill includes 17 lots and will be released for sale in 2014/15.

Road works and service installation is expected to be completed by the end of August, with titles to be issued at the end of September. Demand is expected to be high, with all other available lots at Tower Hill sold during 2013/14.

Council will continue discussing the future of land releases and sales with Places Victoria.

Work at Barry Steggall Park will also continue in 2014/15, including the construction of a running track and half basketball court.

Roads and infrastructure

A range of roads projects will be completed in 2014/15 including the reconstruction of Swan Hill's Beveridge Street between Nyah Road and Pritchard Street, and the reconstruction of Kerang Street, Lake Boga. Council will continue to reconstruct and widen Lake Boga-Ultima Road, Culgoa-Ultima Road, Shaggy Ridge Road, Speewa Punt Road and North South Road.

Council will also resheet 35 kilometres of unsealed road and 12 kilometres of unsealed shoulders, and replace 2,000 metres of footpath and 600 metres of kerb and channel.

Stock complex review actions

One of the recommendations from the saleyards review was to prepare and offer for commercial development a portion of the saleyards that was underutilised. The proceeds would be used for further development and asset renewal.

To prepare for the development, a feasibility study was completed by Urban Enterprises, and a functional design plan by Kattlegear Australia P/L. A cultural heritage assessment was completed in November and a full soil contamination assessment in May. The land was rezoned to Commercial 2 Zone in December 2013.

Remedial works have been identified and costed and will take place in 2014/15.

Challenges

Rail freight and river access



An ongoing challenge is to balance the region's freight requirements, particularly those of the grain industry, with the community's desire for greater access to the river and improved connections between the river and CBD.

The biggest challenge faced in promoting rail as the most suitable freight option is the reliability of the service. Fresh food industries require short train turnaround times and a more competitive cost of service. The cost needs to be comparable with road freight. Other challenges are the costs associated with port access, which is considerably higher than road transport, and the fact that any change to the current networks is a very long-term proposal.

Solar energy from Swan Hill

A planning permit was issued to Australian Solar Group in August, to establish a 5MW solar energy facility at Blackwire Reserve in Swan Hill.

Council will continue working with Australian Solar Group and other interested parties on harnessing solar and other technologies from the municipality.

Settlement redevelopment

Work continues to roll out the Pioneer Settlement Redevelopment Masterplan.

The most significant project still to come is the Heartbeat of the Murray laser light show. An ongoing challenge for this project is to achieve funding. Council has allocated \$735,000 in 2014/15, and will seek an extra \$2.5 million from other levels of government.

The night-time show will utilise the Little Murray River, and depict the story of the Murray region from its beginnings as an inland sea, including Indigenous culture and the major changes following European settlement.

Work is also underway to create a Settlement smartphone app, which would enable the rollout of an augmented reality feature. Visitors would use their smartphones to see and hear stories of the people who lived in the area in years gone by. This project is also dependent on external funding. Council will continue to seek out financial support.



Just one of the concepts for how the Heartbeat of the Murray laser light show might look.

Stock selling methods potential

A proposal has been received from livestock agents to adopt pen selling at the Swan Hill Regional Livestock Exchange, in lieu of the current ring selling method.

This is due to the ongoing increase in cattle numbers and the associated staffing cost to agents. There are also suggestions that pen selling would complete the sale earlier and allow buyers to depart or attend other sales.

The yards have been configured for ring selling and adopting pen selling would require a major redevelopment of the cattle penning area.

Council staff and management plan to visit other livestock facilities to compare their use of pen selling and ring selling before making any decision. Any change would need to be considered at the time of other significant facility redevelopments.

Aerodrome development

The Swan Hill Aerodrome Business Case was endorsed in December. The business case, funded by State Government and Council, provides a strategic vision and recommendations for the future of the Swan Hill Aerodrome. It highlighted opportunities for the aerodrome as a base for aviation training and for charter flights, but found limited opportunities for regular public transport flights to and from the region.

Council and regional airline GoldAir Bendigo had been investigating a regular service between Swan Hill and Bendigo, but that is no longer an option after GoldAir chose not to proceed with its proposed Bendigo operations. Council will continue looking for business development and investment opportunities at the aerodrome.

In the meantime, a project to rebuild the central 10 metre wide section of the sealed runway will take place late in 2014, so that the runway can accommodate larger aircraft. Funding is through the State's Local Government Infrastructure Fund and Council. Council staff will continue applying for other funding to upgrade the remainder of the runway.



Part five

Environmental management

What we seek to achieve

Through our Environmental Management objective, we will work to actively:

- Demonstrate leadership through our own actions to achieve a balance between the ongoing economic prosperity of our region and safeguarding our local environment.
- Be involved in decisions about the future management of the Murray Darling Basin.
- Seek to protect both our local natural and built environment for the enjoyment and appreciation of residents, visitors and future generations.
- Be mindful of climate variation

“We will advocate to ensure environmental issues that affect our region are considered on a triple bottom line basis, that other agencies fulfil their regulatory responsibilities and to inform and encourage our community to adopt sound environmental practices.”

– Swan Hill Rural City Council Plan 2013-2017



Council Plan initiatives

Our commitments and performance

✓ Completed >> In progress/continuing in 2014/2015 << Delayed due to funding/budget

Council Plan Initiative	Action	Status
Within available external funding, complete the restoration of the Lake Boga foreshore to pre-flood condition or better	Determine if any foreshore stabilisation works were unfinished in the 2012/13 financial year	✓
	Engage contractor to complete works.	✓
Expand the Green waste collection Service	Conduct Investigation and Data collection: <ol style="list-style-type: none"> 1. Waste volume / tonnage 2. Mulching price 3. Distance between source of collection and final destination 4. Identify alternative methods/means of collecting the green waste from small communities 	✓
Continue to lobby for a state-wide container deposit scheme	Contribute to Regulatory Impact Statements (RIS) via the MAV	✓
Complete Rural Land Use/Living Strategy that considers the potential impact of dewatered land and a changing climate	Scoping paper to be developed.	✓

Environmental management highlights

Energy success



Council CEO Dean Miller and Acting Town Hall Manager Tim Lewis, with the Green Ducks trophy.

Council slashed \$11,000 from its annual electricity bill through a unique energy efficiency program.

Twenty-two employees formed the Green Ducks team, completed energy efficiency training, and conducted workplace energy audits. They identified energy saving techniques, and encouraged other staff members to reduce their energy use. They also identified retro-fitting opportunities, which were later carried out, including lighting, standby energy use and heating and cooling.

A six per cent energy reduction was achieved at Council's Splatt Street office, a 10 per cent reduction at the Swan Hill Region Information Centre, and a 21 per cent reduction at the Swan Hill Town Hall.

The program was developed in partnership with the State Government's Victorian Adaptation and Sustainability Partnership.

Six solar hot water systems have also been installed on community and Council buildings in partnership. This project was supported by the Australian Government.

Green organics weekend

Council offered residents the chance to dispose of their household green waste for free on one weekend in November, with 110 people taking part in Swan Hill and 15 in Robinvale. Residents could dispose of grass clippings, garden prunings, leaves, flowers, weeds and small branches at the two landfills.

Green waste service still growing

Council's roadside green waste collection service started in Swan Hill in 2012 and continues to grow.

In 2013/14, 590 residents were using the service, up from the 340 who signed up in 2012. More than 200 tonnes of green waste was diverted from landfill.

Council has actively sought to increase participation – a brochure mailed out to all residents in May resulted in 21 new services. Council is now collecting names of interested residents from other towns and conducting ongoing investigations into expanding the service.

Supporting local groups



SLiM co-ordinated National Tree Planting Day at Nyah West in May.

Council continued to partner with community groups like Sustainable Living in the Mallee (SLiM) to deliver activities like Sustainable House Day, Permaculture workshops, roadside clean-ups, tree planting days and improving access to locally grown produce.

Ride to Work

Council joined Swan Hill District Health to promote the National Ride2Work Day in October.

Mayor Les McPhee and health service Chief Executive Officer Ted Rayment pledged to ride one kilometre for every community member that registered and rode to work. Forty-five community members signed up and the pair rode the distance soon after.

Council also gained the support of local businesses to offer incentives for everyone that rode to work.

Ride2Work is designed to get people into the habit of riding to work to improve their health and fitness, and to lower carbon emissions.



Swan Hill District Health CEO Ted Rayment and Mayor Les McPhee.

Youth Leading the World

Youth Leading the World (YLTW) congresses were held in both Swan Hill and Robinvale this year.

The youth-led gatherings are held in more than 90 locations internationally and provide the chance for young people to share information with their peers on local and global sustainability issues.

The participants then develop an action plan to make changes in their own homes, community or school, before presenting to a community forum.

The Victorian YLTW facilitator training was also held in Swan Hill this year, in partnership with past Swan Hill YLTW facilitators. Participants from across the state attended the training allowing them to deliver the congresses in their own region.



Four NOVO Youth Council members joined other young people at Youth Leading The World facilitator training in Swan Hill in May.

The year ahead

Efficient street lighting

The Lighting the Regions project is a \$11.5 million project involving the roll out of almost 23,000 energy efficient LED street lights across 16 municipalities. The new LED lights are 77 per cent more efficient than the 80 watt mercury vapour lights that they are replacing.

The project is the result of a partnership to reduce energy costs and greenhouse gas emissions. By working together and pooling resources with adjoining councils, the project has become financially viable with significantly reduced project management, lighting hardware and installation costs.

The upgrades will save Swan Hill Rural City Council more than \$51,000 per year in electricity costs and will reduce Council's operation, maintenance and replacement costs by a predicted \$47,000 per year.

The project will also reduce Council's carbon footprint and is expected to result in a more consistent, and higher quality level of street lighting.

The Federal Department of Industry has provided more than \$5 million, with the rest of the project costs covered by the 16 local government partners. The changeover is expected to start in October.

Virtual Renewable Energy Station investigation

Council has partnered with Moira Shire Council to investigate the concept of using regional community-owned assets to host renewable energy generation infrastructure.

The aim is to establish a possible method to drive adaptation to, investment in and access to local renewable electricity generation.

Funding has been received from the State Government under the Victorian Adaptation and Sustainability Partnership.

Challenges

Improving Turtle Lagoon

Initial investigations have been carried out into improving the function of Lake Boga's Turtle Lagoon for turtle habitat.

The lagoon was built in 2007 to provide a safe breeding ground for freshwater turtles, but the lagoon's bank was damaged in the 2011 floods. Funding from Regional Development Victoria was due to be spent in 2013/14 to repair the banks, but was postponed due to high rainfall and unexpected flows into the lake.

Early in 2014 an ecology report found that the lagoon was functioning as a breeding ground and that foxes and weeds posed a greater risk to the turtles.

The \$140,000 funding will now be spent to extend the Lake Boga walking path from the edge of the lagoon's vegetated area towards the barbecue shelter near Winlaton Road.

Further research is also needed to assess fox and turtle populations to establish the most cost effective management approach.

Another ongoing challenge at Turtle Lagoon is the giant reed (*Arundo donax*) that dominates the area. This invasive species is widespread around Lake Boga and surrounding land. Advanced infestations like this have extensive, vigorous root systems that are difficult to successfully eradicate. There is currently no permanent, cost effective treatment option. Treatment of the reed at Turtle Lagoon is not considered viable within the scope of the current improvement project.



Foxes and weeds pose the biggest risk to the Eastern Long Neck Turtle population.



Part six

Governance and leadership

What we seek to achieve

Through our Governance and Leadership objective, we will govern and lead our community by:

- Providing direction to our community and being at the forefront of strategic planning and development.
- Delivering services that are responsive and represent effective and efficient utilisation of resources.
- Working in partnership with our community and other stakeholders.
- Efficient development and utilisation of organisational resources.
- Facilitating and managing change.
- Building relationships with regional stakeholders.
- Reflecting good governance in our decision making processes by adhering to our organisational values.
- Achieving the initiatives set out in the Council Plan and adhering to our organisational values.

“We will represent the interests of our community and will conduct our affairs openly and with integrity, reflecting high levels of good governance.”

– Swan Hill Rural City Council Plan 2013-2017



Council Plan initiatives

Our commitments and performance

✓ Completed >> In progress/continuing in 2014/2015 << Delayed due to funding/budget

Council Plan Initiative	Action	Status
Council will investigate and implement new technologies to better communicate with our community	Develop a Social Media Policy	✓
	Launch new Council Website	✓
Review the SHRCC Councillor and Staff Codes of Conduct	Review existing Councillor Code of Conduct against DPCD guidelines and values statements in Council Plan.	✓
	Adopted revised Councillor Code of Conduct	✓
Develop and review plans, policies, directives and procedures as required.	List of all relevant documents to be prepared including a review date	>>
Pursue Strategic Land Acquisitions and review Council's existing land bank	Conduct a review to identify what type, size and location of land Council may require for its Strategic objectives over the next 10 years	>>
	Review Council's existing land bank against the list outlined above	>>
Negotiate of new EBA	Determine Council position on pay increases, work place flexibilities etc	✓
	Undertake negotiation with staff and unions and develop a draft agreement	✓
	Fair Work Australia Register the new EBA	>>
Introduce measures to continually improve workplace safety and staff health and wellbeing	Review WorkCover claims, accident and injury reports and insurance claims to identify the top 5 causes of workplace injury, accidents and near misses.	>>

Governance and leadership highlights

Advocating for our region

Council continued to advocate for the Swan Hill and Robinvale regions through active roles with the Murray River Group of Councils (MRGC). Mayor Les McPhee was the group's chair in 2013/14 and CEO Dean Miller the secretary.

They were both involved in meetings with three State Government Ministers in June, where MRGC representatives advocated for regionally-significant projects. These included the Pioneer Settlement Heartbeat of the Murray laser light show, an upgrade to the Robinvale-Hattah Road, and V/Line timetables from Swan Hill to Bendigo.

Cr McPhee and Mr Miller were also involved in an MRGC meeting with Deputy Prime Minister Warren Truss in June, primarily about roads funding programs. During their visit to Canberra in June, Cr McPhee, Cr Jessie Kiley and Mr Miller also met with:

- The ABS about under-reporting of Robinvale population statistics, which impacts on Council's ability to gain appropriate funding for service delivery.
- Assistant Minister for Infrastructure and Regional Development Jamie Briggs about natural gas delivery to the region.
- Assistant Health Minister Fiona Nash about the urgent need to re-build Swan Hill hospital.



Mayor Les McPhee with other MRGC members – former Moira Mayor Brian Keenan, Gannawarra Mayor Neville Goulding, former Loddon Mayor Geoff Curnow, Campaspe Mayor Ian Maddison and Mildura Councillor Judi Harris.

Organisational restructure

As part of Council's ongoing commitment to seek efficiencies, an organisational restructure took place in 2013/14. It will come into effect on 1 July 2014.

In 2014/15 the restructure will trim about \$500,000 from Council's operating costs (representing about 2.5 per cent of rates revenue). In 2015/16, the total savings from the restructure will be equal to five per cent of rates.

The restructure resulted in the number of third-tier managers being reduced from 18 to 11. From those seven management positions, one employee chose to take a redundancy, one position was not filled following a previous resignation, and the remaining chose to redeploy into newly-created positions.

At the fourth tier of the organisation, 5.2 EFT positions were removed. One of those employees chose to take a redundancy, while the remaining positions were not filled after staff resignations.

These changes combined have resulted in the restructure's first-year cost savings in 2014/15.

Business continuity plan completed

Council reviewed and adopted its Business Continuity Plan in March. The review was driven by a variety of reports including an internal audit, external audit and recommendations from the Victorian Auditor-General's Office.

The business continuity plan identifies potential threats to the continuation of crucial Council activities and details actions to minimise these risks and potential losses. It also informs staff of their roles and responsibilities in the recovery process.

It provides Council with the information needed to manage business continuity in a range of situations, such as the loss of buildings, communication systems, information technology services and the loss of staff due to a pandemic.

External testing of the plan will be conducted during the second quarter of 2014/15.

Council on social media

Following the adoption of a Social Media Policy in 2012/13, Council started a Facebook page in October 2013. The page has been used to inform the community of Council events, decisions and opportunities for public feedback. As the number of page likes has increased, so too has the engagement level with posts and photos.

Council's Facebook page has 300 likes from the Swan Hill region and beyond. It complements the existing social media presence of other Council programs – Swan Hill Regional Library, Swan Hill Regional Art Gallery, Swan Hill Performing Arts, Youth Inc and the Pioneer Settlement.

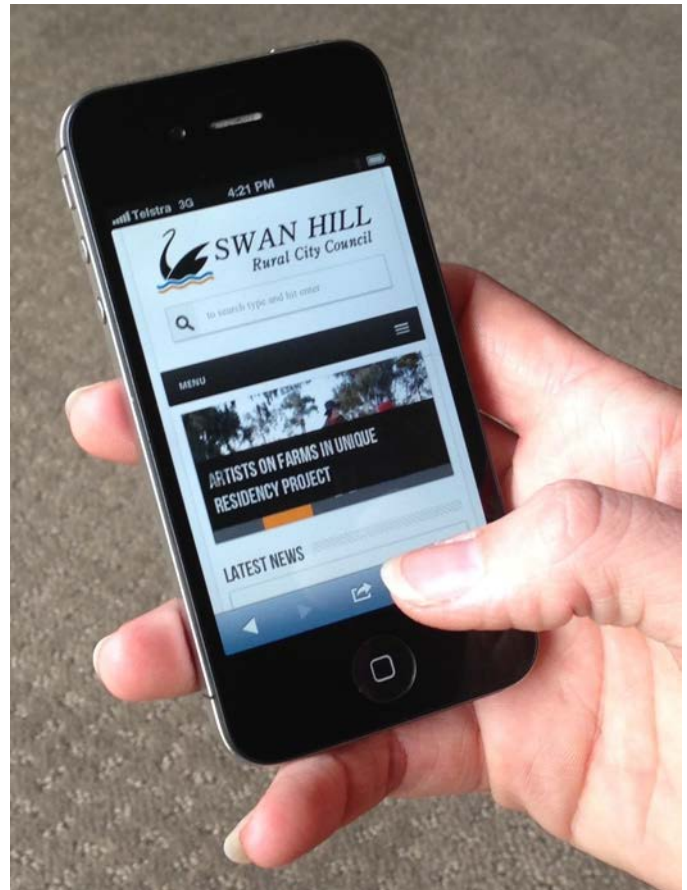
Raw Talent for New Year's

As their major project, Council's Raw Talent team reviewed Council's Swan Hill New Year's Eve event and then worked with Council's Community Facilitation Department to successfully deliver the event in December 2013.

The group also identified a community-based management structure for the event in the future. Council adopted their recommendations and the 2014 event will see the community play a much more active role in the event management and delivery.

The Raw Talent professional development program started in 2012 and provides participants with an understanding of how Council operates, the Executive Management Team, human resource management, internal communication and media, along with coaching, upwards management skills and project-based learning.

The 2014 program is already underway with seven Council staff taking part.



The new website design also allows users to view the website on smartphones and tablets.

New Council website

Council's new website went live on 1 October, providing a more user-friendly information service to residents, businesses and visitors. It was developed using responsive design, which means the user experience is the same no matter what device the website is viewed on, making it ideal for use on smartphones and tablets.

The front page now features a scrolling news banner, latest news and public notices, a what's on calendar, Mayor's blog, an A-Z directory of Council services, community directory, and a list of all other Council websites. A more streamlined main menu also makes navigation simpler.

The new site was built in-house and will be hosted and maintained in-house, resulting in a significant cost saving to Council. Council monitors site usage, with the lost pets page consistently having some of the highest number of hits.

Developing community relationships

Council continues to nurture relationships with the community, through the ongoing community planning process, through community newsletters three times per year, regular newspaper and radio spots, a new website and social media presence, media releases, advertisements in newspapers and on radio, and through a range of program-specific newsletters.

Senior managers have continued to attend community meetings, and Council meetings were held at towns around the municipality in 2013/14 – at Swan Hill, Robinvale, Piangil and Nyah.

Council also used a range of methods to consult with the community on major projects and plans. Examples in 2013/14 included:

Active Transport Strategy

Council officers used a wide range of consultation methods to prepare the draft Active Transport Strategy. Over 10 months, surveys, meetings and presentations were used to collect data from the community. All town community planning groups were offered with the chance to provide information and 277 surveys were completed across the municipality. The draft strategy also had input from local health organisations and urban design expert Jenny Donovan. In June, Council released the draft for public comment, doubling the usual consultation period of 21 days to 42 days to give ample time for input.

Budget sessions

In a first for the city, residents were able to learn more about Council's draft budget and ask questions at public information sessions. The 2014/15 draft budget was released on 11 June, with the information sessions held in Swan Hill and Robinvale the following week. The Swan Hill session was particularly well attended, with about 30 people taking part. Five submissions were eventually received to the draft budget. In response, Council decided to financially support the previously externally funded Youth Support Officer position, and also recommended that a bus shelter program be included in the 2015/16 Major Projects and Budget process.

Swan Hill Stage 3 CBD upgrade

The final stage of Swan Hill's CBD upgrade took place between February and May. Following the successful use of newsletters for the stage 2 upgrade, these were continued for stage 3. Council put the newsletters together to update traders on the work progress and to inform them of any major road closures or interruptions. The newsletters were distributed through Swan Hill Incorporated's email network, and put onto Council's website. Council works officers also visited directly-impacted businesses in Campbell Street on a regular basis, and were available to answer questions at any time.

Rowe Street Park, Robinvale



Community members at one of the Rowe Street Park meetings early in 2014.

Through the community planning process, Council officers met with Robinvale residents to discuss their desire for the Rowe Street park to be reinstated. At the meetings, a concept plan was put together which listed community priorities such as shade, grassed areas, seating, play equipment, an art project, paths and activities like hopscotch and four-square. A petition was also presented to Council and a Friends of the Rowe Street Park Group formed to work with Council to make the improvements. Councillors voted to reinstate Rowe Street Park in March. New seats and a bin are expected to be installed early in 2014/15 with other upgrades to follow.

Award hat trick at LGPro



Council Chief Executive Officer Dean Miller, Senior Environment Officer Erin Raggatt and Community Planning and Development Officer Fiona Gormann at the LGPro award ceremony.

Council staff took out three gongs at the LGPro Awards for Excellence in February. The annual awards recognise successful projects and individual achievements of people working in Local Government across Victoria.

The Council team that completed the George Lay Park redevelopment won the award for Community Assets and Infrastructure (\$1.5 million and under).

The Youth Leading the Mallee project took out the award for Sustainability Initiative, while Council's Senior Environment Officer Erin Raggatt won the LGPro Young Achiever Award.

“There were nine awards presented on the night, so to win three was an outstanding achievement”.

— Council CEO Dean Miller

VLGA award for riverfront



Council's Brett Luxford, Fiona Gormann, Amanda Young and Bruce Myers accepted the John Jago Award.

Council received the Victorian Local Government Association's John Jago Good Governance Award in December for inclusive community consultation during the Swan Hill Riverfront Masterplan process.

About 2000 residents from Swan Hill and surrounding areas were involved during the six months of riverfront planning – through public meetings, surveys, interviews at community events and small discussion groups.

The varied consultation reached primary school children, young people, service clubs, health professionals and user groups, as well as general community members. Regular newspaper updates, a webpage and an email newsletter informed the community of outcomes after each consultation phase.

Award judges commended Council for its “outstanding commitment to good governance”, saying that clear information was provided to the community, and that the masterplan's ongoing engagement strategy was clearly focused on valuing and acting on feedback.

Aged and Disability award



Members of the Loddon Mallee Local Government Consortium with the Award for Outstanding Team Contribution.

The Loddon Mallee Local Government Consortium (LMLGC) was presented with the Local Government Professionals Award for Outstanding Team Contribution at the 2013 Aged and Disability Services Awards.

The LMLGC is comprised of 10 Victorian councils that work together to deliver aged care services across the state.

Swan Hill Rural City Council, as the lead agency, is responsible for ensuring each council meets the Commonwealth's Community Care Common Standards for Aged Care.

Up against two other councils in the same category, the LMLGC was presented with the award in recognition of each of the 10 member councils achieving a perfect score of 18/18 in recent quality review assessments.

The Award for Outstanding Team Contribution recognises an exceptional contribution by a Local Government team in the Aged and Disability Services Sector, demonstrating effective approaches in servicing the community, creativity and continuous improvement.

Cross border relationships – transport forum

Council recognises and values cross border relationships, taking part in a number of forums and regular discussions with our NSW counterparts at Wakool and Balranald shires.

One of the key opportunities to develop cross border relationships continues to be the Central Murray Region Transport Forum.

The forum represents the interests of Swan Hill, Mildura, Buloke and Gannawarra in Victoria, and Wakool, Balranald and Wentworth in NSW. It also includes representatives from both state governments. Swan Hill Rural City Council continues to chair and administer the forum.

In 2013/14 the forum commissioned a study to investigate opportunities for investment in an intermodal transport facility. Opus Rail completed the study, and it was partially funded by the Victorian Government. The study found there was insufficient demand for immediate investment but provided direction on how to increase the number of commodities that could be moved onto rail and suggested the most suited grain handling facilities in the region to increase volumes. It also highlighted the movement of mineral sands as a chance for private sector investment at sites like Manangatang.

Another highlight was the full review of the study document. This resulted in the larger councils taking more responsibility for leading actions within the study – Mildura focussing on major road upgrade discussions and Swan Hill on rail investment. This will see Mildura lead discussions on behalf of NSW councils as well – a leap forward in cross border co-operation.

The forum has also suggested to the Municipal Association of Victoria that its acts as a regional road group in discussions and planning for the proposed heavy vehicle charge scheme that is currently being touted at a Federal level. This will be the only cross border representative group acting in this field.

The year ahead

Enterprise Bargaining Agreement

Negotiations for the Enterprise Bargaining Agreement were completed in June 2014.

The Fair Work Act 2009 and associated regulations provide the framework for the Enterprise Bargaining Agreement.

All those involved in the bargaining process demonstrated good faith by attending and participating in meetings, disclosing relevant information in a timely manner and responding to proposals made by the other bargaining representatives for the agreements.

The meetings started in February 2014 with monthly meetings scheduled until June, when bargaining was completed and the draft agreement voted and agreed upon by staff.

The application was lodged with Fair Work Australia to approve the agreement.

Employee opinion survey

In September 2013 Council contracted Insync Surveys to conduct a staff opinion survey of all employees so that their views, ideas and suggestions could be heard and considered as part of Council's commitment to continuous improvement.

The primary objective of the survey was to provide Council with a means to identify key employee concerns and highlight key areas of importance.

These results have led to Council's Leadership Team developing an action plan to address areas of concern, focussing on improving communication across the organisation and co-operation and education across departments.

Bridge planning

In April 2014, Council endorsed open 4b (or a modified version of 4b) as its preferred option for a replacement bridge at Swan Hill.

Council officers have started investigating the impacts on the planning scheme, specifically the processes needed to put in place a planning overlay in relation to 4b and remove the existing overlay in relation to 9a. Council officers expect to present this report, including an estimate of the costs involved in both processes, to Council in 2014/15.

Council had withdrawn its support for the previously preferred option of 9a at its meeting in February 2013.

Option 4b would cross the river north of the current bridge and intersect with Hastings Street in Swan Hill. Option 9a crosses the river south of the current bridge and intersects with the Murray Valley Highway between McCrae and McCallum streets.

Local Government Performance Reporting Framework

The introduction of the Local Government Reporting Framework in 2014/15 will allow Council to accurately measure and benchmark its service performance, financial performance and sustainability.

The new framework is in line with Council's dedication to good governance, highlighting the need for transparency and openness to our communities.

Residents will be provided with a comprehensive picture of how public money is being spent and the effectiveness of services being delivered.

Steps have been put in place to ensure a smooth transition to the new reporting system, by being involved in the pilot program in 2013/14.

New Records Management

Council's current records management system was originally installed in the mid-1990s and is primarily a paper-based system. Technology has changed significantly since then and the use of electronic documents is now becoming the primary form of correspondence.

Council engaged an external contractor to undertake an assessment of the current records management process against compliance requirements. This resulted in the recommendation that Council investigate and pilot a potential new records management system.

In early 2014 Council developed and began testing the pilot with the aim of determining the suitability of this system for records management. The pilot was a success and the Council's Information Technology Services Department was tasked with the implementation of an automated system to support the creation, capture, retrieval and management of records.

The project is now underway with the initial phase scheduled for early 2015.

Council's 2014/15 Annual Budget is focused on achieving the objectives of the Council Plan within a tight financial environment. Council will continue to deliver all of its current services and provide extra funds for infrastructure maintenance and replacement.

— 2014/15 Annual Budget

Challenges

Fire Services Property Levy

The introduction of the Fire Services Property Levy onto rates notices ran smoothly for 2013/14.

The change meant that for the first time, the Fire Services Levy was based on a property's capital improved value and was paid along with council rates, previously paid to insurance companies when property insurance was taken out.

The State Government and Council ran effective marketing campaigns in the lead up to the levy's introduction.

For Council, the major issue confronted was the classification of residential and investment flats and short-term holiday accommodation as commercial, which resulted in the higher fixed and variable charge rates being applied. This has been amended for 2014/15 and those property types will be classified as residential, resulting in the lower fixed and variable charges.

The issue of single farm enterprise applications also created additional workload for Council's Rating Department, but this should also be greatly reduced for 2014/15. Farmers could apply to pay just one fixed charge across multiple properties that operate as a single enterprise.

Financial strain on councils

In June, councils around Australia were informed that for the next three years, the Federal Government would not index its Financial Assistance Grants.

This will result in an estimated \$178,000 shortfall for Council in 2014/15. The accumulative effect over three years will be a loss of income in the order of \$500,000, an amount equal to two per cent of Council's rates revenue.

In order to fund this shortfall in the coming years, Council will have to consider cuts to services, achieve further efficiencies, increase rates, or a combination of all three.

This loss of indexation is just one example of the ongoing challenge of cost shifting that councils around Australia grapple with.



Part seven

Our People

Valuing our people

At Swan Hill Rural City Council, we recognise the importance that each individual plays in achieving our goals.

Our aim is to ensure that Council is a great place to work where the capability of our people is nurtured and performance is focused on delivering exceptional service for our communities.

These priorities drive the activities, policies and procedures implemented to ensure that Swan Hill Rural City continues to be a great place to work.

Council's staff strategies include:

- A focus on extending the skills of staff to increase efficiency
- Ongoing implementation of the workforce strategy including
 - Succession planning
 - Recruitment and retention of staff
 - Apprenticeships, traineeships and/or bursaries
 - Accessing non-customary employment pools
- Indigenous Employment Strategy
- Offering phased retirement options to extend the careers of higher skilled staff.
- Ongoing development of systems and process to continually improve productivity

“The skills and qualifications of Council’s workforce is diverse, from engineering, curatorial, library, environmental health, finance, planning, building, marketing, nursing, aged care and many other fields.

– Swan Hill Rural City Council Plan 2013-2017



Supporting our staff

The range of services undertaken by Council involves the abilities, efforts and competencies of 238.7 effective full-time (EFT) staff as at 30 June 2014.

The skills and qualifications of Council's workforce is diverse, from aged care, civil engineering, curatorial, library, environmental health, finance, planning, building, marketing, nursing and many other fields.

The employment of Council's staff is regulated by the Federal Government's national workplace relations legislation. This aims to encourage safer, fairer and more productive workplaces for employers and employees by promoting adoption of fair, flexible and safer workplace arrangements. These arrangements are set out in the Fair Work Act, Local Authorities Award and the Swan Hill Rural City Council Enterprise Agreement.

These agreements provide general and performance based salary increases, workplace flexibilities and other benefits to improve efficiency and attract and retain staff.

Human capital is critical to our success to effectively attract, motivate, develop and retain staff.



Council staff getting active on National Walk the Block Day.

Health and wellbeing

Council continues its commitment to staff health and wellbeing by introducing several programs to encourage a healthy lifestyle and improved work/life balance among employees.

WorkSafe funding continued to support independent health checks for all Council staff. One hundred and twelve staff participated in the health checks, getting a snapshot of their health. This included cholesterol levels, blood pressure, cardiovascular risk, diabetes risk and waist measurement, and advice on eating and exercise habits.

Council's commitment to staff wellbeing also saw a continuation of the following initiatives:

- Corporate Wellness Program (subsidised gym memberships)
- Ergonomic assessments
- Health and Wellbeing Policy
- Six-weekly issues of the HR Newsletter outlining Council policies and procedures, professional development and wellbeing
- National Walk the Block Day
- Premiers Active April

Premier's Active April

Twelve employees participated in the Premiers' Active April. The purpose of the promotion was to encourage groups to become more active while being part of an online team.

An activity tracker was used to log any activity that the employee did each day, and you could also see how other team members were progressing with their activities.

Appreciating our staff

Staff Service Awards

Every year Council acknowledges service and presents awards to staff who have reached service milestones. Twenty staff were presented with Staff Service Awards at the annual all-staff function in August 2013.

35 years

Joseph Demario

25 years

Margaret Free, Daryll (Mully) Pearse, Geoffrey Jochinke and Ben Hawthorn

20 years

Jennifer Curthoys, Mark Smith, David Lenton, Leah Farrow and Eddie Wilkins

10 years

Sharon Barnes, Susanne McGrath, Rhonice Graham, Deborah Forster, Tim Lewis, Anthony Duffin, Steven Looney, Lloyd Day, Fiona Gormann and Samantha Uebergang

Annual Black Duck Awards

Council also marked its sixth year of the Annual Black Duck Awards.

These awards recognise staff contributions and achievements to both Council and the community. These awards were also presented at the all-staff function.

Black Duck Award nominees

Sustainable Communities

Fiona Gormann

Economic Growth

Tim Lewis

Environmental Management

Dallas Free, Tom Graham, Peter Rowlands and Melville Harrop

Governance and Leadership

Stacey Penno

Black Duck Award winner

Fiona Gormann was the worthy winner of the Black Duck Award for her commitment to public consultation, and actively seeking and encouraging community contribution and feedback throughout the development of the Swan Hill Riverfront Masterplan.

This included ensuring everyone had the chance to provide input, including minority groups, local youth and disadvantaged groups.

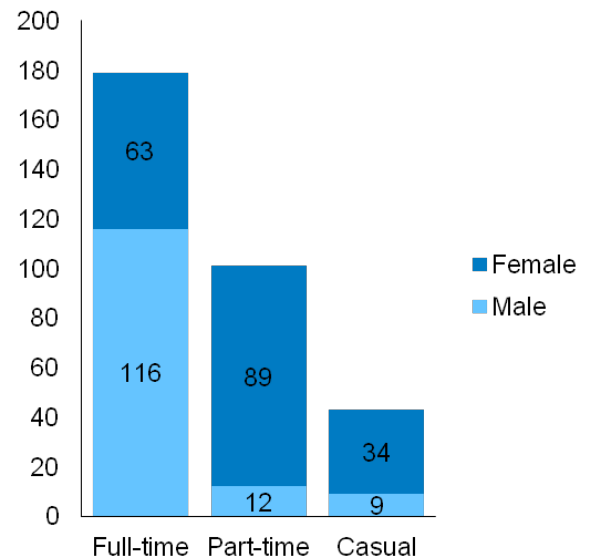
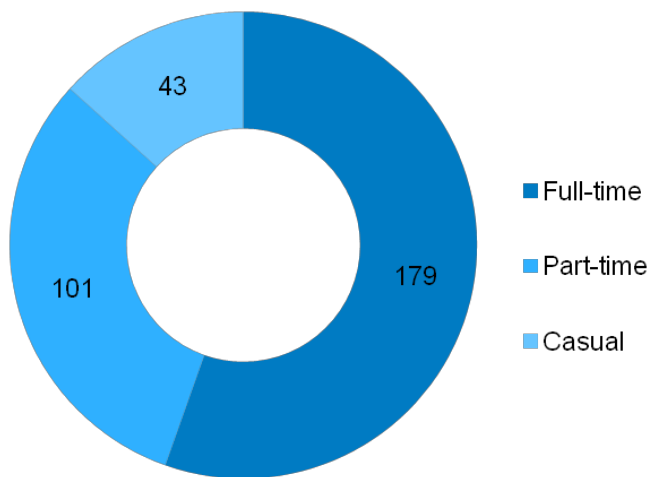
Through Fiona's dedication, almost 2,000 people were consulted over six months, which resulted in a comprehensive and detailed masterplan that will guide the development of our riverfront for the next 40 years.



Black Duck Award winner Fiona Gormann with CEO Dean Miller and Mayor Les McPhee.

Staff statistics

The following graphs and table detail staff by employment status, gender and business unit.



Business unit	Male full-time	Female full-time	Male part-time	Female part-time	Casual	Total staff	Male total EFT	Female total EFT	EFT total
Corporate Services	9	21	0	10	1	41	9.0	27.4	36.4
Community and Cultural Services	13	14	4	59	24	114	15.1	49.1	64.2
Development and Planning	18	12	4	18	16	68	19.7	23.3	43.0
Infrastructure	71	13	4	2	2	92	73.1	14.0	87.1
Executive	5	3	0	0	0	8	5.0	3.0	8.0
Total	116	63	12	89	43	323	121.9	116.8	238.7

Occupational Health and Safety

OH&S Committee

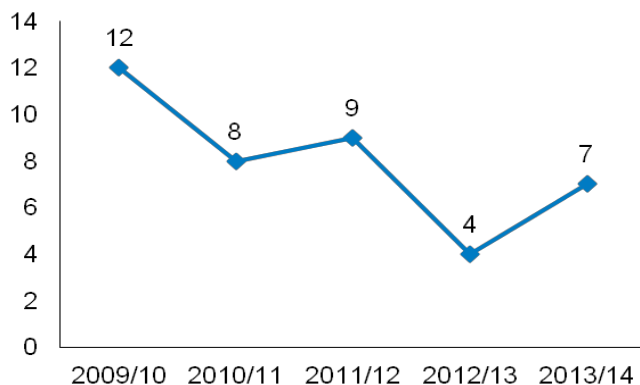
Council's OH&S Committee consists of management and staff representatives. The committee meets every two months to review policy, review hazard and injury incidents, discuss workplace OH&S issues and identify opportunities to improve Council's OH&S performance.

The committee met six times during 2013/14. Outcomes included WorkHealth Checks and new health and wellbeing programs such as staff healthy cooking classes, yoga and boot camp classes, and back care information sessions.

OH&S performance

In 2013/14 there were 21 reported injuries compared to 31 in the previous year. There were seven lost time injuries (standard WorkCover claims), compared to four in the previous financial year. The average cost per standard claim increased from \$1,133 to \$5,558.

Number of standard claims



Average cost per claim



OH&S initiatives and training

During 2013/14, the OH&S Committee supported a variety of health and wellbeing programs for Council staff (while ensuring legislative requirements were met) through the following initiatives/programs:

- Providing personal protective equipment
- Ergonomic assessments
- OH&S and manual handling training
- Providing sunscreen and insect repellent
- WorkHealth Checks

OH&S training included:

- First aid level II
- Mental health first aid
- Heat stress for outdoor workers, CPR update
- Traffic management
- Asbestos awareness
- Workplace specific manual handling training
- Fire warden training
- Confined space entry
- WorkCover for managers
- Incident and hazard reporting
- Construction induction
- OH&S refresher course

Building leadership and capacity

Professional development

Council continues to be at the forefront of professional development and training options for its staff. More than 1,300 hours of organisational training was provided to staff during the year.

Council's learning program supports a broad range of staff development needs. An annual training plan is developed according to strategic priorities and in response to staff needs identified through annual performance reviews.

A range of development programs were held throughout the year including leadership, mentoring, executive coaching, team building, personal development and the Raw Talent program for emerging staff.

Professional development courses provided were LGPro Ignite, LGPro Mentoring Program and LGPro Emerging Leaders Program.

Council continued its focus on developing internal leadership capabilities, successfully applying for entry into the highly sought-after LGPro Emerging Leaders Program for the sixth consecutive year.

Council also offers study assistance for staff undertaking relevant undergraduate or postgraduate studies. In the past year, five staff members accessed this support.

In addition, training initiatives focused on the extension of Council's induction program, Aboriginal cultural awareness, culture at work, customer service, work/life balance, managing stress in the workplace, retirement advice, first aid, CPR and occupational health and safety.



Council's Raw Talent staff members for 2013 successfully organised the major New Year's Eve event for Swan Hill.

Scholarship Program

Council's Scholarship Program financially supports seven local students who are completing graduate or TAFE studies during the school year. In addition to financial support, the students receive valuable on-the-job experience by working at Council during semester breaks.

Two scholarship placements were available this year. Ryan Rowlands (Bachelor of Information Technology) received a placement within the Information Technology Services Department and Max Kiley (Advanced Diploma of Live Production, Theatre and Events) received a placement within the Performing Arts and Conference Centre.

Other students currently participating in Council's Scholarship Program are

- Chris Rowlands, Bachelor of Arts (Natural Resource Management)
- Daniel Fedele, Bachelor of Civil Engineering (Engineering Services)
- Danielle Jewson, Bachelor of Design (Landscape Architecture)/Bachelor of Applied Science (Planning)
- Kylie Lewis, Masters of Nursing - Child, Family and Community (Maternal Child and Health).

Aboriginal Employment Plan

Council continued to meet employment and training targets set under the Aboriginal Employment Plan during 2013/14, including the promotion and expansion of the Indigenous Scholarship Program.

Under the Aboriginal Employment Plan, two scholarship placements are set aside for Indigenous students.

Council currently has two Indigenous scholarship students completing placements. Ashleigh Moore and Emily Connelly are both studying Bachelor of Education and are completing their placements within Council's Out of School Hours Program.

The program has also seen Council's Human Resources staff link in with community and school-based Indigenous student support services. Council and support services staff are now working closely together to encourage participation of Indigenous students in Council's Scholarship Program and structured Work Experience Program.

Initiatives within the Aboriginal Employment Plan have also seen cross cultural training offered on an annual basis to all Council staff, with 43 staff attending the training in 2013/14.

Council continues to distribute an employment brochure specifically for Indigenous recruitment purposes.

Volunteers

Council is proud of the local volunteers who support the delivery of our services to the community.

More than 100 volunteers are registered to provide activities and catering services at the Pioneer Settlement, through the Friends of the Pioneer Settlement. These volunteers have become integral to the operations of the Pioneer Settlement and its continued growth and development.

Volunteers also support Council's Out of School Hours Program, the L2P Driver Mentor Program, Family Day Care, Swan Hill Regional Art Gallery, Youth Services and the Yamagata Student Exchange.

Volunteers add another dimension to the workforce base and Council acknowledges the commitment and enthusiasm these valuable volunteers bring to our organisation.



Brian volunteers at the Drapery Store at the Pioneer Settlement.

“Each week the Friends put about 400 volunteer hours into the Settlement... what an amazing impact this has.”

- Mayor Les McPhee



Part eight

Corporate Governance

Our commitment to good governance

Council is committed to operating within legislation and seeks to display openness, transparency and fairness in decision-making, communicate effectively with the community and display and maintain strong leadership through consistent support of Council's strategic plans.

To operate effectively, Council must have strong relationships with other tiers of government, neighbouring Councils and key stakeholders within our community.

Council strives to:

- Incorporate the diverse needs of the local community in decision-making.
- Lead our community by setting strategic objectives and monitoring our achievements.
- Ensure that our resources are managed in a responsible and transparent manner.
- Advocate for the interests of our local community.

“We have many challenges ahead, but many more opportunities. Like you, we are passionate about the municipality of Swan Hill and we are committed to working in partnership with our community to build a positive future for all of us.”

**– Mayor Les McPhee,
in the Council Plan 2013-2017**



Council's role

The Local Government Act 1989 sets out the role of councils in Victoria. Under the Act, the role of Council includes:

1. A council is elected to provide leadership for the good governance of the municipal district and the local community.
2. The role of a council includes:
 - a. Acting as a representative government by taking into account the diverse needs of the local community;
 - b. Providing leadership by establishing strategic objectives and monitoring their achievement;
 - c. Maintaining the viability of the Council by ensuring that resources are managed in a responsible and accountable manner;
 - d. Advocating the interests of the local community to other communities and governments;
 - e. Acting as a responsible partner in government by taking into account the needs of other communities; and
 - f. Fostering community cohesion and encouraging active participation in civic life.

Swan Hill Rural City Council performs this role by setting the strategic direction of the municipality, establishing and guiding policies, setting service delivery standards and monitoring the performance of the organisation.

Our Council Plan

The Council Plan is the municipality's key strategic document directing Council to achieve its vision for the future. The plan lays the groundwork for addressing our longer-term goals and sets out the commitments Council has made to deliver these.

The 2013-17 Council Plan was developed after extensive planning and research and input from Councillors, Council employees and our community.

Our Council Plan is reviewed on an annual basis to ensure the document continues to play a vital role in shaping the future of the Swan Hill municipality, setting a broad direction for the coming years.

A copy of the Council Plan is available at Council's website www.swanhill.vic.gov.au/council/documents.

Decision making

Swan Hill Rural City Council, through formal Council meetings, is the primary decision-making body for the municipality.

Council decisions are made in one of two ways:

1. By resolution at Council meetings and special committees of Council.
2. By Council officers under delegated authority.

Most decisions of an operational nature have been delegated to officers through the Chief Executive Officer (CEO). This system recognises the CEO's responsibility under the Local Government Act in managing the day-to-day operations of the organisation.

Conflict of interest

During the course of dealing with matters that come before Council for decision, individual Councillors and members of staff may find that they, or their immediate family, have a financial or some other advantage that could be interpreted as having undue influence on the outcome.

To ensure transparency in the decision-making processes of Council, both Councillors and staff are required to declare and document their interest in a matter. Where Councillors have declared an interest, they take no part in the decision-making process.

Copies of the document 'Conflict of Interest: A Guide for Councillors, June 2011', published by the Department of Planning and Community Development, has been provided to Councillors for their reference.

Elected members

Code of Conduct

Council adopted its Councillor Code of Conduct in November 2013 following the 2012 election. The code incorporates the specified changes in accordance with the Local Government Act 1989 and has been further amended to include policies that govern Councillor behaviour within Swan Hill Rural City Council.

The Code is based on the principle that achieving positive outcomes for the community requires a team effort of all the Councillors, and that a Councillor develops and maintains productive relationships with members of the community, Council staff and other Councillors.

A copy of the code is available at Council's website www.swanhill.vic.gov.au/council/documents.

Council Meetings

Council Meetings are held on the third Tuesday of each month at various locations across the municipality. They are open to the public. Members of the community can address Council and ask questions in relation to any aspect of Council operations.

Below are the dates and locations of the Ordinary Council Meetings held in 2013/14:

- 16 July 2013 Robinvale
- 20 August 2013 Swan Hill
- 17 September 2013 Swan Hill
- 15 October 2013 Nyah
- 19 November 2013 Swan Hill
- 10 December 2013 Swan Hill
- 18 February 2014 Swan Hill
- 18 March 2014 Ultima
- 15 April 2014 Swan Hill
- 20 May 2014 Swan Hill
- 10 June 2014 Swan Hill

Special Council Meetings are held for consideration of the Budget, Annual Financial Statements, Annual Report and any other urgent matters.

The table on page 82 provides details of Councillor attendance at Ordinary and Special Council Meetings from July 2013 to June 2014.

Councillor attendance at meetings

Councillor	Ordinary Council Meetings		Special Council Meetings	
	Eligible to attend	Attended	Eligible to attend	Attended
Cr Les McPhee	11	11	4	4
Cr Greg Cruickshank	11	11	4	4
Cr Gary Norton	11	11	4	4
Cr Jessie Kiley	11	11	4	4
Cr Jim Crowe	11	10	4	4
Cr Michael Adamson	11	11	4	4
Cr John Katis	11	9	4	4

Councillor attendance at assemblies

Councillor	Councillor Assemblies	
	Eligible to attend	Attended
Cr Les McPhee	34	30
Cr Greg Cruickshank	34	30
Cr Gary Norton	34	24
Cr Jessie Kiley	34	30
Cr Jim Crowe	34	31
Cr Michael Adamson	34	30
Cr John Katis	34	33

Councillor support and remuneration

The Local Government Act 1989 states (S.75):

A Council must reimburse a Councillor for expenses if the Councillor:

- Applies in writing to the Council for reimbursement of expenses; and
- Establishes in the application to Council that the expenses were reasonable bona fide Councillor out-of-pocket expenses incurred while performing duties as a Councillor.

Additional support will be provided by Council to ensure Councillors are able to perform their duties, as determined by the Minister in accordance with the Local Government Act.

A Councillor Expense Reimbursement and Support Policy was adopted by Council in March

2001 and was last reviewed in July 2012. A copy of this is available at Council's website www.swanhill.vic.gov.au/council/documents.

The State Government categorises councils according to their size and revenue base and for each category, sets the maximum annual allowance that can be paid to Mayors and Councillors. Swan Hill Rural City Council is in Category 2 and for the 2014 year set the annual allowance for its Mayor at \$64,589 and for all its other Councillors at \$24,345, inclusive of 9.25% superannuation respectively on these allowances.

Councillors also receive support in the form of secretarial assistance through the Chief Executive Officer and have access to computer equipment, phones and Council's vehicle fleet if they are required to attend meetings outside the municipality. The Mayor is provided with the use of a Council vehicle.

Councillor	Allowance \$	Travel \$	Other \$	Total \$
Cr Les McPhee (Mayor from Nov 2012)	63,836	0	0	63,836
Greg Cruickshank	24,061	396	75	24,532
Cr Gary Norton	24,061	1,977	463	26,501
Cr Jessie Kiley	24,061	0	0	24,061
Cr Jim Crowe	24,061	0	0	24,061
Michael Adamson (Deputy Mayor from Nov 2013)	24,061	0	0	24,061
Cr John Katis	24,061	8,713	1,960	34,734

Councillor	Mobile phone/PDA	Printer/fax combo	iPad with keyboard	Desktop computer	4g wireless device
Cr Les McPhee	✓	✓	✓	✓	✓
Cr Greg Cruickshank	✓	✓	✓	✓	✓
Cr Gary Norton	✓	✓	✓	✓	✓
Cr Jessie Kiley	✓	✓	✓	✓	✓
Cr Jim Crowe	✓	✓	✓	✓	✓
Cr Michael Adamson	✓	✓	✓	✓	✓
Cr John Katis	✓	✓	✓	✓	✓

Committees of Council

The Local Government Act 1989 recognises the need for Advisory and Special Committees of Council. Council may establish Advisory Committees of Councillors, Council staff and other persons if necessary. The Act also stipulates Council may by instrument of delegation, delegate any of its functions, duties or powers under this or any other Act to a Special Committee (Section 86 Committees).

	Councillor	Meeting frequency
Asset Naming Sub-committee	Cr Michael Adamson Cr John Katis	Upon request
Audit Committee	Cr John Katis Cr Jim Crowe	Quarterly, or more frequently if determined
Chief Executive Officer Performance Review Committee	Cr Les McPhee Cr Michael Adamson Cr John Katis	Annually
Swan Hill Regional Livestock Exchange	Cr Les McPhee	Bi-annually
Swan Hill Regional Art Gallery Advisory Committee	Cr Jessie Kiley	Monthly
Municipal Emergency Management Planning Committee	Cr Les McPhee Cr John Katis	Quarterly
Community Grants	Cr Jim Crowe	Annually

Council representation on other Committees

In addition to the Advisory and Special Committees of Council, Councillors are also representatives on the following committees, associations and groups.

Cr Les McPhee

- Livestock Saleyards Association of Victoria
- Murray River Group of Councils
- Swan Hill Community House
- Victorian Local Governance Association
- Lake Boga Inc
- Ultima Progress Association

Cr Greg Cruickshank

- Central Murray Regional Waste Management Group
- Bigger Better Beverford Group
- Woorinen Progress Association
- Rail Freight Alliance
- Murray Region Tourism Board
- Central Murray Regional Transport Forum
- Chisholm Reserve Motor Sports Development Group

Cr Gary Norton

- Municipal Association of Victoria
- Murray Darling Association
- North-West Municipalities Association
- Manangatang Improvement Group
- Nyah Action Group
- Piangil Community Group
- Boundary Bend Progress Association
- Rural Councils Victoria
- Grampians Wimmera Mallee Water Mallee Customer Committee

Cr Jessie Kiley

- Swan Hill 'Healthy Minds' Network
- Swan Hill Incorporated
- Bigger Better Beverford Group
- Woorinen Progress Association
- Tree Committee

Cr Jim Crowe

- Murray Darling Association
- Bigger Better Beverford Group
- Woorinen Progress Association
- Chisholm Reserve Motor Sports Development Group

Cr Michael Adamson

- Swan Hill Indoor Sport and Recreation Centre Committee of Management
- Murray Mallee Local Learning and Employment Network (MMLLEN)
- Bigger Better Beverford Group
- Woorinen Progress Association
- Rail Freight Alliance
- Central Murray Regional Transport Forum
- Chisholm Reserve Motor Sports Development Group

Cr John Katis

- Robinvale Aboriginal Elders Committee
- Robinvale Euston Business Association
- Tree Committee

Audit Committee

The Audit Committee is an independent Advisory Committee to Council and is formed under Section 139 of the Local Government Act 1989.

The primary objective of the Audit Committee is to assist Council in the effective conduct of its responsibilities for:

- The enhancement of the credibility and objectivity of internal and external financial reporting.
- Effective management of financial processes, to ensure integrity and transparency.
- Effective management of risks and the protection of Council assets.
- Compliance with laws and regulations as well as use of best practice guidelines.
- The effectiveness of the internal audit function.
- The provision of an effective means of communication between the external auditor, internal auditor, management and the Council.
- Facilitating the organisation's ethical development; and
- Maintaining a reliable system of internal controls.

The Audit Committee is an independent committee of Council, consisting of five members, three of whom are independent experts in a range of areas, including financial management, business and project management.

The members of the committee for the 2013/14 financial year were:

Warren Pollock (Chairman) – appointed for three years effective 21 August 2013.

Les Thompson – re-appointed for two years effective 17 July 2012.

Maurice Tyers – re-appointed for two years effective 17 July 2012.

Cr Jim Crowe – appointed for two years at the Statutory Council Meeting in November 2013.

Cr John Katis – appointed for two years at the Statutory Council Meeting in November 2013.

Audit Committee outcomes

- Review of Draft Financial Statements for 2013/14
- Review of Internal Audit recommendation and agreed actions on Business Continuity Plan and National Competition Policy.
- Completion of Food Premises Inspection Internal Audit
- Audit Strategy for End of Financial Year 2013/14
- New Local Government Performance Reporting Framework in place, with Council officers preparing budget to reflect new reporting requirements.

The table below details committee members' attendance for the 2013/14 financial year.

Member	Eligible to attend	Attended
Warren Pollock, Independent member and Chairman	4	4
Les Thompson, Independent member	4	2
Maurice Tyers, Independent member	4	4
Jim Crowe, Councillor	4	3
John Katis, Councillor	4	4

Risk management

Council is committed to the overall management of risk to achieve its strategic and operational objectives.

A systematic and integrated risk management framework has been established based on the Australian and New Zealand Standard on Risk Management AS/NZS ISO 31000:2009.

The Risk Management Policy and Procedure provides a framework for identifying, analysing, controlling and reviewing risks across our organisation.

Council's Risk Management Policy was reviewed in April 2014. Council's risk management functions are regularly monitored and reviewed, with reports to Council's Risk Management Committee and Executive Management Team. The review was completed as an integral step in the risk management process.

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

The following audits were conducted during 2013/14:

- Business Continuity Plan
- 2012-14 JMAPP Property Risk Management Audit
- Insight Report – WorkCover Declarations
- Food Premises Inspection Review

A key focus for Council in 2013/14 was the development of its Business Continuity Plan. This plan acknowledges business continuity management as a key component to sustaining the Council business strategy, improving its resilience to challenges, and responding to risks and incidents.

A gap analysis audit was conducted by Echelon in 2013/14 to provide an independent assessment against relevant standards and best practice and identify areas for improvement.

Insurance

Council has a variety of insurances in place to support Council's services.

Policies in place include Public Liability, Professional Indemnity, Motor Vehicle, Property, Commercial Crime, Councillors and Officers, Marine Hull, Airport Operators, Contract Works, Personal Accident and WorkCover.

These are reviewed on a regular basis with Council's insurer to ensure adequate insurance cover is in place to meet the needs of Council's business.

Property Insurance Audits

Council's property insurer, Jardine Lloyd Thompson Municipal Assets Protection Plan (JMAPP), conducts property and commercial crime insurance (fidelity) audits on behalf of the MAV on a biennial basis for all councils they insure.

This process involves a desktop audit of Council's processes and procedures plus site visits of three randomly selected Council-insured properties.

Council's biennial property insurance audit was conducted in March 2013 and was not due for review in the 2013/14 financial year.

Council adopted its Business Continuity Plan in March 2014 following a number of recommendations in the March 2013 audit report by JMAPP.

Council continues to address other recommendations made as a result of the audit including:

- Incident / investigation system for addressing significant incidents
- Timely submission of property claim forms to insurer
- Testing and implementation of the Business Continuity Plan

Council had a total of eight property claims in the 2013/14 financial year.

Public Liability and Professional Indemnity Audit

Council's Public Liability and Professional Indemnity insurer MAV Liability Mutual Insurance has ceased conducting audits on a biennial basis.

Council is actively participating in regional risk management group forums being held by MAV Liability Mutual Insurance to assist Council to manage its public risks using a systematic risk management approach.

It is expected that this will reduce the number of public liability claims received by Council in the future. Council had two public liability claims in the 2013/14 financial year.

Procurement

The Commercial Services Department facilitates all publicly advertised tenders, quotations, submissions and expressions of interest, ensuring the procurement process is transparent and provides best value for money.

Council conducted 12 formal tenders during 2013/14 at a total value of \$7.61 million and participated in a further four public tenders conducted by the appointment of agents such as MAV Procurement and Procurement Australia, of which Council entered into three contracts to the value of approximately \$750,000.

Council continued to access whole of Victorian Government Contracts for the procurement of a variety of items.

Additionally, Council sought eight quotations and two requests for submissions that resulted in eight contracts being awarded at a total value of \$751,900.

One contract was prepared for the Provision of Services totalling \$160,000.

Ongoing reviews of Council's procurement practices and expenditure continue to identify and assist Council to obtain the best value for money in its operations.

Community consultation

As part of Council's ongoing commitment to consulting with our community, a range of consultation exercises have been undertaken over the year.

Consultation takes many forms, all of which contribute to Council's understanding of the issues and priorities of our community. Some of this consultation includes:

- The Mayor and CEO travelling to Robinvale monthly to meet residents
- Implementing 11 Community Plans
- Assisting in developing early years and youth networks
- Meeting with business, tourism and progress associations
- Community planning group meetings

How we consulted this year

Improved communication between Council and the community has been, and remains a priority of Council.

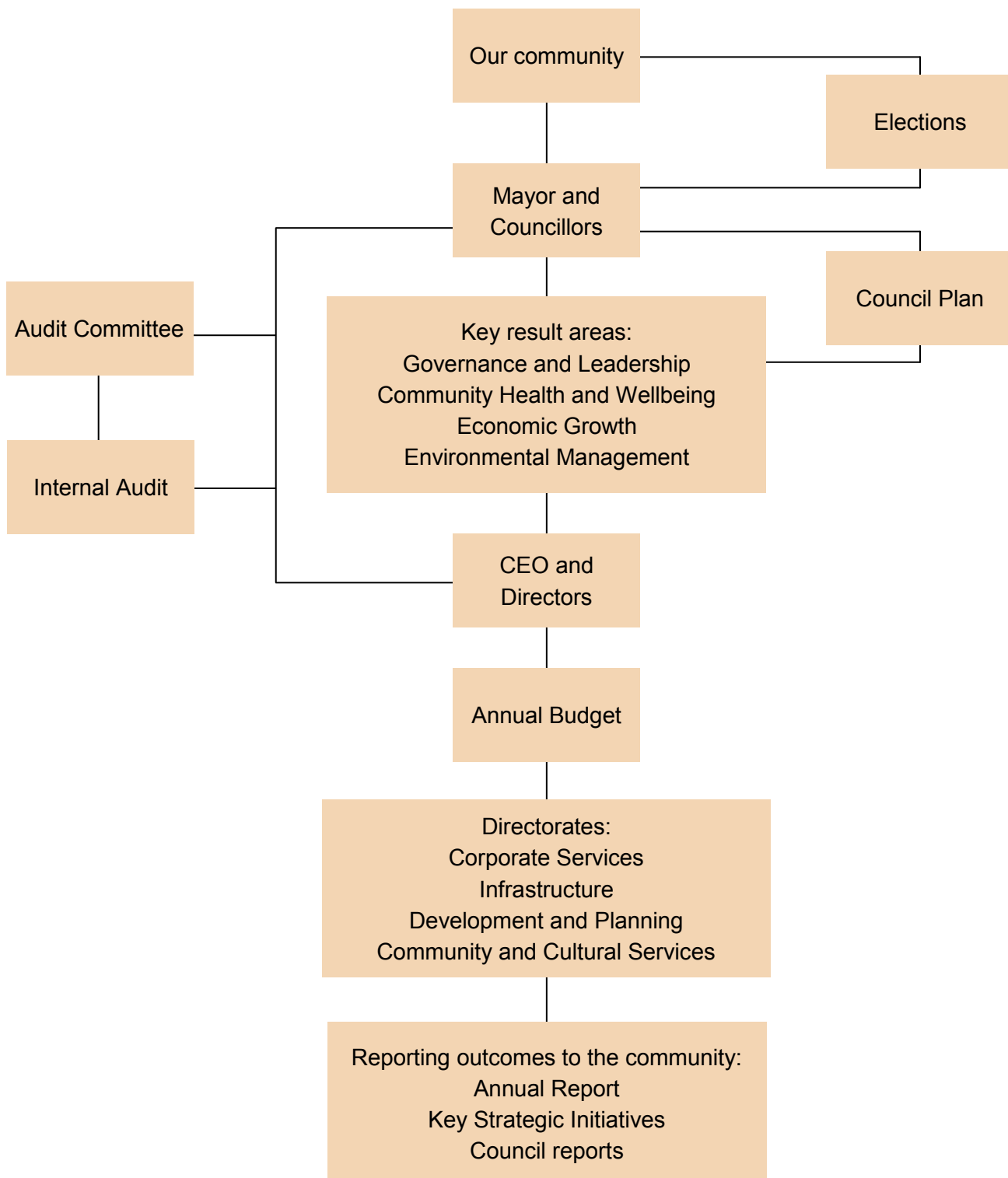
Council continues to provide comprehensive information about a range of activities, issues, services and events through:

- Regular Mayoral columns in local newspapers.
- The Mayoral Minute on ABC local radio each week.
- Our website www.swanhill.vic.gov.au is updated on a regular basis.
- Distributing more than 200 media releases to various media outlets each year.
- A range of community consultation exercises undertaken over the year.
- Conducting Council Meetings at various locations within the municipality.
- A minimum of 25 advertisements printed per month.

For more information on the community consultation that Council has undertaken this year see page 64.

Accountability framework - process of reporting

This diagram illustrates Council's accountability framework to ensure a performance management process is in place for the annual planning, budgeting and reporting cycles, which are integrated and driven by Council's priorities set out in the Council Plan and updated each year.



Performance reporting to our community

At Swan Hill Rural City Council, we ensure that we continue to deliver our desired community outcomes by monitoring progress via the following performance reports and then reporting these results back to the community.

	Contents	Occurrence
Annual Report	This includes details of Council's operations during the financial year, audited financial statements and a copy of the performance statement highlighting Council's achievement against our Council Plan.	Annually
Financial Statements	The financial statements report the financial position of Council throughout various stages of the year.	Quarterly
Key Strategic Initiatives – Council Plan outcomes	<p>The Council Plan is the primary strategy adopted by the elected Councillors throughout their term. It outlines Council's objectives, strategies and identifies actions for achieving the desired community outcomes.</p> <p>The Key Strategic Initiatives make up the Council Plan and a quarterly progress report is issued to Council to monitor their performance.</p>	Quarterly
Achievement of other strategies	Council is updated on progress towards implementing all of its broader strategies on a regular basis. Examples include the Aboriginal Partnership Plan, Youth Strategy and Communication Strategy.	As required

Continuous improvement

The Best Value Principles within the Local Government Act 1989 provide the basis for which councils plan, review and manage their performance in order to deliver continuous improvement in all services and to meet the needs and expectations of service users.

208B. Best Value Principles

- (a) All services provided by a council must meet the quality and cost standards required by section 208D;
- (b) Subject to sections 3C(2)(b) and 3C(2)(e), all services provided by a council must be responsive to the needs of its community;
- (c) Each service provided by a council must be accessible to those members of the community for whom the service is intended;
- (d) A council must achieve continuous improvement in the provision of services for its community;
- (e) A council must develop a program of regular consultation with its community in relation to the services it provides;
- (f) A council must report regularly to its community on its achievements in relation to the principles set out in paragraphs (a), (b), (c), (d) and (e).

Council reviews its Quality and Cost Standards and reports to the community on how they have been achieved annually. Council reports quarterly to the community on its achievement against the Council Plan, Annual Budget and the results of the Community Satisfaction Survey are reported on at least annually.

Council completed a review of all of its services and operations in 2013 in compliance with Best Value Legislation.

There are a total of 239 quality and cost standards against which the 10 service groups are reported. Council achieved 35% of the Quality and Cost Standards and exceeded in 35% of the standards.

A vital component of Best Value is continuous improvement and its integration into the ongoing operations of Council, to assist with providing

quality services and value to the community that are accessible, timely and affordable.

Council's Corporate Planning processes are to ensure Best Value Principles are applied to the operational plans of Council, as a way of embedding continuous improvement. Council also participates in various benchmarking groups and activities such as the Super 11 group of Councils and Municipal Association Victoria Step Asset Management Process. The Super 11 group of similar-sized municipalities not only undertakes performance and process benchmarking on a range of services, but also compares performance and standards on a range of practices.

The State Government Community Satisfaction Survey is conducted annually and is used as a guide to monitor service performance and resource allocation. The Council Plan further includes several initiatives aimed at improving the operational efficiency and effectiveness of Council's services.

In addition, Council conducts its own Community Satisfaction Surveys every three years to gauge community perception of Council's performance on a range of issues. These surveys include comparisons of Swan Hill Rural City Council's performance against other councils in both regional groupings and overall.

Council participates in various benchmarking activities for individual service areas. These include Department of Planning and Community Development, key performance indicator reporting, Victoria Grants Commission Returns, MAV Rates Survey and reporting to government agencies in the areas of aged care, Maternal Child Health, childcare and many others.

Local Government Performance Reporting Framework - Data Trial

Council participated in the Local Government Performance Reporting Framework Data Trial in February 2014. The Victorian Government established the framework (mandatory from 1 July 2014) to ensure that all Councils are measuring and reporting on their performance in a consistent manner. The primary objective is to meet the needs of Council, community regulators and State and Federal Government.

Legislative compliance

National Competition Policy and compliance 2013/14

Council has complied with the requirements of the National Competition Policy for the period 1 July 2013 to 30 June 2014, in accordance with the requirements outlined in National Competition Policy and Local Government (Revised 2011).

Carers Recognition Act 2012

Council has taken all practicable measures to comply with its responsibilities outlined in the Carers Recognition Act 2012. Council has promoted the principles of the Act to people in care relationships who receive Council services, to people in care relationships, and to the wider community by providing links to State Government resource materials on Council's website and providing information to organisations represented in Council networks.

Council has taken all practicable measures to ensure staff, Council agents and volunteers are informed about the principles and obligations under the Act by including information on the care relationship in Council induction and training programs for staff working in Community Care Services, and induction and training programs for volunteers working directly with the community.

Council has taken all practicable measures to review and modify policies, procedures and supports to include recognition of the carer relationship.

Information Privacy Act 2000

Council respects the privacy of its citizens, ratepayers and clients. Council is committed to the privacy principles prescribed by the Information Privacy Act 2000 and the Health Records Act 2001.

Council has adopted a privacy policy that addresses the requirements of both Acts. A copy of the policy is available at the Council offices during business hours and at Council's website www.swanhill.vic.gov.au.

Council received no privacy complaints in the 2013/14 financial year.

Freedom of Information Act 1982

The Freedom of Information Act 1982 provides the opportunity for public access to Council documents.

The Act establishes a legally enforceable right for the community to request information, in document form, held by Council.

The Act has four principles:

1. The public has a right of access to documents subject to certain exceptions or exemptions.
2. Local Governments are required to publish information on the documents they hold.
3. Individuals may request that inaccurate, incomplete, out-of-date or misleading information about themselves be amended.
4. Individuals may appeal against a decision not to give access to the document(s) or not to amend personal information.

Written requests for documents must be addressed to Council's FOI officer and should be accompanied by an application fee of \$26.50 (2014/15).

A request must specify the document(s) required or if unable to do so, give sufficient detail to enable the relevant document(s) to be located, the form of access required and include the applicant's contact details.

Three requests were received in 2013/14, and one request was carried forward from 2012/13. Of the four decisions, all requests were granted in part. The decision in one request was varied following a review by the FOI Commissioner. The table below details the number of FOI requests and the related fees and charges and overall cost per year.

	Number of requests	Fees and charges	Costs
2013/14	3	\$161	\$780
2012/13	4	\$100	\$1,060
2011/12	3	\$365	\$24,000
2010/11	4	\$132	\$14,862

Protected Disclosures Act 2012

The Protected Disclosure Act 2012 started operation on 10 February 2013 and replaced the Whistleblowers Protection Act 2001.

Council has developed procedures that protect people who report improper conduct or detrimental action by the Council or its employees under the Act. The procedures encourage the disclosure of improper conduct by Council or its employees, provide protection to the person making a disclosure from reprisals, and require the reporting of assessable disclosures to the Independent Broad-based Anti-corruption Commission (IBAC).

Council takes its role and responsibilities under the Act very seriously. Protected Disclosure procedures also form part of the staff induction process. No reportable matters were received in the 2013/14 financial year.

Staff and members of the public are encouraged, if they believe they are aware of or have evidence about improper conduct or detrimental action undertaken by the Council or its staff, to report the matters to the protected disclosure co-ordinator.

Procedures for making a protected disclosure are available at Council's website www.swanhill.vic.gov.au or at Council offices.

Documents available for public inspection

Council is committed to open and transparent governance. According to the Local Government Act 1989 and Section 11 of the Local Government (General) Regulations 2004, a Council must make available for public inspection documents containing the prescribed matters below:

- Details of current allowances fixed for the Mayor and Councillors.
- Details of senior officers' total annual remuneration for the current financial year and previous year, in bands of \$10,000.
- Details of overseas or interstate travel undertaken in an official capacity by Councillors or any Council staff in the previous 12 months.

- Names of Council officers who were required to submit a return of interest during the financial year and the dates the returns were submitted.
- Names of Councillors who were required to submit a return of interest during the financial year and the dates the returns were submitted.
- Agendas and minutes for Ordinary and Special Council meetings held in the previous 12 months.
- A list of all Special Committees established by the Council and the purpose for which each committee was established.
- A list of all Special Committees established by Council that were abolished or ceased to function during the financial year.
- Minutes of meetings of Special Committees established under Section 86 of the Act and held in the previous 12 months.
- A register of delegations kept under the Local Government Act.
- Submissions received under Section 223 of the Act during the previous 12 months.
- Details of all property, finance and operating leases involving land, buildings, plant, computer equipment or vehicles entered into by Council as lessor or lessee.
- Register of authorised officers appointed under Section 224 of the Act.
- A list of donations and grants made by the Council during the financial year.
- A list of the names of the organisations of which the Council was a member during the financial year.
- A list of contracts valued at \$150,000 for services and \$200,000 for works that Council entered into during the financial year without first engaging in a competitive process.

These documents can be viewed at the Swan Hill Rural City Council Municipal Offices at 45 Splatt Street, Swan Hill from 8.30am to 5pm Monday to Friday.

Domestic Animal Act 1994

Under this Act, Council is required to create a Domestic Animal Management Plan and to evaluate its implementation in the annual report.

The new Domestic Animal Management Plan (DAMP) has been presented to Council and further work is being done on the plan to ensure Council continues to improve the management of domestic animals throughout the municipality.

The plan will be presented to Council for adoption early in the 2014/15 year.

Council continues to promote responsible pet ownership. The number of animals rehoused continues to increase, and as a result there has been an ongoing reduction in the number of animals euthanised.

Our year ahead will see the completion of the Swan Hill Pound redevelopment and implementation of the actions that will be outlined in the DAMP.

More information on animal management can be found on page 32.

Road Management Act 2004

Council, as a road authority, is required under Section 22 of the Act to publish a copy or summary of any direction received from the Minister in its annual report. No directions were received from the Minister in 2013/14.

Local Laws

Council has the following Local Laws in place:

Local Law	Date adopted	Date operational
Local Law No. 1 Meeting Procedures	21 September 2010	7 October 2010
Community Local Law No. 2	17 July 2007	26 July 2007

Policies, strategies and plans

As representatives of the community, Council develops the policies that guide and inform Council activity. The following policies, strategies and plans were reviewed and/or adopted in 2013/14:

	Date reviewed/adopted
Swan Hill Riverfront Masterplan	July 2013
2013/14 Annual Budget and Strategic Resource Plan	July 2013
Swan Hill Incorporated Strategic Resource Plan and Annual Budget	August 2013
Procurement Policy	August 2013
Loddon Mallee North Regional Growth Plan	September 2013
Media Policy	September 2013
Domestic Wastewater Management Policy	October 2013
Domestic Wastewater Management Plan 2013-16	October 2013
Councillor Code of Conduct	November 2013
Swan Hill Region Workforce Development Strategy	November 2013
Public Health and Wellbeing Plan 2013-17	November 2013
Bromley Road Streetscape Masterplan	November 2013
2014/15 to 2023/24 Major Projects Plan	December 2013
Risk Management Policy	April 2014
Travel by Councillors Policy	May 2014

Victorian Local Government Indicators

The Local Government Indicators have been developed to enable Victorian councils to provide an overview of their performance on a common basis. There are 11 indicators in all, which combined are designed to provide a snapshot of performance. They provide financial information per assessment (rateable property), capital and maintenance expenditure compared to the level of annual consumption of assets (a measure of how many assets are used during the year), and community satisfaction with Council's performance.

	2009/10	2010/11	2011/12	2012/13	2013/14
Affordability					
Average rates and charges per assessment	\$1,649	\$1,692	\$1,798	\$1,870	\$1,957
Average rates and charges per residential assessment	\$1,236	\$1,257	\$1,351	\$1,359	\$1,448
Sustainability					
Average liabilities per assessment	\$1,176	\$1,240	\$1,725	\$1,266	\$1,097
Operating result per assessment – surplus/(deficit)	\$(25)	\$(40)	\$186	\$228	\$64
Services					
Average operating expenditure per assessment	\$3,920	\$3,961	\$4,274	\$4,222	\$4,171
Community Satisfaction Survey for overall performance generally of the Council	*63	*66	57	58	53
Infrastructure					
Average capital expenditure per assessment	\$975	\$656	\$1,086	\$1,268	\$782
<i>Renewal Gap</i> - Current spending on renewal to asset base consumed during the year	176%	98%	162%	146%	109%
<i>Renewal and Maintenance Gap</i> - Current spending on renewal plus maintenance to asset base consumed during the year, plus maintenance	143%	99%	139%	130%	106%
Governance					
Community Satisfaction Survey for Council's advocacy and community representation on key local issues	*64	*67	53	57	51
Community Satisfaction Survey for Council's engagement in decision making on key local issues	*61	*67	55	60	55

* Community Satisfaction Survey results should not be compared to previous years as the survey format was redesigned to meet the varying needs of all councils across the state.

Appendices

Appendix 1: Donations and contributions

Organisation	Purpose	Amount \$
1st Nyah Nyah West Scout Group	Contribution	2,000
Afghani Association of Swan Hill Inc	Contribution	2,000
Australian Inland Wine Show	Contribution	200
Australian Inland Wine Show	Sponsorship	2,200
Boundary Bend Progress Association	Contribution	1,998
Bowls Victoria Inc	Contribution	3,182
CFA Junior State Championships	Sponsorship	3,000
Community Leadership Loddon Murray	Contribution	6,000
Diggers and Dolls Playgroup Inc	Contribution	454
Gamers Community Funding	Sponsorship	1,000
Healthy Minds Network	Contribution	1,100
Italian Social Club	Contribution	2,000
Kunawaa Pre-School Parents Club	Contribution	1,000
Lake Boga and District Land Care	Donation	200
Lake Boga Bowling Club Inc	Contribution	1,810
Lake Boga Inc (Active Walking Path)	Contribution	2,000
Lake Boga Palm Project	Contribution	1,805
Lake Boga Red Cross	Donation	200
Lake Boga Yacht Club	Sponsorship	1,000
Swan Hill St Mary's MacKillop College	Contribution	200
Mallee Almond Blossom Festival	Sponsorship	5,000
Mallee Artists Swan Hill	Contribution	536

Organisation	Purpose	Amount \$
Mallee Family Care	Donation	200
Mallee Sports Assembly	Sponsorship	2,000
Mallee Steam Oil and Machinery Club Inc	Sponsorship	500
Manangatang and District Bowling Club	Contribution	1,000
Manangatang and District Swimming Pool Inc	Contribution	27,963
Manangatang Improvement Group	Contribution	500
Manangatang P-12 College	Contribution	200
Manangatang Racing Club Inc	Sponsorship	1,000
Mid Murray Pistol Club Inc	Contribution	2,500
Nyah District Christmas Carnival Committee	Contribution	1,000
Nyah District Action Group	Contribution	200
Nyah District Men's Shed Inc	Contribution	1,500
Nyah District Pony Club Inc	Contribution	1,000
Nyah District Swimming Pool	Contribution	28,968
Nyah West Golf Club Inc	Contribution	1,200
Swan Hill and District Agricultural and Pastoral Society Inc	Contribution	1,200
Pioneer Animal Nursery Inc	Donation	200
Port to Port	Sponsorship	1,500
Racing In Nyah Inc	Contribution	780
Regional Arts Victoria	Event Contribution	45,675
Robinvale 80 Ski Race	Sponsorship	3,000
Robinvale District Health Services – Maternal Child Health	Contribution	91,450
Robinvale District Health Services – Tourism Info Centre	Contribution	27,000
Robinvale Euston Agriculture Show Society	Contribution	200

Donations and contributions continued

Organisation	Purpose	Amount \$
Robinvale Euston Business Association Incorporated	Contribution	2,000
Robinvale Recreation Reserve Committee of Management	Contribution	1,000
Robinvale Secondary College and Community Brass Band	Contribution	1,000
Robinvale Swimming and Diving Club Inc	Contribution	200
Robinvale Tongan Community Council Inc	Contribution	450
Royal Flying Doctors Service	Donation	200
RSPCA Million Paws Walk	Donation	200
Southern Lights Centre Inc	Contribution	200
St Mary's Primary School Robinvale	Contribution	200
Sunraysia Institute of TAFE	Contribution	200
Sustainable Living in the Mallee	Contribution	991
Swan Hill Badminton Association	Sponsorship	2,000
Swan Hill Basketball Association	Contribution	130
Swan Hill Basketball Association	Sponsorship	2,000
Swan Hill Blind Auxiliary	Contribution	200
Swan Hill Bowls Club Inc	Contribution	2,000
Swan Hill College	Contribution	200
Swan Hill District Health	Contribution	200
Swan Hill Eisteddfod	Contribution	200
Swan Hill Incorporated	Contribution	5,000
Swan Hill Incorporated	Special Marketing Levy	327,700
Swan Hill Indoor Sport and Recreation Centre	Contribution	20,000
Swan Hill Jockey Club – June Racing Carnival	Sponsorship	2,000

Organisation	Purpose	Amount \$
Swan Hill Motor Cycle Club Incorporated	Sponsorship	4,000
Swan Hill Neighbourhood House Incorporated	Contribution	863
Swan Hill Playgroup Incorporated	Contribution	498
Swan Hill Pony Club	Contribution	1,000
Swan Hill Poultry Club	Contribution	400
Swan Hill South Kindergarten	Contribution	1,000
Swan Hill Specialist School	Contribution	500
Swan Hill Sporting Car Club Inc	Contribution	1,000
Swan Hill Squash Club Inc	Contribution	200
Swan Hill Stroke Support Group	Contribution	1,000
Swan Hill TAFE Campus	Contribution	200
Swan Hill Theatre Group Co-Operative Ltd	Contribution	1,000
Swan Hill Vintage and Classic Vehicle Club	Contribution	700
The Portsea Camp	Contribution	500
Tyntynder Football Netball Club Inc	Contribution	1,000
Ultima Football Netball Club	Contribution	1,000
Ultima Progress Association	Contribution	150
Ultima Tyntynder United Football Cricket Club	Contribution	1,000
Victorian YMCA Community Programming Pty Ltd	Contribution	9,300
Weed Warrior Program	Contribution	3,750
Woorinen Football Netball Club	Contribution	1,000
Woorinen South Pre-School Family Friendly Room	Contribution	2,000
Total		679,953

Appendix 2: Organisations of which Council is a financial member

Organisation	Membership fee \$
Australian Performing Arts Centres Association	1,073
Australian Airports Association	520
Australian Fleet Management Association	335
Australian Livestock Markets Association	2,153
Australian Motor Museums Association Inc	100
Australian Tourism Accreditation Program	483
Central Murray Regional Waste Management Group	8,652
Central Victorian Greenhouse Alliance	1,500
Community Childcare Association	227
Early Childhood Australia Inc	224
Economic Development Australia	364
Family Day Care Australia	145
Family Day Care Victoria Inc	275
FKA Children's Services Inc	175
Keep Australia Beautiful Inc	500
Leading Age Services Australia Victoria	3,667
Livestock Saleyards Association of Victoria Incorporated	3,433
Municipal Association of Victoria	25,392
Municipal Works Officers Association	280
Murray Darling Association Inc	4,863
Murray River Regional Tourism Ltd	8,820
Museums Australia National Office	160
Museums Australia Victoria	91

Organisation	Membership fee \$
National Association for the Visual Art Ltd	90
National Saleyards Quality Assurance Ltd	470
North West Municipalities Association	600
Public Galleries Association of Victoria	250
Public Libraries Victoria Network Inc	1,142
Real Estate Institute of Victoria	139
School Crossings Victoria Inc	75
Victorian Association of Performing Arts Centres	941
VicSport	273
Victorian Local Governance Association Incorporated	8,600
Waste Management Associates of Australia	691
Total	76,701



Part nine

Financial performance

Operating result

On a full accrual basis the surplus for the year was \$756,580. It is important to note that this is an accounting profit after recognising non-cash items such as depreciation of \$7.81 million and the 'receipt' of infrastructure assets created by developers.

Major revenue and expenditure items included in the operating result can be identified from the following graphs.

For more information on the comprehensive income statement, balance sheet and cash flows for the year, please refer to the audited General Purpose Financial Report in the following section of this annual report.

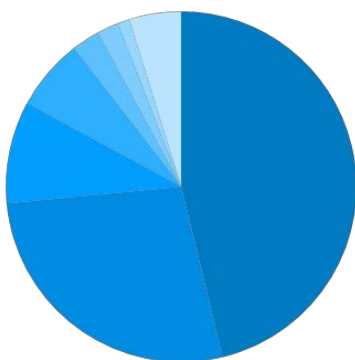
Revenue

Council's total revenue for the 2013/14 year was \$49.9 million as per the Standard Income Statement.

A breakdown of Council's revenue sources highlights that 89.5% of Council's income comes from three income categories.

- Rates and garbage 46.2%
- Grants 33.9%
- User fees 9.4%

Total revenue (\$49.9 million)



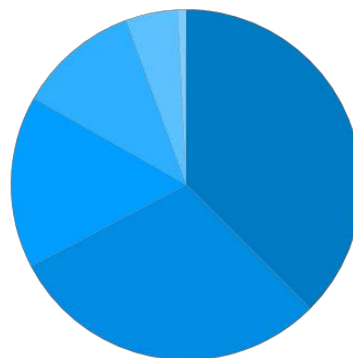
- Rates and garbage charges 46.2%
- Grants - operating 27.3%
- User fees 9.4%
- Grants - capital 6.6%
- Contributions 2.6%
- Statutory fees and fines 2%
- Interest 1.1%
- Other revenue 4.8%

Expenditure

Council's total expenses for the 2013/14 year were \$49.1 million as per the Standard Income Statement (excluding net loss on disposal of assets). A breakdown of Council's expenses highlights that 83.2% relates to three expenditure categories.

- Employee benefits 37.5%
- Contract payments, materials and services 29.8%
- Depreciation 15.9%

Total expenditure (\$49.1 million)

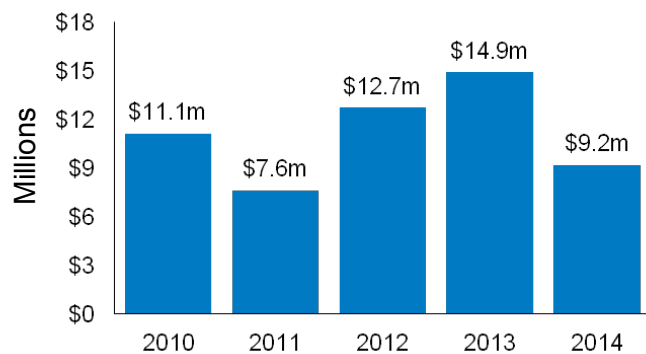


- Employee costs 37.5%
- Materials and services 29.8%
- Depreciation 15.9%
- Agency payments and community grants 11.2%
- Other expenses 4.8%
- Finance costs 0.7%
- Bad and doubtful debts 0.1%

Capital expenditure

During the financial year, Council spent \$9.2 million on capital works and asset purchases, bringing the five-year total of expenditure on fixed assets to over \$55.5 million. The graph shows the level of expenditure spent on new and redeveloped assets over the past five years. Major capital expenditure items were road networks, the Swan Hill CBD redevelopment and construction works at Tower Hill.

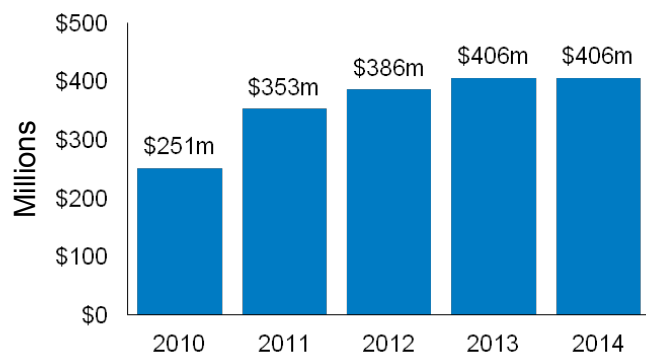
Purchase and creation of assets



Equity

The Balance Sheet shows total community equity of \$406 million, represented by accumulated surplus and asset revaluation reserve. The growth in equity is due to the identification and revaluation of assets. This graph shows the growth in equity over the past five years.

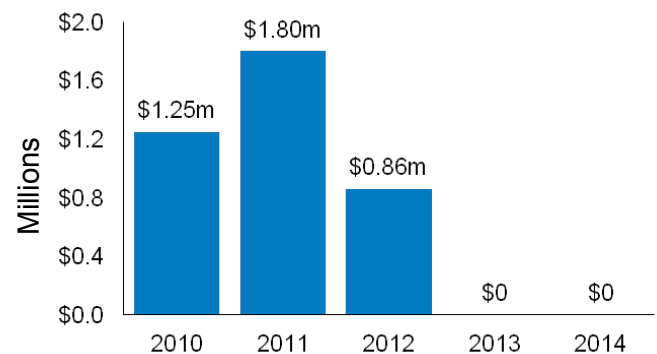
Total equity



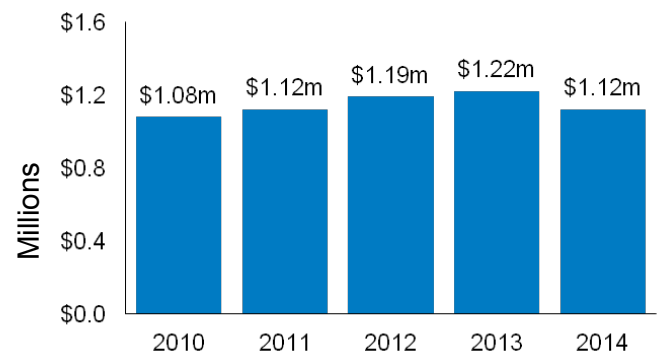
Borrowings (excluding financial leases)

Loans are used to fund major capital projects and asset purchases that are unable to be funded from other sources. Loan funding allows the community to pay for the asset (such as the leisure centre) over some of the time that it is being used. At 30 June 2014, Council had a loan liability of \$4.7 million. This is a planned and responsible level of debt, achieved in accordance with Council's borrowing strategy. Loan repayments are currently \$1.1 million per annum.

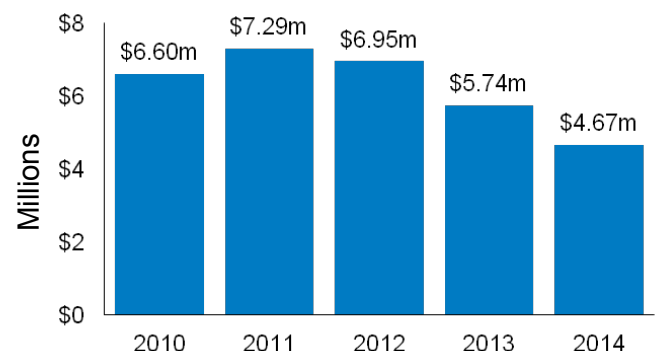
New borrowings



Loan repayments



Loan balance at 30 June each year

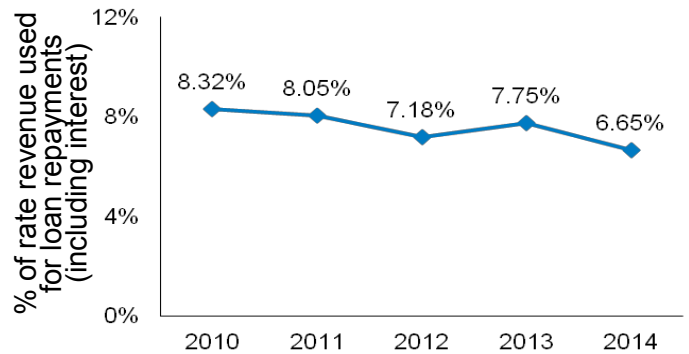


Financial indicators

Debt commitment ratio

The debt commitment ratio identifies the percentage of rate revenue required to pay interest and principal on Council's loans. Closely tied to the Borrowing Strategy, the ratio shows that Council is in a healthy position and continues to reduce.

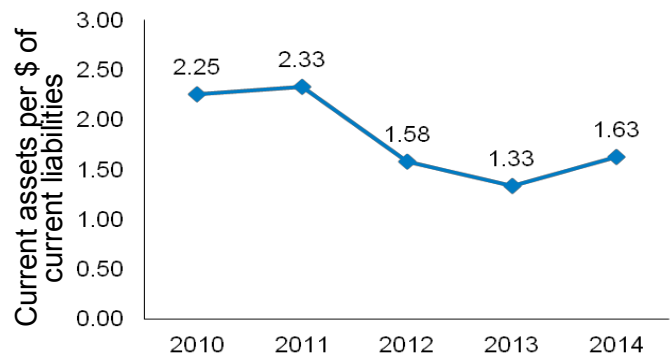
The ratio has reduced more than usual due to postponing the drawdown of loans associated with the redevelopment of the Pioneer Settlement and replenishing our working capital used to fund the unfunded superannuation liability in November 2012. The ratio is expected to reduce over the next few years in accordance with the Borrowing Strategy.



Working capital ratio

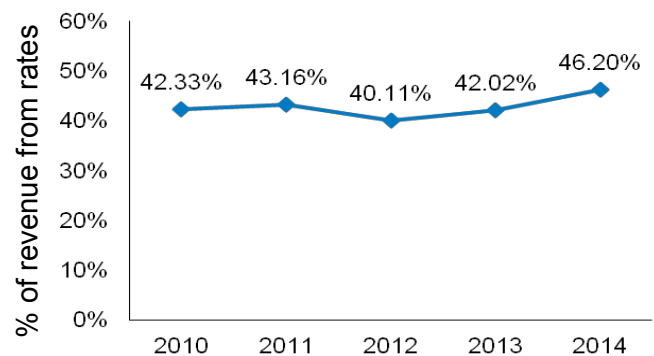
Working capital ratio shows the level of current assets Council has available to meet its current liabilities. The graph shows that the ratio is healthy and has remained reasonably stable over the past three years.

This year's ratio increased slightly due to the repayment of outstanding flood recovery works carried over from previous years, and the continued capital works projects carried forward from past years. The ratio is expected to remain steady for future years.



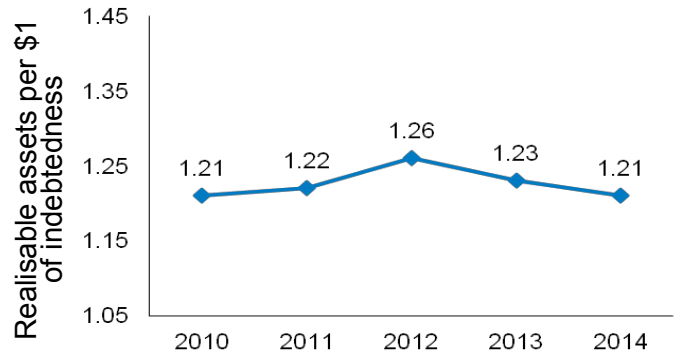
Revenue ratio

The revenue ratio shows rate revenue as a proportion of total revenue and seeks to measure Council's reliance on property rates. It is influenced by other revenue sources such as government grants, contributions, user fees and charges. This ratio remained steady for the past five years.



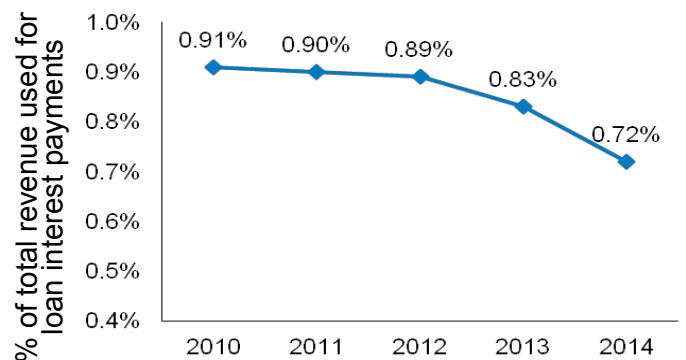
Debt exposure ratio

The debt exposure ratio is an indicator of Council's ability to pay its debts. The ratio compares total liability to total reliable assets available to meet each \$1 of the total liability. This has remained steady over the last five years and places Council in a strong financial position. This ratio has also been affected by Council's unfunded superannuation liability.



Debt servicing ratio

The debt servicing ratio shows the amount of rates required to pay the interest on Council's loan liability. This ratio documents that loan interest does not place a burden on finances. The ratio includes operating leases. This ratio closely follows the trend in the debt commitment ratio.



Understanding the Financial Statements

Introduction

The financial report is a key report by the Swan Hill Rural City Council. It shows how Council performed financially during the 2013/14 financial year and the overall position at the end of the financial year (30 June 2014).

Council presents its financial report in accordance with the Australian Accounting Standards.

Particular terms required by the standards might not be familiar to some readers. Council is committed to accountability and it is in this context that the following explanations have been developed to assist readers understand and analyse the financial report.

What is contained in the Annual Financial Report?

Council's financial report has two main sections, namely the report and the notes. There are four statements and 44 notes. These are prepared by Council staff, examined by the Audit Committee and Council, and are audited by the Victorian Auditor-General.

The four statements included in the first few pages of the report are the Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity and Statement of Cash Flows.

The notes detail Council's accounting policies and the make-up of values contained in the statements.

1. Comprehensive Income Statement

The Comprehensive Income Statement measures Council's performance over the year and shows if a surplus or a deficit has been made in delivering services.

The statement includes all sources of income, less all operating expenses incurred in delivering Council services. This includes depreciation, or the writing down, of the value of buildings, roads, footpaths, drains and all other infrastructure assets that are used to deliver Council services. These assets are depreciated over the life of the asset or as they are consumed. Capital costs or new assets purchased or created during the year are excluded from the statement but, as indicated above, are depreciated as they are used.

The statement is prepared on an accrual basis. This means that all income and costs for the year are recognised even though the income may not yet be received (such as interest on bank deposits) or expenses not yet paid (invoices not yet received for goods and services already used).

2. Balance Sheet

The Balance Sheet is an important financial statement. This one-page summary is a snapshot of the financial position as at 30 June 2014. It shows what the Council owns as assets and what it owes as liabilities. The bottom line of this statement is net assets. This is the net worth of Council that has been built up over many years.

The assets and liabilities are separated into current and non-current. Current means those assets or liabilities that will fall due or be consumed in the next 12 months. The components of the Balance Sheet are described on the following page.

Current and non-current assets

- Cash includes cash and cash equivalents i.e. cash held in the bank, petty cash and term deposits.
- Receivables are monies owed to Council by ratepayers and other debtors.
- Other assets include income earned but not yet received and accounts which have been prepaid.
- Property, plant and equipment, infrastructure is the largest component of Council's worth and represents the value of all land, buildings, roads, vehicles, equipment, and other items which have been invested in by Council over many years.

Current and non-current liabilities

- Payables are those to whom Council owes money as at 30 June 2014.
- Provisions include employee benefits, which is the accounting term for accrued long service and annual leave. Landfill restoration works are also grouped under provisions.
- Interest bearing loans and borrowings, which are repaid over a set period of time, finance leases that are leases of assets where ownership of the asset is transferred to the Council.

Net assets

This term is used to describe the difference between the value of total assets and the value of total liabilities. It represents the net worth of Council as at 30 June 2014. The net value of the Council is also synonymous with total equity.

Total equity

- Asset revaluation reserve is the difference between the previously recorded value of property and infrastructure assets and their current valuations.
- Accumulated surplus is the value of all net assets accumulated over time, including other reserve allocations for specific projects.

3. Statement of Changes in Equity

During the course of the year, the value of total ratepayers equity as set out in the Balance Sheet changes. This statement shows the values of such changes and how these changes arose.

The main reason for a change in equity stem from:

- The surplus/(deficit) for the year from operations, described in the Comprehensive Income Statement as the surplus/(deficit) for the year.
- Revaluation of assets; takes on a regular schedule basis on average every three years. It also occurs when existing assets are taken up in the books for the first time.

4. Statement of Cash Flows

The Statement of Cash Flows summarises Council's cash payments and cash receipts for the year. This statement is presented according to a very specific accounting standard and needs some care in analysis.

The values may differ from those shown in the Comprehensive Income Statement because the Comprehensive Income Statement is prepared on an accrual accounting basis.

Cash in this statement refers to bank deposits and other forms of highly liquid investments that can readily be converted to cash.

Council's cash arises from, and is used in, three main areas:

Cash flow operating activities

- Receipts – all cash received into Council's bank account from ratepayers and others that owed money to Council. Receipts also include the interest earned from Council's cash investments. It does not include the costs associated with the sale of assets.
- Payments – all cash paid by Council from its bank account to staff, creditors and other persons. It does not include the costs associated with the creation of assets

Cash flow from investing activities

The accounting term investing activities relates to payments for the acquisition and creation of assets, such as new plant, roads and other long-term revenue producing assets, and the proceeds from the sale of assets such as plant and land.

Cash flow from financing activities

This is where the receipt and repayment of borrowed funds are recorded. The bottom line of the Cash Flow Statement is the cash at end of financial year. This shows the capacity of Council to meet its debts and other liabilities.

Notes to the Accounts

The notes are a very important and informative section of the report. The Australian Accounting Standards are not prescriptive in a lot of issues. Therefore, to enable the reader to understand the basis on which the values shown in the statements are established, it is necessary to provide details of Council's accounting policies. These are described in Note 1.

Apart from the accounting policies, the notes also give details behind many of the summary figures contained in the statements. The note numbers are shown beside the relevant items in the Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity and the Statement of Cash Flows.

Where Council wishes to disclose other information that cannot be incorporated onto the face of the Statements, this is shown in the notes.

Other notes include:

- The cost of the various functions of Council
- The breakdown of expenses, revenues, reserves and other assets
- Transactions with persons related to Council
- Comparisons of budget to Actual results (standard statements)
- Financial performance indicators

The notes should be read at the same time as, and together with, the other parts of the financial statements to get a clear picture of the accounts.

Statements by Principal Accounting Officer and Councillors

The Certification of the Principal Accounting Officer is made by the person responsible for the financial management of Council that, in his opinion, the financial statements have met all the statutory and professional reporting requirements.

The Certification of Councillors is made by two Councillors on behalf of Council that, in their opinion, the financial statements are fair and not misleading. The Chief Executive Officer also endorses and signs the certification.

Auditor General's Report

The Independent Audit Report is the external and independent opinion on the financial statements. It provides the reader with a totally independent opinion on the financial statements. The opinion covers both the statutory and professional requirements and also the fairness aspects of the financial statements.



General Purpose Financial Statements

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Comprehensive Income Statement

For the Year Ended 30 June 2014

	Note	2014 \$	2013 \$
Income			
Rates and charges	2	23,054,284	22,011,423
Statutory fees and fines	3	1,009,348	913,683
User fees	4	4,705,266	4,504,319
Grants – operating (recurrent)	5(a)	10,386,341	12,778,745
Grants – operating (non-recurrent)	5(b)	3,253,549	3,736,749
Grants – capital (recurrent)	5(c)	2,082,119	2,061,120
Grants – capital (non-recurrent)	5(d)	1,233,611	2,809,509
Contributions – cash	6(a)	1,028,455	519,325
Contributions – non-monetary assets	6(b)	284,788	492,027
Reimbursements	7	341,147	178,576
Interest		541,315	833,665
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	8	7,594	83,817
Other income	9	1,971,782	1,456,741
Total Income		49,899,599	52,379,699
Expenses			
Employee costs	10	18,416,946	17,651,312
Materials and services	11	14,649,250	14,950,622
Agency payments and community grants	12	5,492,508	5,538,984
Bad and doubtful debts	13	44,203	11,309
Depreciation and amortisation	14	7,814,778	7,965,622
Finance costs	15	361,084	434,585
Other expenses	16	2,364,250	3,144,860
Total Expenses		49,143,019	49,697,294
Surplus/(Deficit)		756,580	2,682,405
Other comprehensive income			
Net asset revaluation increment (decrement)	29	(962,162)	17,014,930
Total comprehensive result		(205,582)	19,697,335

The above Comprehensive Income Statement should be read with the accompanying notes.

Balance Sheet

As at 30 June 2014

	Note	2014 \$	2013 \$
Assets			
Current assets			
Cash and cash equivalents	17	5,985,020	10,756,240
Trade and other receivables	18	1,836,509	1,677,823
Financial assets	19	4,668,841	1,013,874
Inventories	20	68,517	59,019
Assets held for sale	21	69,149	110,111
Other assets	22	187,462	271,750
Total current assets		12,815,498	13,888,817
Non-current assets			
Trade and other receivables	18	80,783	68,209
Property, infrastructure, plant and equipment	23	405,510,060	406,625,401
Intangible assets	24	726,016	768,000
Other assets	22	50,000	50,000
Total non-current assets		406,366,859	407,511,610
Total assets		419,182,357	421,400,427
Liabilities			
Current liabilities			
Trade and other payables	25	1,911,812	2,813,870
Trust funds and deposits	26	379,595	416,242
Provisions	27	4,654,951	4,530,431
Interest – bearing loans and borrowings	28	922,524	2,694,165
Total current liabilities		7,868,882	10,454,708
Non-current liabilities			
Provisions	27	1,692,637	1,718,632
Interest – bearing loans and borrowings	28	3,745,824	3,146,491
Total non-current liabilities		5,438,461	4,865,123
Total liabilities		13,307,343	15,319,831
Net assets		405,875,014	406,080,596
Equity			
Accumulated surplus		269,256,394	268,499,814
Reserves	29	136,618,620	137,580,782
Total equity		405,875,014	406,080,596

The above Balance Sheet should be read with the accompanying notes.

Statement of Changes in Equity

For the Year Ended 30 June 2014

2014	Note	Total 2014 \$	Accumulated Surplus 2014 \$	Asset Revaluation Reserve 2014 \$
Balance at beginning of the financial year		406,080,596	268,499,814	137,580,782
Comprehensive result		756,580	756,580	-
Net asset revaluation decrement	29	(962,162)	-	(962,162)
Balance at end of the financial year		405,875,014	269,256,394	136,618,620

2013	Note	Total 2013 \$	Accumulated Surplus 2013 \$	Asset Revaluation Reserve 2013 \$
Balance at beginning of the financial year		386,383,261	265,817,409	120,565,852
Surplus/(Deficit)		2,682,405	2,682,405	-
Net asset revaluation increment	29	17,014,930	-	17,014,930
Balance at end of the financial year		406,080,596	268,499,814	137,580,782

The above Statement of Changes in Equity should be read with the accompanying notes.

Statement of Cash Flows

For the Year Ended 30 June 2014

	Note	2014 Inflows/ (Outflows) \$	2013 Inflows/ (Outflows) \$
Cash flows from operating activities			
Rates and charges		22,968,868	21,871,633
Statutory fees and fines		1,009,348	913,683
User charges and other fines (inclusive of GST)		5,032,741	4,912,298
Grants – operating (inclusive of GST)		12,501,671	13,873,076
Grants – capital (inclusive of GST)		4,608,398	7,727,787
Contributions (inclusive of GST)		1,131,301	571,258
Reimbursements (inclusive of GST)		375,262	196,434
Interest		541,315	833,665
Other receipts (inclusive of GST)		2,068,143	1,504,153
Net GST refund/payment		1,938,891	2,520,966
Payments to suppliers (inclusive of GST)		(24,676,184)	(23,484,468)
Payments to employees (including redundancies)		(18,028,309)	(22,220,620)
Net cash provided by (used in) operating activities	30	9,471,445	9,219,865
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(9,304,612)	(14,672,474)
Proceeds from sale of property, infrastructure, plant and equipment		250,306	681,055
Proceeds / (payments) for other financial assets		(3,654,967)	4,074,076
Net cash provided by (used in) investing activities		(12,709,273)	(9,917,343)
Cash flows from financing activities			
Finance costs		(52,284)	(52,284)
Borrowing costs		(361,084)	(434,585)
Proceeds from interest bearing loans and borrowings		-	-
Repayments of interest bearing loans and borrowings		(1,120,024)	(1,218,565)
Net cash provided by (used in) financing activities		(1,533,392)	(1,705,434)
Net increase/(decrease) in cash and cash equivalents		(4,771,220)	(2,402,912)
Cash and cash equivalents at the beginning of the financial year		10,756,240	13,159,152
Cash and cash equivalents at the end of the financial year	31	5,985,020	10,756,240
Financing arrangements	32		
Restrictions on cash assets	33		

The above Statement of Cash Flows should be read with the accompanying notes.

Notes to the Financial Report

For the Year Ended 30 June 2014

Introduction

The Swan Hill Rural City Council was established by an Order of the Governor in Council on 20 January 1995 and is a body corporate.

The Council's main office is located at 45 Splatt St Swan Hill.

The purpose of the Council is to:

- provide for the peace, order and good government of its municipal district;
- to promote the social, economic and environmental viability and sustainability of the municipal district;
- to ensure that resources are used efficiently and effectively and services are provided in accordance with the Best Value Principles to best meet the needs of the local community;
- to improve the overall quality of life of people in the local community;
- to promote appropriate business and employment opportunities;
- to ensure that services and facilities provided by the Council are accessible and equitable;
- to ensure the equitable imposition of rates and charges; and
- to ensure transparency and accountability in Council decision making.

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

Note 1 Significant accounting policies

(a) Basis of accounting

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

This financial report has been prepared under the historical cost convention, except where specifically stated in note 1(h), 1(k), 1(t) and 1(y).

Council has elected not to consolidate Special Committees of Management as the assets and liabilities involved were deemed to have an immaterial impact on the financial position or performance.

(b) Change in accounting policies

AASB 13 Fair Value Measurement

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

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

AASB 13 requires prospective application from 1 January 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. In accordance with these transitional provisions, Council has not made any new disclosures required by AASB 13 for the 2012 comparative period (please see note 23 and 24 disclosures).

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

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

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

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

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

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

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

Note 1 – Significant accounting policies (cont)

(c) Revenue recognition

Rates, grants and contributions

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

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

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 grants or contributions is disclosed in Note 5. The note also discloses the amount of unused grant or contribution from prior years that were expended on Council's operations during the current year.

Grants are considered Recurrent if funding agreements state that the grant will be paid over a period exceeding two financial years. Non-Recurrent grants are those where funding is expected as a once off payment, payments to be received within a period less than two years, or grants acquired of a capital nature.

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, infrastructure, plant and equipment

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

Interest and Rents

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

(d) 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 of property, infrastructure, plant and equipment

Buildings, land improvements, plant and equipment, infrastructure, cultural and 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.

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:

	Period
Land and buildings	
Land improvements	10 to 100 years
Buildings	10 to 100 years
Cultural and heritage assets	
Heritage assets	100 years
Artworks	100 years
Library books	5 to 100 years
Plant and equipment	
Plant, machinery and equipment – large	5 to 10 years
Plant, machinery and equipment – small	2 to 4 years
Fixtures, fittings and furniture	3 to 10 years
Computers and telecommunications	3 to 5 years
Infrastructure	
Sealed roads	
▪ road pavements	60 to 80 years
▪ road seals	15 to 80 years
▪ road ancillary assets	30 to 100 years
Unsealed roads *	
▪ natural surface	100 years
▪ gravel surface	30 years
Footpaths	20 to 50 years
Kerb and channel	25 to 50 years
Drainage	20 to 80 years
Waste management	10 to 35 years
Other infrastructure	
Irrigation & sprinkler systems	10 years
Parks and gardens furniture & equipment	10 years
Playground equipment	10 years

*Prior to 2012/2013, unsealed roads were depreciated at 100 years, however due to recent assessments of the unsealed road components and analysis of gravel road resheet costs Council has elected to split unsealed roads by their surface type and depreciate based on the life of the surface.

Note 1 – Significant accounting policies (cont)

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

(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, and an appropriate share of directly attributable variable and fixed overheads.

The following classes of assets have been recognised in note 23. 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 \$
Property	
Land	1
Land improvements	1,000
Land under roads	1
Buildings	5,000
Cultural and heritage assets	
Heritage assets	1,000
Artworks	1
Library books	1
Plant and equipment	
Plant and machinery	1,500
Furniture, fittings and office equipment	1,500
Computers and telecommunications	1,000
Infrastructure	
Roads	
▪ Construction	5,000
▪ Major patches	10,000
▪ Seal	5,000
Footpaths	5,000
Kerb and channel	5,000
Drainage	5,000
Waste Management	5,000
Other infrastructure	
Irrigation & sprinkler systems	5,000
Parks & gardens furniture & equipment	5,000
Playground equipment	5,000

(i) Recognition and measurement of Assets (cont)

Revaluation

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use on an asset result in changes to the permissible or practical highest and best use of the asset. More details about the valuation techniques and inputs used in determining the fair value of non-financial physical assets are discussed in Note 23 Property, Infrastructure, Plant and Equipment.

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 2 to 5 years. The valuation is performed either by experienced council officers or independent experts.

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

Land under roads

Council recognises land under roads it controls at fair value.

(j) Cash and cash equivalents

For the purpose 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.

(k) Financial assets

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

(l) Investments

Investments, other than investments in associates, are measured at cost and interest revenues are recognised as they accrue.

(m) 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 26).

Note 1 – Significant accounting policies (cont)

(n) Employee costs

Wages and salaries

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

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

Long Service Leave

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

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

The components of this current liability are measured at:

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

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

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

Superannuation

A liability is recognised in respect of Council's present obligation to meet the unfunded obligations of defined benefit superannuation schemes to which its employees are members. The liability is defined as the Council's share of the scheme's unfunded position, being the difference between the present value of employees' accrued benefits and the net market value of the scheme's assets at balance date.

The superannuation expense for the reporting year is the amount of the statutory contribution the Council makes to the superannuation plan which provides benefits to its employees together with any movements (favourable/unfavourable) in the position of any defined benefits schemes. Details of these arrangements are detailed in note 34.

(o) Leases

Finance Leases

Leases of assets where substantially all the risks and benefits incidental to ownership of the asset, but not the legal ownership, are transferred to the Council are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to 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 amortised 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 4 year period.

Operating Leases

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

(p) 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.

(q) 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.

(r) Website costs

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

(s) 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.

(t) 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)

(u) Intangible assets

An intangible asset is measured at the lower of its carrying amount and fair value. Intangible assets are not amortised as they are revalued annually.

(v) Rounding

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

(w) Non-current assets held for sale

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

(x) Investment property

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

(y) 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.

Note 1 – Significant accounting policies (cont)

(z) Pending account standards

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

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

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

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

(aa) 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 and inclusive of GST payable.

Note 2 Rates and charges

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 the value of its Land, Buildings and Improvements.

The valuation base used to calculate general rates for 2013/2014 was \$3,421 million (2012/2013 \$3,165 million). The 2013/2014 rate in the Capital Improved Value dollar was 0.00631040 (2012/2013, 0.00598256).

	2014 \$	2013 \$
Residential	9,119,418	8,613,054
Commercial	1,651,494	1,535,643
Industrial	686,336	605,251
Farm/rural	8,920,218	8,537,870
Supplementary rates and rate adjustments	76,557	55,897
Garbage charge	2,601,574	2,482,659
Special marketing rates	335,594	323,531
Other	(178,872)	(6,155)
Abandonment's	(158,035)	(136,327)
Total rates and charges	23,054,284	22,011,423
Rate (cents in the \$ CIV)		
General rate in the capital improved value	0.00631040	0.00598256
General rate and drainage – Swan Hill differential rate in the capital improved value	0.00656282	0.00622186
General rate and drainage – Robinvale differential rate in the capital improved value	0.00656282	0.00622186
Residential vacant land – Swan Hill & Robinvale	0.01312564	0.01244372
Commercial – Swan Hill & Robinvale	0.00820352	0.00777733
Commercial – Swan Hill & Robinvale shop & dwelling	-	0.00699960
10% Reduced - rural broad acre farming	0.00567936	0.00538430

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

Note 3 Statutory fees and fines

Building and planning fees	369,768	246,799
Valuation data fees	25,390	139,853
Animal registration/release fees	130,483	121,070
Health registration fees	141,789	108,802
Parking control fees and fines	297,111	269,521
Other fees and fines	44,807	27,638
Total statutory fees and fines	1,009,348	913,683

Note 4 User fees

Administration fees	703,742	732,145
Child care/children's program fees	230,170	274,165
Sales – admissions	767,631	711,423
Sales – merchandise, catering, other sales	465,664	356,164
Hire & leasing fees	633,662	642,404
Livestock exchange	565,193	452,646
Aged services	859,959	861,725
Tourism & economic development	66,182	59,091
Other	413,063	414,556
Total user fees	4,705,266	4,504,319

Note 5 Grants

	2014 \$	2013 \$
Grants were received in respect of the following:		
Summary of grants		
Federally funded grants	5,758,405	5,356,723
State funded grants	10,359,313	15,832,294
Others	256,480	197,106
Total grants	16,374,198	21,386,123
(a) Operating - recurrent		
Commonwealth Government – health and aged care	4,547,971	4,295,603
Victorian Grants Commission – general purpose	2,032,750	3,909,291
Victorian Grants Commission – local roads	1,045,650	1,876,962
Employment subsidies	13,727	16,500
Public health	27,639	23,118
Home and community care	1,368,500	1,315,832
Maternal and child health	328,133	320,006
Family and children	392,961	419,933
Community projects	140,000	151,135
School crossing	21,246	10,361
Art gallery and performing arts	150,000	90,000
Libraries	178,929	177,157
Other	138,835	172,847
Total recurrent	10,386,341	12,778,745
(b) Operating - non-recurrent		
Community projects	674,460	364,656
Environmental protection	99,785	68,859
Emergency management/response	2,128,042	2,658,487
Family and children	35,395	145,606
Library services	6,866	13,345
Indigenous affairs	172,480	179,620
Cultural and heritage	65,000	23,727
Economic development	24,091	246,657
Home and community care	20,103	11,533
Other	27,327	24,259
Total non-recurrent	3,253,549	3,736,749
(c) Capital - recurrent		
Federal funding – Roads to Recovery	1,082,119	1,061,120
State funding – Country roads and bridges	1,000,000	1,000,000
Total capital - recurrent	2,082,119	2,061,120
(d) Capital - non-recurrent		
Buildings	30,000	450,000
Roads	-	150,000
Art & heritage	27,132	829,121
Parks, playgrounds and street beautification	751,479	1,130,388
Other	425,000	250,000
Total capital – non-current	1,233,611	2,809,509

Note 5 Grants (cont)

Condition on Grants

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

	2014 \$	2013 \$
Operating grants	797,855	4,941,841
Capital grants	1,596,290	1,784,460
	2,394,145	6,726,301

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

Operating grants	4,848,026	4,213,278
Capital grants	1,259,830	537,180
	6,107,856	4,750,458
Net increase (decrease) in cash assets resulting from grant revenues for the year:	(3,713,711)	1,975,843

Note 6 Contributions

(a) Cash

Drainage	28,241	-
Cultural & heritage	120,693	153,394
Sealed roads	-	54,326
Car parking	58,000	-
Community projects	533,189	71,171
Recreational, leisure and community facilities	178,100	232,050
Environmental protection	15,455	1,947
Family and children	86,000	2,800
Other	8,777	3,637
Total contributions - cash	1,028,455	519,325

(b) Non-monetary assets

Roads	59,798	-
Buildings	-	49,620
Land under roads	11,040	-
Drainage	121,127	-
Footpaths	23,321	-
Kerb & Channel	32,198	-
Artwork	26,000	-
Library books	5,054	5,512
Pioneer Settlement	6,250	-
Other	-	436,895
Total contributions – non-monetary assets	284,788	492,027
Total contributions	1,313,243	1,011,352

Note 7 Reimbursements

Insurance reimbursements	252,521	149,496
Other	88,626	29,080
Total reimbursements	341,147	178,576

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

	2014 \$	2013 \$
Proceeds of sale	250,306	681,055
Written down value of assets sold	(242,712)	(597,238)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	7,594	83,817

Note 9 Other revenue

Tower Hill land sales	1,800,687	1,162,892
Less - Tower Hill cost of goods sold	(40,962)	(44,336)
Other	212,057	338,185
Total other income	1,971,782	1,456,741

Note 10 Employee costs

Wages and salaries	14,764,980	14,408,889
Agency staff	520,185	532,099
Workcover	740,303	456,980
Long service leave	533,755	505,903
Staff training	183,552	313,070
Superannuation	1,504,363	1,445,529
Discounts received – Defined benefits additional call	-	(261,679)
Fringe benefits tax	57,856	140,514
Other oncosts	111,952	110,007
Total employee costs	18,416,946	17,651,312

Note 11 Materials and services

Waste management	1,554,324	1,406,970
Road and infrastructure maintenance	1,493,192	1,355,685
Major projects	2,883,187	3,626,829
Building maintenance and repairs	865,751	665,667
Tower Hill development costs	1,666,449	1,164,878
Organisational support	1,361,361	1,606,808
Cleaning	652,007	595,269
Community support events	1,234,262	1,411,723
Culture and heritage programs	397,457	408,822
Insurance	669,978	642,815
Flood response	-	24,642
Utilities	1,074,457	1,134,267
Parks and reserves maintenance	370,174	422,517
Professional services	426,651	483,730
Total materials and services	14,649,250	14,950,622

Note 12 Agency payments and community grants

Aged and community care	4,259,393	4,354,160
Community grants and sponsorships	353,837	353,015
Contributions to committees of management	869,278	819,809
Education/scholarship programs	10,000	12,000
Total agency payments and community grants	5,492,508	5,538,984

Note 13 Bad and doubtful debts

	2014 \$	2013 \$
Parking and by-law debtors	16,988	19,152
Rates debtors	773	(5,460)
Private schemes	23,989	(6)
Other debtors	2,453	(2,377)
Total bad and doubtful debts	44,203	11,309

Note 14 Depreciation and amortisation

Buildings		
Buildings – freehold	567,275	575,683
Buildings – other controlled	229,258	230,166
Plant and equipment		
Plant, machinery and equipment	1,045,223	1,021,319
Furniture, fittings and office equipment	116,103	98,227
Computers and telecommunications	112,199	145,041
Infrastructure		
Sealed roads	1,771,318	2,026,582
Unsealed roads	1,781,468	1,735,566
Kerb and channel	262,013	275,904
Footpaths	230,021	210,492
Drainage	595,260	488,330
Waste management	230,536	396,893
Other infrastructure	640,655	545,203
Cultural and heritage assets		
Library collection	78,504	62,229
Artworks	15,550	15,550
Pioneer Settlement vehicles and vessels	49,054	49,317
Pioneer Settlement site exhibits	19,748	19,749
Pioneer Settlement buildings	70,593	69,371
Total depreciation and amortisation	7,814,778	7,965,622

Note 15 Finance costs

Interest – borrowings	348,450	421,951
Interest – finance leases	12,634	12,634
Total finance costs	361,084	434,585

Note 16 Other expenses

Auditors' remuneration	64,285	50,402
Councillor emoluments	221,787	208,333
Vehicle registrations	79,624	96,661
Bank charges	54,974	45,374
Software licences	342,509	285,318
Asset write offs/adjustments	1,378,022	2,303,926
Legal costs	98,600	118,262
Fire services levy	83,145	-
Other	41,304	36,584
Total other expenses	2,364,250	3,144,860

Note 17 Cash and cash equivalents

	2014 \$	2013 \$
Cash on hand	7,355	7,255
Cash at bank	2,874,908	3,112,691
Term deposits	3,102,757	7,636,294
Total cash and cash equivalents	5,985,020	10,756,240

Council's 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:

Trust funds and deposits	379,595	416,242
Restricted Funds	379,595	416,242
Total unrestricted cash and cash equivalents	5,605,425	10,339,998

Users of the financial report should refer to Note 33 for details of restrictions on cash assets and note 35 for details of existing Council commitments.

Note 18 Trade and other receivables

Current

Rates debtors	879,272	793,856
Provision for doubtful debts – rates debtors	(14,198)	(9,172)
Parking infringement and by-laws debtors	71,889	53,348
Provision for doubtful debts – parking infringement and by-law debtors	(56,911)	(41,051)
Private scheme debtors	39,368	81,174
Provision for doubtful debts – private scheme debtors	-	(4,433)
Other debtors	680,808	511,785
Provision for doubtful debts – other debtors	(20,066)	(4,658)
Net GST receivable	256,347	296,974
Total	1,836,509	1,677,823

Non-current

Private scheme debtors	80,783	68,209
Total	80,783	68,209

Total trade and other receivables	1,917,292	1,746,032
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Note 19 Financial assets

	2014 \$	2013 \$
Current		
Term deposits (note 1(k))	4,668,841	1,013,874
Total financial assets	4,668,841	1,013,874

Note 20 Inventories

Inventories held for distribution	41,493	39,869
Inventories held for resale	27,024	19,150
Total inventories	68,517	59,019

Note 21 Assets held for sale

Tower Hill Estate		
Opening balance	110,111	157,694
Cost of acquisitions	-	-
Cost of goods sold	(40,962)	(44,336)
Transfer to non-current assets - land	-	(3,247)
Closing balance – assets held for sale	69,149	110,111

Note 22 Other assets

Current		
Prepayments	89,880	79,950
Accrued income	97,582	188,527
Other	-	3,273
Total other assets	187,462	271,750
Non-current		
Other	50,000	50,000
Total other assets	50,000	50,000

Note 23 Property, infrastructure, plant and equipment

	2014 \$	2013 \$
Summary		
At cost	24,153,498	25,643,915
Less accumulated depreciation	(10,934,750)	(10,101,275)
	13,218,748	15,542,640
At fair value as at 30 June 2006	5,978,641	5,978,641
Less accumulated depreciation	(4,368,522)	(4,137,986)
At fair value as at 30 June 2011	30,434,276	30,462,965
Less accumulated depreciation	(12,088,829)	(11,377,928)
At fair value as at 30 June 2012	51,997,647	189,436,107
Less accumulated depreciation	(7,146,516)	(82,065,925)
At fair value as at 30 June 2013	17,634,946	345,857,660
Less accumulated depreciation	(9,187,094)	(83,070,773)
At fair value as at 30 June 2014	477,876,970	-
Less accumulated depreciation	(158,840,207)	-
	392,291,312	391,082,761
Total	405,510,060	406,625,401
Property		
Land - freehold		
At fair value as at 30 June 2012	-	17,765,245
At fair value as at 30 June 2014	18,979,882	-
	18,979,882	17,765,245
Land – other controlled		
At fair value as at 30 June 2012	-	8,790,503
At fair value as at 30 June 2014	7,817,700	-
	7,817,700	8,790,503
Land – under roads		
At deemed cost	35,945,354	35,934,314
	35,945,354	35,934,314
Total Land	62,742,936	62,490,062

Note 23 – Property, infrastructure, plant and equipment (cont)

	2014 \$	2013 \$
Buildings on freehold land		
At cost	-	2,187,455
At fair value as at 30 June 2014	61,315,955	58,127,597
Less accumulated depreciation	(36,121,892)	(35,788,793)
	25,194,063	24,526,259
Buildings on other controlled land		
At cost	-	228,796
At fair value as at 30 June 2014	46,533,167	43,578,732
Less accumulated depreciation	(37,667,031)	(32,558,949)
	8,866,136	11,248,579
Total Buildings	34,060,199	35,774,838
Total Property	96,803,135	98,264,900

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2014 are as follows:

	Level 1	Level 2	Level 3
Land – Freehold	-	18,979,882	-
Land – Other controlled	-	-	7,817,700
Land under roads	-	-	35,945,354
Buildings – freehold	-	-	25,194,063
Buildings – other controlled	-	-	8,866,136
Total	-	18,979,882	77,823,253

Plant and Equipment

Plant and equipment		
At cost	10,853,766	10,731,233
Less accumulated depreciation	(7,767,501)	(7,003,651)
	3,086,265	3,727,582
Fixtures, fittings and furniture		
At cost	1,616,882	1,495,567
Less accumulated depreciation	(1,072,130)	(958,843)
	544,752	536,724
Computers and telecommunications		
At cost	1,109,358	1,085,839
Less accumulated depreciation	(894,420)	(888,938)
	214,938	196,901
Total plant and equipment	3,845,955	4,461,207

Note 23 – Property, infrastructure, plant and equipment (cont)

	2014 \$	2013 \$
Cultural and heritage assets		
Artworks		
At cost	26,000	-
At fair value as at 30 June 2011	1,555,000	1,555,000
Less accumulated depreciation	(58,277)	(42,727)
	1,522,723	1,512,273
Library collection		
At cost	1,676,274	1,692,094
Less accumulated depreciation	(1,200,699)	(1,249,843)
	475,575	442,251
Pioneer Settlement vehicles and vessels		
At cost	5,000	-
At fair value 30 June 2011	4,904,800	4,905,300
Less accumulated depreciation	(155,611)	(106,573)
	4,754,189	4,798,727
Pioneer Settlement site exhibits		
At cost	1,250	-
At fair value as at 30 June 2011	1,974,910	1,974,910
Less accumulated depreciation	(62,656)	(42,907)
	1,913,504	1,932,003
Pioneer Settlement buildings		
At cost	-	616,729
At fair value as at 30 June 2014	10,000,798	9,068,613
Less accumulated depreciation	(7,849,435)	(6,743,405)
	2,151,363	2,941,937
Total cultural and heritage assets	10,817,354	11,627,191

Details of the Council's cultural and heritage assets and information about the fair value hierarchy as at 30 June 2014 are as follows:

	Level 1	Level 2	Level 3
Artworks	-	-	1,522,723
Pioneer Settlement vehicles and vessels	-	-	4,754,189
Pioneer Settlement site exhibits	-	-	1,913,504
Pioneer Settlement building	-	-	2,151,363
Total	-	-	10,341,779

Note 23 – Property, infrastructure, plant and equipment (cont)

	2014 \$	2013 \$
Infrastructure		
Sealed roads		
At fair value as at 30 June 2013	-	166,228,461
At fair value as at 30 June 2014	167,482,197	-
Less accumulated depreciation	(40,817,550)	(40,454,617)
	126,664,647	125,773,844
Unsealed roads		
At cost	-	1,117,009
At fair value as at 30 June 2012	-	114,185,829
At fair value as at 30 June 2014	116,215,608	-
Less accumulated depreciation	(18,163,960)	(16,457,917)
	98,051,648	98,844,921
Kerb and channel		
At cost	102,794	-
At fair value as at 30 June 2013	17,634,946	17,678,682
Less accumulated depreciation	(9,187,094)	(8,940,532)
	8,550,646	8,738,150
Footpaths		
At cost	1,502,922	1,107,165
At fair value as at 30 June 2012	16,052,293	16,171,103
Less accumulated depreciation	(7,146,516)	(6,974,778)
	10,408,699	10,303,490
Drainage		
At fair value as at 30 June 2013	-	47,764,688
At fair value as at 30 June 2014	49,531,663	-
Less accumulated depreciation	(18,220,339)	(17,217,707)
	31,311,324	30,546,981
Waste management assets		
At fair value as at 30 June 2006	5,978,641	5,978,641
Less accumulated depreciation	(4,368,522)	(4,137,986)
	1,610,119	1,840,655
Other infrastructure		
At cost	5,834,170	4,583,332
At fair value as at 30 June 2011	21,999,566	22,027,755
Less accumulated depreciation	(11,812,285)	(11,185,721)
	16,021,451	15,425,366
Total infrastructure	292,618,534	291,473,407

Details of the Council's infrastructure assets and information about the fair value hierarchy as at 30 June 2014 are as follows:

	Level 1	Level 2	Level 3
Sealed roads	-	-	126,664,647
Unsealed roads	-	-	98,051,648
Kerb and channel	-	-	8,550,646
Footpaths	-	-	10,408,699
Drainage	-	-	31,311,324
Waste management assets	-	-	1,610,119
Other infrastructure	-	-	16,021,451
Total	-	-	292,618,534

Works in progress

Capital Works in progress at cost	1,425,082	798,696
Total property, infrastructure, plant and equipment	405,510,060	406,625,401

Note 23 – Property, infrastructure, plant and equipment (cont)

Valuation Basis

Land – freehold and other controlled

Land assets are valued using the market based direct comparison method. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value.

For land assets, an independent valuation was performed by Mr Franz J Turzi, Dip.Agr.Sc. AAPI (VAL) Certified Practising Valuer - State of Victoria of Franz J Turzi and Associates Pty Ltd. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. From the sales analysed, an appropriate rate per square metre has been applied to the subject asset. The effective date of the valuation is 30 June 2014.

To the extent that land – freehold assets do not contain significant, unobservable adjustments; these assets are classified as Level 2 under the market based direct comparison approach.

For land – other controlled assets, the market based direct comparison method is also used, however the valuation is adjusted to reflect the specialised nature of the assets being valued. An adjustment is made to reflect a restriction on the sale or use of an asset by Council. The adjustment is an allowance made to reflect the difference in value between unrestricted assets and those held by the Council which are impacted by external restraints on their use. These restrictions on use therefore contain significant unobservable adjustments; therefore these assets are classified as Level 3 fair value measurements.

Land under roads

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

Buildings – freehold and other controlled

Building assets are valued using the depreciated replacement cost method. This cost represents the replacement cost of the building/component after applying depreciation rates on a useful life basis. Replacement costs relate to costs to replace the property to an “as new” standard. Economic obsolescence has also been factored into the depreciated replacement cost calculation.

Where it has not been possible to examine hidden works such as structural frames and floors, the use of reasonable materials and methods of construction have been assumed bearing in mind the age and nature of the building. The estimated cost of reconstruction including structure services and finishes, also factors in any heritage classifications as applicable.

Building assets contain significant unobservable adjustments, therefore these assets are classified as Level 3.

Valuation of Council buildings was performed by qualified independent valuer Mr Franz J Turzi, Dip.Agr.Sc. AAPI (VAL) Certified Practising Valuer - State of Victoria of Franz J Turzi and Associates Pty Ltd. The effective date of the valuation is 30 June 2014.

Artworks

Artworks are valued using the market based direct comparison method. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value.

Valuation of Council's permanent artwork collection was prepared in 2010 by Mr Warren Joel, Managing Director of Leonard Joel Australia, South Yarra, Victoria. Valuation of the assets was determined by analysing comparable sales of an artist's work, knowledge of the collections history and condition of the collection. The effective date of the valuation is 30 June 2011.

Artwork assets contain significant, unobservable adjustments; therefore these assets are classified as Level 3 fair value measurements.

Pioneer Settlement vehicles and vessels and site exhibits

Pioneer Settlement vehicles and vessels and site exhibits are valued using the market based direct comparison method. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value.

Valuation of Pioneer Settlement vehicles and vessels and site exhibit assets was conducted by qualified independent valuer Mr David Freeman, member of Auctioneers and Valuers Association of Australia, and Chief Executive Officer of Amanda Adams Auctions, Bulleen, Victoria. The valuation is based on average market realisation prices that should be obtained if the items were sold via private treaty or auction sales. The effective date of the valuation is 30 June 2011.

Pioneer Settlement vehicles and vessels and site exhibit assets contain significant, unobservable adjustments; therefore these assets are classified as Level 3 fair value measurements.

Pioneer Settlement buildings

Pioneer Settlement building assets are valued using the depreciated replacement cost method. This cost represents the replacement cost of the building/component after applying depreciation rates on a useful life basis. Replacement costs relate to costs to replace the property to an “as new” standard. Economic obsolescence has also been factored into the depreciated replacement cost calculation.

Where it has not been possible to examine hidden works such as structural frames and floors, the use of reasonable materials and methods of construction have been assumed bearing in mind the age and nature of the building. The estimated cost of reconstruction including structure services and finishes, also factors in any heritage classifications as applicable.

Building assets contain significant unobservable adjustments, therefore these assets are classified as Level 3.

Infrastructure assets

Infrastructure assets are valued using the depreciated replacement cost method. This cost represents the replacement cost of the asset after applying depreciation rates on a useful life basis. Replacement costs relate to costs to replace the asset to an “as new” standard. Economic obsolescence has also been factored into the depreciated replacement cost calculation.

Where it has not been possible to examine hidden works such as underground pipes or structural frames and floors, the use of reasonable materials and methods of construction have been assumed bearing in mind the age and nature of the asset. The estimated cost of reconstruction including structure services and finishes, also factors in any heritage classifications as applicable.

Infrastructure assets contain significant unobservable adjustments, therefore these assets are classified as Level 3.

Valuation of sealed roads, unsealed roads and drainage was performed by Council Officer Mr Andrew Bruggy, BE(Civil) GCert BA. The effective date of the valuation is 30 June 2014.

Valuation of kerb and channel was performed by Council Officer Mr Roger Lambert, BE(Civil). The effective date of the valuation is 30 June 2013.

Valuation of footpaths was performed by Council Officer Mr Roger Lambert, BE(Civil). The effective date of the valuation is 30 June 2012.

Valuation of waste management assets was performed by Council Officer Mr Roger Lambert, BE(Civil). The effective date of the valuation is 30 June 2006.

Valuation of other infrastructure assets was performed by Council Officer Mr Roger Lambert, BE(Civil). The effective date of the valuation is 30 June 2011.

There were no changes in valuation techniques throughout the period to 30 June 2014.

For all assets measured at fair value, the current use is considered the highest and best use.

Description of significant unobservable inputs into level 3 valuations

	Valuation technique	Significant unobservable inputs	Sensitivity
Land – other controlled	Market based direct comparison approach	Extent and impact of restriction of use.	Increase or decrease in the extent of restriction would result in a significantly lower or higher fair value.
Building assets	Depreciated replacement cost	Direct cost per square metre. Useful life of buildings. Useful life of buildings range from 10 to 100 years.	Increase or decrease in the direct cost per square metre adjustment would result in a significantly higher or lower fair value. Increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower fair value.
Land under roads	Market based direct comparison approach	Extent and impact of restriction of use.	Increase or decrease in the extent of restriction would result in a significantly lower or higher fair value.

	Valuation technique	Significant unobservable inputs	Sensitivity
Artworks	Market based direct comparison approach	Artist history. Rarity of item. Historical significance.	If there are events that determine certain pieces of the collection to be of historical significance, if the artist has works that have increased in popularity or the item is considered to be rare and in demand, this would result in a higher fair value.
Pioneer Settlement – vehicles and vessels	Market based direct comparison approach	Rarity of item. Historical significance.	Increase or decrease in the rarity or historical significance /interest would result in a significantly higher or lower fair value.
Pioneer Settlement – site exhibits	Market based direct comparison approach	Rarity of item. Historical significance.	Increase or decrease in the rarity or historical significance /interest would result in a significantly higher or lower fair value.
Pioneer Settlement – buildings	Depreciated replacement cost	Direct cost per square metre. Useful life of buildings. Useful life of buildings range from 10 to 100 years.	Increase or decrease in the direct cost per square metre adjustment would result in a significantly higher or lower fair value. Increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower fair value.
Infrastructure			
Sealed roads	Depreciated replacement cost	Cost per unit. Formation \$6 Pavement \$12 - \$18 Spray seal \$7.28 Asphalt \$28 Based on 2013/14 revaluation. Useful life of sealed road components. Formation 100 years Pavement 60 years Spray seal 15 years Asphalt 20 years Life assessed at revaluation.	Increase or decrease in the cost per unit would result in a significantly higher or lower fair value. Increase or decrease in the estimated useful life would result in a significantly higher or lower fair value.
Unsealed roads	Depreciated replacement cost	Cost per unit. Natural surface \$3.80 Gravel surface \$11.50 Based on 2013/14 revaluation Useful life of unsealed road components. Natural surface 100 years Gravel surface 30 years Life assessed at revaluation.	Increase or decrease in the cost per unit would result in a significantly higher or lower fair value. Increase or decrease in the estimated useful life would result in a significantly higher or lower fair value.
Kerb and channel	Depreciated replacement cost	Cost per unit. Unit rate \$62 - \$71 Based on 2012/13 revaluation. Useful life of kerb and channel assets. Useful life of kerb and channel assets is 25 - 50 years. Life assessed at revaluation.	Increase or decrease in the cost per unit would result in a significantly higher or lower fair value. Increase or decrease in the estimated useful life would result in a significantly higher or lower fair value.

	Valuation technique	Significant unobservable inputs	Sensitivity
Footpaths	Depreciated replacement cost	<p>Cost per unit. Unit rates range from \$15 - \$150 Based on 2011/12 revaluation.</p> <p>Useful life of footpath assets Useful life of footpath assets are 20 – 50 years Life assessed at revaluation.</p>	<p>Increase or decrease in the cost per unit would result in a significantly higher or lower fair value.</p> <p>Increase or decrease in the estimated useful life would result in a significantly higher or lower fair value.</p>
Drainage	Depreciated replacement cost	<p>Cost per unit. Pipes \$65 - \$1,119 Culverts \$278 - \$3,200 Open drains \$72 - \$1,900 Pits \$2,500 - \$5,300 Pump stations \$42,000 - \$660,000 Drainage basins \$12 - \$22 Based on 2013/14 revaluation.</p> <p>Useful life of drainage components. Pipes 75 years Culverts 80 years Open drains 76 years Pits 60 years Pump stations 78 years Drainage basins 80 years Life assessed at revaluation.</p>	<p>Increase or decrease in the cost per unit would result in a significantly lower or higher fair value.</p> <p>Increase or decrease in the estimated useful life would result in a significantly lower or higher fair value.</p>
Waste management	Depreciated replacement cost	<p>Direct cost per square metre.</p> <p>Useful life of waste management cells. Useful life of waste management assets range from 10 to 35 years. Life assessed at revaluation.</p>	<p>Increase or decrease in the direct cost per square metre adjustment would result in a significantly higher or lower fair value.</p> <p>Increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower fair value.</p>
Other infrastructure	Depreciated replacement cost	<p>Direct cost per square metre. Direct cost per unit.</p> <p>Useful life of other infrastructure items. Other infrastructure items have a useful life of 10 years. Life assessed at revaluation.</p>	<p>Increase or decrease in the direct cost per square metre or cost per unit adjustment would result in a significantly higher or lower fair value.</p> <p>Increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower fair value.</p>

Note 23 – Property, infrastructure, plant and equipment (cont)

2014	Balance at beginning of financial year \$	Acquisition of assets \$	Revaluation increments (decrements) (note 29) \$	Depreciation and amortisation (note 14) \$	Written down value of disposals \$	Transfers \$	Balance at end of financial year \$
Property							
land - freehold	17,765,245	91,381	916,765	-	(1,100)	207,591	18,979,882
land under roads	35,934,314	11,040	-	-	-	-	35,945,354
land - other controlled	8,790,503	-	(298,256)	-	(466,956)	(207,591)	7,817,700
Total land	62,490,062	102,421	618,509	-	(468,056)	-	62,742,936
buildings – freehold	24,526,259	176,454	993,564	(567,275)	(72,458)	137,519	25,194,063
buildings – other controlled	11,248,579	157,159	(2,204,595)	(229,258)	(132,223)	26,474	8,866,136
Total buildings	35,774,838	333,613	(1,211,031)	(796,533)	(204,681)	163,993	34,060,199
Total property	98,264,900	436,034	(592,522)	(796,533)	(672,737)	163,993	96,803,135
Plant and Equipment							
plant, machinery & equipment	3,727,582	665,934	-	(1,045,223)	(262,028)	-	3,086,265
fixtures, fitting & equipment	536,724	124,132	-	(116,104)	-	-	544,752
computers & telecommunications	196,901	130,234	-	(112,197)	-	-	214,938
Total plant and equipment	4,461,207	920,300	-	(1,273,524)	(262,028)	-	3,845,955
Infrastructure							
sealed roads	125,773,844	3,905,308	(723,027)	(1,771,318)	(553,491)	33,331	126,664,647
unsealed roads	98,844,921	904,286	83,909	(1,781,468)	-	-	98,051,648
kerb & channel	8,738,150	102,794	-	(262,013)	(28,285)	-	8,550,646
footpaths	10,303,490	395,757	-	(230,021)	(60,527)	-	10,408,699
drainage	30,546,981	216,710	1,132,584	(595,260)	(2,896)	13,205	31,311,324
waste management	1,840,655	-	-	(230,536)	-	-	1,610,119
other infrastructure	15,425,366	844,418	-	(640,655)	(14,098)	406,420	16,021,451
Total infrastructure	291,473,407	6,369,273	493,466	(5,511,271)	(659,297)	452,956	292,618,534
Cultural and heritage assets							
library collection	442,251	111,828	-	(78,504)	-	-	475,575
artworks	1,512,273	26,000	-	(15,550)	-	-	1,522,723
PIOSET vehicles & vessels	4,798,727	5,000	-	(49,054)	(484)	-	4,754,189
PIOSET site exhibits	1,932,003	1,250	-	(19,749)	-	-	1,913,504
PIOSET buildings	2,941,937	88,734	(821,122)	(70,593)	(3,393)	15,800	2,151,363
Total cultural and heritage assets	11,627,191	232,812	(821,122)	(233,450)	(3,877)	15,800	10,817,354
Works in progress							
Total works in progress	798,696	1,259,135	-	-	-	(632,749)	1,425,082
Total property, infrastructure, plant and equipment	406,625,401	9,217,554	(920,178)	(7,814,778)	(1,597,939)	-	405,510,060

Note 23 – Property, infrastructure, plant and equipment (cont)

2013	Balance at beginning of financial year \$	Acquisition of assets \$	Revaluation increments (decrements) (note 29) \$	Depreciation and amortisation (note 14) \$	Written down value of disposals \$	Transfers \$	Balance at end of financial year \$
Property							
land - freehold	17,761,998	3,247	-	-	-	-	17,765,245
land under roads	35,934,314	-	-	-	-	-	35,934,314
land - other controlled	8,820,503	-	-	-	(30,000)	-	8,790,503
Total land	62,516,815	3,247	-	-	(30,000)	-	62,490,062
buildings – freehold	24,139,474	826,565	-	(575,683)	(11,165)	147,068	24,526,259
buildings – other controlled	11,253,438	206,787	-	(230,166)	(3,489)	22,009	11,248,579
Total buildings	35,392,912	1,033,352	-	(805,849)	(14,654)	169,077	35,774,838
Total property	97,909,727	1,036,599	-	(805,849)	(44,654)	169,077	98,264,900
Plant and Equipment							
plant, machinery & equipment	3,502,170	1,809,688	-	(1,021,319)	(592,134)	29,177	3,727,582
fixtures, fitting & equipment	385,020	249,931	-	(98,227)	-	-	536,724
computers & telecommunications	228,695	113,247	-	(145,041)	-	-	196,901
Total plant and equipment	4,115,885	2,172,866	-	(1,264,587)	(592,134)	29,177	4,461,207
Infrastructure							
sealed roads	112,368,616	4,877,316	12,114,925	(2,026,582)	(1,610,177)	49,746	125,773,844
unsealed roads	99,463,478	1,113,739	-	(1,735,566)	-	3,270	98,844,921
kerb & channel	7,308,880	157,276	1,435,119	(275,904)	(32,320)	145,099	8,738,150
footpaths	9,492,255	745,231	-	(210,492)	(85,438)	361,934	10,303,490
drainage	26,215,137	929,594	3,670,162	(488,330)	(7,556)	227,974	30,546,981
waste management	2,237,548	-	-	(396,893)	-	-	1,840,655
other infrastructure	13,346,179	2,544,638	-	(545,203)	(186,705)	266,457	15,425,366
Total infrastructure	270,432,093	10,367,794	17,220,206	(5,678,970)	(1,922,196)	1,054,480	291,473,407
Cultural and heritage assets							
library collection	381,299	123,181	-	(62,229)	-	-	442,251
artworks	1,527,823	-	-	(15,550)	-	-	1,512,273
PIOSET vehicles & vessels	4,848,044	-	-	(49,317)	-	-	4,798,727
PIOSET site exhibits	1,951,752	-	-	(19,749)	-	-	1,932,003
PIOSET buildings	2,474,351	616,653	-	(69,371)	(79,772)	76	2,941,937
Total cultural and heritage assets	11,183,269	739,834	-	(216,216)	(79,772)	76	11,627,191
Works in progress							
Total works in progress	1,733,781	619,302	-	-	(301,577)	(1,252,810)	798,696
Total property, infrastructure, plant and equipment	385,374,755	14,936,395	17,220,206	(7,965,622)	(2,940,333)	-	406,625,401

Note 24 Intangible assets

	2014 \$	2013 \$
Water rights	726,016	768,000
Total intangible assets	726,016	768,000
Gross carrying amount – Water rights		
Balance at beginning of financial year	768,000	973,276
Acquisitions	-	-
Asset revaluation movement	(41,984)	(205,276)
Balance at end of financial year	726,016	768,000

Note 25 Trade and other payables

Accrued expenses	894,678	1,885,137
Salaries and wages	651,879	126,849
Trade payables	356,707	801,884
Fire services property levy	8,548	-
Total trade and other payables	1,911,812	2,813,870

Note 26 Trust funds and deposits

Refundable house removal deposits	30,000	35,000
Refundable vehicle crossing deposits	36,775	63,808
Refundable design section security deposits	23,690	6,900
Refundable civic facilities deposits	17,795	15,870
Retention amounts	266,537	262,415
Other refundable deposits	4,798	32,249
Total trust funds and deposits	379,595	416,242

Note 27 Provisions

	Annual leave \$	Long service leave \$	Landfill restoration \$	Total \$
2014				
Balance at beginning of the financial year	1,587,665	3,256,544	1,404,854	6,249,063
Additional provisions	1,315,570	334,887	-	1,650,457
Amounts used	(1,296,725)	(268,338)	(26,976)	(1,592,039)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	-	-	40,107	40,107
Balance at the end of the financial year	1,606,510	3,323,093	1,417,985	6,347,588
2013				
Balance at beginning of the financial year	1,446,170	3,081,892	1,444,480	5,972,542
Additional provisions	1,186,915	389,946	-	1,576,861
Amounts used	(1,045,420)	(215,294)	-	(1,260,714)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	-	-	(39,626)	(39,626)
Balance at the end of the financial year	1,587,665	3,256,544	1,404,854	6,249,063

Note 27 – Provisions (cont)

	2014 \$	2013 \$
(a) Employee benefits		
Current provisions expected to be settled within 12 months (i)		
Annual leave	1,376,338	1,587,665
Long service leave	189,003	182,450
	1,565,341	1,770,115
Current provisions expected to be settled after 12 months		
Annual leave	230,172	-
Long service leave	2,859,438	2,760,316
	3,089,610	2,760,316
Total Current provisions	4,654,951	4,530,431
Non-current (ii)		
Long service leave	274,652	313,778
	274,652	313,778
Aggregate carrying amount of employee benefits:		
Current	4,654,951	4,530,431
Non-current	274,652	313,778
	4,929,603	4,844,209
The following assumptions were adopted in measuring the present value of employee benefits:		
Weighted average increase in employee costs	4.44%	4.50%
Weighted average discount rates	1.30%	1.66%
Weighted average settlement period	15 years	15 years
(b) Landfill restoration		
Under the Environmental Protection Act 1970, Council is obligated to restore the Swan Hill & Robinvale Landfill sites to a particular standard. Current Waste Management projections indicate that the Swan Hill & Robinvale Landfill sites will cease operation in 2047 and restoration work is expected to commence shortly thereafter. The forecast life of both sites 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.		
Council does not expect to receive reimbursement from a third party.		
Non-current		
Landfill remediation provision	1,417,985	1,404,854
Total provisions		
Current	4,654,951	4,530,431
Non-current	1,692,637	1,718,632
	6,347,588	6,249,063

Note 28 Interest-bearing loans and borrowings

	2014 \$	2013 \$
Current		
Borrowings – secured	870,240	2,641,881
Non-current		
Borrowings – secured	3,745,824	3,094,207
Total	4,616,064	5,736,088
Security for borrowings – bank loans are secured over the general rates of Council.		
Finance leases		
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):		
Current		
Leases	52,284	52,284
Non-current		
Leases	-	52,284
Total	52,284	104,568
The maturity profile for Council's borrowings is:		
Not later than one year	922,524	2,641,881
Later than one year and not later than five years	3,288,012	2,006,637
Later than five years	457,812	1,087,570
Total	4,668,348	5,736,088
Aggregate carrying amount of interest-bearing loans and borrowings:		
Current	922,524	2,694,165
Non-current	3,745,824	3,146,491
Total interest-bearing loans and borrowings	4,668,348	5,840,656

Note 29 Reserves

Asset revaluation reserve	Balance at beginning of reporting period \$	Increment (decrement) \$	Balance at end of reporting period \$
2014			
Property			
Land	14,068,307	618,509	14,686,816
Land under roads	1,685,384	-	1,685,384
Buildings	16,262,606	(1,211,031)	15,051,575
	32,016,297	(592,522)	31,423,775
Infrastructure			
Sealed roads	47,430,912	(723,027)	46,707,885
Kerb and channel	7,220,451	-	7,220,451
Unsealed roads	19,046,144	83,909	19,130,053
Footpaths	5,186,767	-	5,186,767
Drainage	11,980,757	1,132,584	13,113,341
Other infrastructure	6,277,782	-	6,277,782
	97,142,813	493,466	97,636,279
Cultural and heritage assets			
Artworks	1,477,603	-	1,477,603
Pioneer Settlement	6,818,824	(821,122)	5,997,702
	8,296,427	(821,122)	7,475,305
Water rights			
	125,245	(41,984)	83,261
Total asset revaluation reserve	137,580,782	(962,162)	136,618,620
2013			
Property			
Land	14,068,307	-	14,068,307
Land under roads	1,685,384	-	1,685,384
Buildings	16,262,606	-	16,262,606
	32,016,297	-	32,016,297
Infrastructure			
Sealed roads	35,315,987	12,114,925	47,430,912
Kerb and channel	5,785,332	1,435,119	7,220,451
Unsealed roads	19,046,144	-	19,046,144
Footpaths	5,186,767	-	5,186,767
Drainage	8,310,595	3,670,162	11,980,757
Other infrastructure	6,277,782	-	6,277,782
	79,922,607	17,220,206	97,142,813
Cultural and heritage assets			
Artworks	1,477,603	-	1,477,603
Pioneer Settlement	6,818,824	-	6,818,824
	8,296,427	-	8,296,427
Water rights			
	330,521	(205,276)	125,245
Total asset revaluation reserve	120,565,852	17,014,930	137,580,782

Note 30 Reconciliation of cash flows from operating activities to surplus (deficit)

	2014 \$	2013 \$
Surplus/(deficit) for the year	756,580	2,682,405
Depreciation/amortisation	7,814,778	7,965,622
Profit on disposal of property, plant and equipment, infrastructure	(7,594)	(83,817)
Provision of doubtful debts	31,861	11,139
Contributions – non monetary assets	(284,788)	(492,027)
Assets written off / asset adjustments	1,378,022	2,303,926
Works-in-progress expensed from prior year(s)	-	301,577
Reallocation of borrowing costs to financing activities	361,084	434,585
Reallocation of non-cash finance sources – landfills	(13,131)	39,626
Reallocation of assets held for sale to land assets	-	(3,247)
<i>Change in assets and liabilities:</i>		
(Increase) / Decrease in trade and other receivables	(203,121)	(178,214)
(Increase) in other operating assets	84,288	185,887
Increase / (Decrease) in accrued expenses	-	512,791
Increase / (Decrease) in trade and other payables	(375,480)	(4,777,665)
(Decrease)/Increase in other liabilities	(191,380)	-
Decrease in inventories	21,801	40,756
Increase in provisions	98,525	276,521
Net cash provided by operating activities	9,471,445	9,219,865

Note 31 Reconciliation of cash and cash equivalents

Cash and cash equivalents (see note 17)	5,985,020	10,756,240
Less bank overdraft	-	-
Total reconciliation of cash and cash equivalents	5,985,020	10,756,240

Note 32 Financing arrangements

Bank overdraft (note 38)	-	-
Used facilities	-	-
Unused facilities	-	-

Note 33 Restricted assets

Council has cash and cash equivalents (note 17) that are subject to restrictions.		
Trust funds (note 26)	379,595	416,242
Total restricted assets	379,595	416,242

Note 34 Superannuation

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

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

Accumulation

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

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

Defined benefit

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

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

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

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

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

Unfunded superannuation liability - funding calls

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

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

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

The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%. Since 30 June 2013 the VBI has been in excess of 100%. The 31 March 2014 estimated VBI was 104.6%. As this is greater than 100%, the fund is considered to be fully funded with no action required by employers at this stage.

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

Superannuation contributions

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

Scheme	Type of scheme	Rate	2014 \$	2013 \$
Vision Super	Defined benefits	9.25%	\$413,780	\$419,844
Vision Super	Accumulation	9.25%	\$1,668,281	\$1,643,295

There were \$65,483 contributions outstanding and no loans issued from or to the above schemes as at 30 June 2014.

Note 35 Commitments

The Council has entered into the following commitments:

2014	Not later than 1 year \$	Later than 1 year and not later than 2 years \$	Later than 2 years and not later than 5 years \$	Later than 5 years \$	Total \$
Operating					
Annual support & upgrade charge – CACP	26,378	-	-	-	26,378
CACP review	55,000	-	-	-	55,000
Cartage	350,000	350,000	-	-	700,000
Cleaning of Council buildings, public toilets & BBQ's	672,000	688,000	706,940	726,380	2,793,320
Corporate solution	120,197	120,197	120,197	-	360,591
Home maintenance services	260,000	-	-	-	260,000
Internal audit services	15,000	15,000	15,000	-	45,000
Kerbside waste collection & operation of recyclable waste transfer station	810,000	832,275	853,082	-	2,495,357
Maintenance & servicing of essential safety measures	59,538	-	-	-	59,538
Management & operation of Council leisure & aquatic centres	798,000	-	-	-	798,000
Operation of PS Pyap	160,000	160,000	160,000	-	480,000
Pest control treatment services	17,812	17,812	-	-	35,624
Robinvale CBD & Swan Hill Riverside public places recycling	31,064	-	-	-	31,064
Security services	48,310	-	-	-	48,310
Strengthening Swan Hill region's retail industry	33,000	-	-	-	33,000
Supply & maintenance of photocopiers	120,000	-	-	-	120,000
Supply of outdoor & work staff uniforms	30,000	15,000	-	-	45,000
Telecommunications & data	545,000	545,000	545,000	-	1,635,000
Tree maintenance contracts	320,000	-	-	-	320,000
Valuation services - 2012 & 2014 general valuations	142,152	-	-	-	142,152
Waste management services Robinvale landfill	210,000	225,750	231,394	-	667,144
Waste management services Swan Hill and rural landfills	395,000	405,863	416,009	-	1,216,872
Total	5,218,451	3,374,897	3,047,622	726,380	12,367,350
Capital					
Construction of Piangil multi-purpose centre	370,000	-	-	-	370,000
Construction of scout hall	108,300	-	-	-	108,300
Library stock	10,000	-	-	-	10,000
Municipal community plan – heritage	11,700	-	-	-	11,700
Nyah Recreation Reserve ground lighting	229,948	-	-	-	229,948
Piangil building consolidation project	27,190	-	-	-	27,190
Pipes (RC), grates, covers & associated products	210,266	-	-	-	210,266
Purchase of plant	41,776	-	-	-	41,776
Robinvale Community Arts Centre – fire panel renewal	22,300	-	-	-	22,300
Ronald street public toilet	36,007	-	-	-	36,007
Showground lighting towers	11,154	-	-	-	11,154
Steggall Park – half basketball court	34,500	-	-	-	34,500
Supply & delivery of pay and display parking ticket machines	28,072	-	-	-	28,072
Supply of park, playground & fitness equipment	135,876	-	-	-	135,876
Swan Hill Aerodrome sealed runway rehabilitation	985,783	-	-	-	985,783
Swan Hill Dog pound upgrade	66,048	-	-	-	66,048
Tower Hill Stage 8	466,024	-	-	-	466,024
Wilhaven Park playground	18,500	-	-	-	18,500
Total	2,813,444	-	-	-	2,813,444

Note 35 – Commitments (cont)

2013	Not later than 1 year \$	Later than 1 year and not later than 2 years \$	Later than 2 years and not later than 5 years \$	Later than 5 years \$	Total \$
Operating					
Aboriginal Strategic Placement Program	81,000	-	-	-	81,000
Cleaning of Council buildings, public toilets & BBQ's	482,222	502,648	-	-	984,870
Corporate solution	67,884	-	-	-	67,884
Home maintenance services	325,000	260,000	-	-	585,000
Kerbside waste collection & operation of recyclable waste transfer station	704,238	725,365	747,126	-	2,176,729
Maintenance & servicing of essential safety measures	59,538	59,538	-	-	119,076
Management & operation of Council leisure & aquatic centres	798,000	798,000	798,000	-	2,394,000
Operation of PS Pyap	120,000	150,000	-	-	270,000
Preparation of the Swan Hill Riverfront renewal masterplan	200,000	-	-	-	200,000
Security services	45,522	46,900	48,310	-	140,732
Swan Hill Community Hub - project management	15,000	30,000	-	-	45,000
Swan Hill Region Workforce Development Strategy	36,500	-	-	-	36,500
Telecommunications data upgrade	393,860	-	-	-	393,860
Tree maintenance contracts	320,000	320,000	-	-	640,000
Valuation services - 2012 & 2014 general valuations	16,307	146,000	-	-	162,307
Waste management services Robinvale landfill	182,634	188,113	193,757	-	564,504
Waste management services Swan Hill and rural landfills	477,583	501,710	526,941	-	1,506,234
Youth inclusion project	24,380	-	-	-	24,380
Total	4,349,668	3,728,274	2,314,134	-	10,392,076
Capital					
Bituminous surfacing	810,000	860,000	-	-	1,670,000
Construction & installation of shade structures to the Swan Hill CBD Stage 2	75,250	-	-	-	75,250
Construction & Installation of shade structures to the Swan Hill CBD Stage 3	165,195	-	-	-	165,195
Construction of Swan Hill CBD kiosk and shade structure	113,204	-	-	-	113,204
Construction of Swan Hill Community Hub	-	1,172,163	-	-	1,172,163
Drainage works Beveridge & McCallum Streets	602,319	-	-	-	602,319
Lake Boga foreshore footpath	419,188	-	-	-	419,188
Lake Boga foreshore restoration	212,597	-	-	-	212,597
Lake Boga foreshore restoration works stage 2	362,308	-	-	-	362,308
North South Road reconstruction	225,869	-	-	-	225,869
Pioneer Settlement - site electrical upgrade	160,000	-	-	-	160,000
Refurbishment of the Pyap Wharf & Pentel Island bridge	450,000	-	-	-	450,000
Sealed road reconstruction & gravel resheeting works	691,000	-	-	-	691,000
Supply & delivery of one (1) articulated motor grader	228,000	-	-	-	228,000
Supply & delivery of pay and display parking ticket machines	161,414	91,234	28,072	-	280,720
Supply & installation of gateway signage	110,000	240,000	-	-	350,000
Supply of document output devices	120,000	120,000	120,000	-	360,000
Total	4,906,344	2,483,397	148,072	-	7,537,813

Note 36 Operating leases

	2014	2013
	\$	\$
Operating lease commitments		
At the reporting date, the Council had the following obligations under non-cancellable operating leases for the lease of equipment and land and buildings for use within Council's activities (these obligations are not recognised as liabilities):		
Not later than one year	370,317	343,111
Later than one year and not later than five years	1,513,721	1,261,830
Later than five years	1,439,640	859,782
	3,323,678	2,464,723

Note 37 Contingent liabilities and contingent assets

Contingent liabilities

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 increased volatility in financial markets the likelihood of making such contributions in future periods has increased. At this point in time it is not known if additional contributions will be required, their timing or potential amount.

Contingent assets

Council had no contingent assets at balance date (2013, \$0).

Note 38 Financial risk management

(a) Accounting Policy, Terms and Conditions

Recognised Financial Instruments	Note	Accounting Policy	Terms and Conditions
Financial Assets			
Cash and cash equivalents	17	<p>Cash on hand and at bank and money market call accounts are valued at face value.</p> <p>Interest is recognised as it accrues.</p> <p>Investments and bills are valued at cost.</p> <p>Investments are held to maximise interest returns of surplus cash. Interest revenues are recognised as they accrue.</p>	<p>On call deposits returned an interest rate of 2.40% to 2.65% (2.65% to 3.40% in 2012/2013). The interest rate at balance date was 2.40% (2.65% in 2012/2013).</p> <p>Funds returned fixed interest rates of between 3.02% and 4.38% (4.00% and 6.00% in 2012/2013) net of fees.</p>
Trade and other receivables			
Other debtors	18	<p>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.</p> <p>Collectability of overdue accounts is assessed on an ongoing basis.</p>	<p>General debtors are unsecured, not subject to interest. Credit terms of 30 days.</p>
Financial Liabilities			
Trade and other payables	25	<p>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.</p>	<p>General creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.</p>
Interest bearing loans and borrowings	28	<p>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.</p>	<p>Borrowings are secured by way of mortgages over the general rates of the Council.</p> <p>The weighted average interest rate on borrowings is 6.13% (6.87% in 2012/2013).</p>
		<p>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.</p>	<p>As at balance date, the Council had Finance Leases with a remaining term of 1 year.</p> <p>The weighted average rate implicit in the lease is 5.56% (5.56% in 2012/2013).</p>
Bank Overdraft	32	<p>Overdrafts are recognised at the principal amount. Interest is charged as an expense as it accrues.</p>	<p>Council no longer has an overdraft facility. The facility was cancelled during the 2012/2013 financial year.</p>

Note 38 – Financial risk management (cont)

(b) Interest Rate Risk

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

2014	Fixed interest maturing in:					Total \$
	Floating interest rate \$	1 year or less \$	Over 1 to 5 years \$	More than 5 years \$	Non-interest bearing \$	
Financial assets						
Cash and cash equivalents	2,874,908	3,102,757	-	-	7,355	5,985,020
Other financial assets	-	4,668,841	-	-	-	4,668,841
Trade and other receivables	-	39,368	-	-	756,503	795,871
Other assets	-	-	-	-	237,462	237,462
Total financial assets	2,874,908	7,810,966	-	-	1,001,320	11,687,194
Weighted average interest rate	2.40%	3.50%				
Financial liabilities						
Trade and other payables	-	-	-	-	1,911,812	1,911,812
Trust funds and deposits	-	-	-	-	379,595	379,595
Interest-bearing loans and borrowings	-	922,524	3,288,012	457,812	-	4,668,348
Total financial liabilities	-	922,524	3,288,012	457,812	2,291,407	6,959,755
Weighted average interest rate		6.13%	6.07%	6.56%		
Net financial assets (liabilities)	2,874,908	6,888,442	(3,288,012)	(457,812)	(1,290,087)	4,727,439

2013	Fixed interest maturing in:					Total \$
	Floating interest rate \$	1 year or less \$	Over 1 to 5 years \$	More than 5 years \$	Non-interest bearing \$	
Financial assets						
Cash and cash equivalents	3,112,691	7,636,294	-	-	7,255	10,756,240
Other financial assets	-	1,013,874	-	-	-	1,013,874
Trade and other receivables	-	76,741	-	-	587,633	664,374
Other assets	-	-	-	-	321,750	321,750
Total financial assets	3,112,691	8,726,909	-	-	916,638	12,756,238
Weighted average interest rate	2.65%	4.16%				
Financial liabilities						
Trade and other payables	-	-	-	-	2,813,870	2,813,870
Trust funds and deposits	-	-	-	-	416,242	416,242
Interest-bearing loans and borrowings	-	1,982,878	1,525,011	2,332,767	-	5,840,656
Total financial liabilities	-	1,982,878	1,525,011	2,332,767	3,230,112	9,070,768
Weighted average interest rate		6.96%	6.87%	6.79%		
Net financial assets (liabilities)	3,112,691	6,744,031	(1,525,011)	(2,332,767)	(2,313,474)	3,685,470

Note 38 – Financial risk management (cont)

(c) Net Fair Values

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

Financial Instruments	Total carrying amount as per Balance Sheet		Aggregate net fair value	
	2014 \$	2013 \$	2014 \$	2013 \$
Financial assets				
Cash and cash equivalents	5,985,020	10,756,240	5,985,020	10,756,240
Other financial assets	4,668,841	1,013,874	4,668,841	1,013,874
Trade and other receivables	795,871	664,374	795,871	664,374
Other assets	237,462	321,750	237,462	321,750
Total financial assets	11,687,194	12,756,238	11,687,194	12,756,238
Financial liabilities				
Trade and other payables	1,911,812	2,813,870	1,911,812	2,813,870
Trust funds and deposits	379,595	416,242	379,595	416,242
Interest-bearing loans and borrowings	4,668,348	5,840,656	4,217,880	5,331,618
Total financial liabilities	6,959,755	9,070,768	6,509,287	8,561,730

(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 expose 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 risk on our net debt portfolio by:

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

We manage the interest rate exposure on our net 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 38 – Financial risk management (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 all financial assets included in our balance sheet. To help manage this risk:

- 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 investment policy.

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

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 37.

	2014 \$	2013 \$
Movement in Provisions for Doubtful Debts		
Balance at the beginning of the year	59,314	48,175
New provisions recognised during the year	57,815	24,545
Amounts already provided for and written off as uncollectible	(2,607)	(170)
Amounts provided for but recovered during the year	(23,347)	(13,236)
Balance at end of year	91,175	59,314

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 whom there is no recent history of default. The ageing of the Council's Trade & Other Receivables was:

Current (not yet due)	350,151	370,156
Past due by up to 30 days	413,719	270,521
Past due between 31 and 60 days	946,779	848,505
Past due between 61 and 90 days	74,243	41,935
Past due by more than 90 days	132,400	214,915
Total trade and other receivables	1,917,292	1,746,032

Ageing of Individually impaired Trade and Other Receivables.

At balance date, other debtors representing financial assets with a nominal value of \$91,175 (2013, \$59,314) were impaired. The amount of the provision raised against these debtors was \$91,175 (2013, \$59,314). The individually impaired debtors relate to general and sundry debtor and have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

The ageing of Trade and Other Receivables that have been individually determined as impaired at reporting date was:

Current (not yet due)	799	542
Past due by up to 30 days	752	814
Past due between 31 and 60 days	1,182	806
Past due between 61 and 90 days	2,920	419
Past due by more than 90 days	85,522	56,733
Total trade and other receivables	91,175	59,314

Note 38 – Financial risk management (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 asset 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 repayments to rate revenue.

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

The table below lists the contractual maturities for Financial Liabilities.

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

2014	6 months or less \$	6-12 Months \$	1-2 Years \$	2-5 Years \$	>5 Years \$	Contracted Cash Flow \$
Trade and other payables	1,911,812	-	-	-	-	1,911,812
Trust Funds and deposits	192,534	12,520	1,450	23,090	150,000	379,594
Interest-bearing loans and borrowings	638,121	541,186	979,744	2,902,294	480,390	5,541,735
Total financial liabilities	2,742,467	553,706	981,194	2,925,384	630,390	7,833,141

2013	6 months or less \$	6-12 Months \$	1-2 Years \$	2-5 Years \$	>5 Years \$	Contracted Cash Flow \$
Trade and other payables	2,813,870	-	-	-	-	2,813,870
Trust Funds and deposits	266,242	-	-	-	150,000	416,242
Interest-bearing loans and borrowings	773,341	2,221,665	812,813	2,482,548	480,390	6,770,757
Total financial liabilities	3,853,453	2,221,665	812,813	2,482,548	630,390	10,000,869

Note 38 – Financial risk management (cont)

(f) Sensitivity disclosure analysis

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

- A parallel shift of + 1.0% and -1.0% in market interest rates (AUD) from year-end rates of 2.65%.

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

Market risk exposure	Interest rate risk				
	\$	1.0%		-1.0%	
		Profit \$	Equity \$	Profit \$	Equity \$
2014					
Financial assets:					
Cash and cash equivalents	5,977,665	59,777	59,777	(59,777)	(59,777)
Other financial assets	4,668,841	46,688	46,688	(46,688)	(46,688)
Trade and other receivables	120,151	1,202	1,202	(1,202)	(1,202)
Financial liabilities:					
Interest-bearing loans and borrowings	4,668,348	(46,683)	(46,683)	46,683	46,683

(g) Fair value hierarchy

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

Note 39 Auditors remuneration

	2014 \$	2013 \$
Audit fee to conduct external audit – Victorian Auditor-General	37,600	39,600
Internal audit fees	12,266	7,500
Auditors remuneration – other	14,419	3,302
	64,285	50,402

Note 40 Related party transactions

(i) Responsible Persons

Names of persons holding the position of a Responsible Person at Swan Hill Rural City Council at any time during the year are:-

Councillors	Mayor Les McPhee Councillor John Katis Councillor Greg Cruickshank Councillor Gary Norton Councillor Jessie Kiley Councillor Michael Adamson Councillor Jim Crowe
Chief Executive Officer	Dean Miller

(ii) Remuneration of Responsible Persons

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

Income Range	2014	2013
\$10,000 - \$19,999	-	7
\$20,000 - \$29,999	5	2
\$30,000 - \$39,999	1	-
\$40,000 - \$49,999	-	1
\$50,000 - \$59,999	-	1
\$60,000 - \$69,999	1	-
\$80,000 - \$89,999	-	1
\$120,000 - \$129,999	-	1
\$210,000 - \$219,999	1	-
	8	13
Total remuneration for the reporting year for Responsible Persons included above, amounted to:	\$424,168	\$432,202

(iii) Retirement Benefits

No retirement benefits have been made by the Council to a Responsible Person. (2012/2013, \$0)

(iv) Loans

No loans have been made, guaranteed or secured by the Council to a Responsible Person during the reporting year (2012/2013, \$0).

(v) Other Transactions

Councillor Greg Cruickshank operates Greg Cruickshank Photographics which Council has dealt with under normal business terms during 2013/2014. Total transactions for the 2013/14 year = \$1,355 (2012/2013, \$1,307).

Councillor John Katis' immediate kin owns and operates Robinvale Corner Store which Council has dealt with under normal business terms. Total transactions for the 2013/2014 year = \$0 (2012/2013, \$200)

No transactions other than remuneration payments or the reimbursement of approved expenses were entered into by Council with Responsible Persons, or Related Parties of such Responsible Persons during the reporting year (2012/13, \$0).

(vi) Senior Officers Remuneration

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

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

Income Range	2014	2013
< \$133,000	1	2
\$133,000 - \$139,999	-	-
\$140,000 - \$149,999	-	1
\$160,000 - \$169,999	-	1
\$170,000 - \$179,999	2	-
\$180,000 - \$189,999	1	2
	4	6
Total remuneration for the reporting year for Senior Officers included above amounted to:	\$668,450	\$868,252

Note 41 Income, expenses and assets by function/activity

	Economic Prosperity		Environment		Leadership and Identity		Social Development		Total	
	2014 \$	2013 \$	2014 \$	2013 \$	2014 \$	2013 \$	2014 \$	2013 \$	2014 \$	2013 \$
Income										
Grants	121,058	1,139,588	7,645,128	8,598,083	2,039,477	4,377,790	7,149,957	7,270,662	16,955,620	21,386,123
Other	2,846,816	2,128,989	4,701,792	1,042,502	23,004,310	25,455,312	2,391,061	2,366,773	32,943,979	30,993,576
Total	2,967,874	3,268,577	12,346,920	9,640,585	25,043,787	29,833,102	9,541,018	9,637,435	49,899,599	52,379,699
Expenses	6,450,457	6,738,697	21,549,299	23,349,250	9,279,823	7,638,427	11,863,440	11,970,920	49,143,019	49,697,294
Surplus/(Deficit) For the year	(3,482,583)	(3,470,120)	(9,202,379)	(13,708,665)	15,763,964	22,194,675	(2,322,422)	(2,333,485)	756,580	2,682,405
Assets attributed to functions/abilities*	8,884,034	9,722,667	297,924,414	296,800,423	110,293,405	112,798,491	2,080,504	2,078,846	419,182,357	421,400,427

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

Economic Prosperity

Enable economic prosperity of the community through leadership, planning and working in partnership in the areas of sustainable growth for agriculture, industry and tourism, by the provision of expertise and advice.

The Division includes the following Branches:

- Business enterprises
- Economic development
- Pioneer settlement

Environment

Ensure that the natural and built environment is protected and developed in a manner which will achieve a productive, attractive and sustainable environment that enhances our lifestyle.

The Division includes the following Branches:

- Amenity
- Waste management
- Recreation
- Heritage and culture
- Transport
- Aquatic facilities

Leadership and Identity

Facilitate responsive Local Government which represents community interests, and identity, and encourages community participation and enhances relationships with other spheres of Government, the private sector and the regional community.

The Division includes the following branches:

- Governance
- Organisational support

Social Development

Plan and provide for accessibility to services and facilities to ensure the physical health and well being of the community. A level of care and responsibility will be assumed to enable the wider community to participate in the broadest possible range of Council activities.

The Division includes the following Branches:

- Social infrastructure
- Aged and disability services
- Family and children support
- Protecting community well-being

Note 42 Financial ratios

	2014	2013	2012
(a) Debt servicing ratio (to identify the capacity of Council to service its outstanding debt)			
<u>Debt servicing costs</u>	361,084	434,585	464,442
Total revenue	49,899,599	52,379,699	52,091,455
	=0.72%	=0.83%	=0.89%
Debt servicing costs refer to the payment of interest on loan borrowings, finance lease and bank overdraft. The ratio expresses the amount of interest paid as a percentage of Council's total revenue.			
(b) Debt commitment ratio (to identify Council's debt redemption strategy)			
<u>Debt servicing & redemption costs</u>	1,533,392	1,705,434	1,500,655
Rate revenue	23,054,284	22,011,423	20,895,134
	=6.65%	=7.75%	=7.18%
The strategy involves the payment of loan principal and interest, finance lease principal and interest. The ratio expresses 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>	23,054,284	22,011,423	20,895,134
Total revenue	49,899,599	52,379,699	52,091,455
	=46.20%	=42.02%	=40.11%
The level of Council's reliance on rate revenue is determined by assessing rate revenue as a proportion of the total revenue of Council.			
(d) Debt exposure ratio (to identify Council's exposure to debt)			
<u>Total indebtedness</u>	12,927,748	14,903,589	17,718,915
Total realisable assets	62,737,684	63,864,715	68,387,681
	=20.61%	=23.34%	=25.91%
For the purposes of the calculation of financial ratios, realisable assets are those assets which can be sold and which are not subject to any restriction on realisation or use. Any liability represented by a restricted asset (note 33) 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, land under roads, restricted assets, heritage assets and total infrastructure assets. 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 42 – Financial ratios (cont)

	2014	2013	2012
(e) Working capital ratio (to assess Council's ability to meet current commitments)			
<u>Current assets</u>	<u>12,815,498</u>	<u>13,888,817</u>	<u>20,369,937</u>
Current liabilities	7,868,882	10,454,708	12,875,217
	=162.86%	=132.85%	=158.21%
The ratio expresses the level of current assets the Council has available to meet its current liabilities.			
(f) Adjusted working capital ratio (to assess Council's ability to meet current commitments)			
<u>Current assets</u>	<u>12,815,498</u>	<u>13,888,817</u>	<u>20,369,937</u>
Current liabilities	4,820,441	7,511,942	10,141,323
	=265.86%	=184.89%	=200.86%
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 twelve months after the end of the period.			

Note 43 Capital expenditure

	Note	2014 \$	2013 \$
Capital expenditure areas			
Roads, streets and footpaths		5,893,240	6,893,562
Drainage		154,884	959,294
Land and buildings		882,613	1,151,083
Plant and equipment		886,221	2,172,866
Other infrastructure		920,300	2,529,996
Cultural and heritage assets		195,508	734,322
Total capital works		8,932,766	14,441,123
Represented by:			
Renewal of infrastructure	(a)	6,887,763	9,455,029
Upgrade of infrastructure	(b)	1,061,041	981,002
Expansion of infrastructure	(c)	-	-
New infrastructure		667,365	3,623,716
New land and buildings		228,297	120,680
New plant and equipment		31,474	54,575
New cultural and heritage assets		56,826	206,121
Total capital works		8,932,766	14,441,123

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		8,932,766	14,441,123
Contributions – non-monetary assets	6(b)	284,788	492,027
Asset revaluation movement	29	(920,178)	17,220,206
Depreciation/amortisation	14	(7,814,778)	(7,965,622)
Written down value of disposals	23	(1,597,939)	(2,940,333)
Other movements		-	3,247
Net movement in property, plant and equipment, infrastructure	23	(1,115,341)	21,250,648

(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 44 Events occurring after balance date

No matters or circumstances have arisen since the end of the reporting period which significantly affect or may significantly affect the operations of the Council, the results of those operations or the state of affairs at the Council in future financial years.

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 (Financing and Reporting) Regulations 2004, Australian Accounting Standards and other mandatory professional reporting requirements.



David C Lenton CPA
Principal Accounting Officer

Dated: 17 September 2014

In our opinion the accompanying Financial Statements present fairly the financial transactions of the Swan Hill Rural City Council for the year ended 30 June 2014, and of the financial position of the Council at that date.

At the date of signing, we are not aware of any circumstances which would render any particulars of the Financial Statements to be misleading or inaccurate.

We have been authorised by the Council on 16 September 2014 to certify the Financial Statements in their final form.



Councillor (Mayor) Les McPhee

Dated: 17 September 2014



Councillor (Deputy Mayor) Michael Adamson

Dated: 17 September 2014



Brett Luxford
Acting Chief Executive Officer

Dated: 17 September 2014



Standard Statements

Notes to the Standard Statements

Note 1 Basis of preparation of Standard Statements

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

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

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

The Standard Statements are not a substitute for the General Purpose Financial Statements, which are included on pages 111 to 161 of the Annual Report. They have not been prepared in accordance with all Australian Accounting Standards or other authoritative professional pronouncements.

The Standard Statements compare Council's Financial Plan, expressed through its budget, with actual performance. The Local Government Act 1989 requires explanation of any material variances. The Council has adopted a materiality threshold of ten 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 Council on 30 July 2013. The budget was based on assumptions that were relevant at the time of adoption of the budget. The Council set guidelines and parameters for revenue and expense targets in this budget in order to meet Council's Business Plan and financial performance targets for both the short and long term.

Detailed information on the actual results are contained in the General Purpose Financial Statements on pages 111 to 161. The detailed budget can be obtained by contacting Council. The Standard Statements should be read with reference to these documents.

Standard Income Statement

For the year ending 30 June 2014

	Budget 2013/14 \$	Variances \$	%	Ref	Actuals 2013/14 \$
Income					
Rates & garbage charge	23,260,000	(205,716)	(0.9)		23,054,284
Statutory fees & fines	1,038,000	(28,652)	(2.8)		1,009,348
User fees	4,939,000	(233,734)	(4.7)		4,705,266
Grants – recurrent	10,351,000	2,117,460	20.5	1	12,468,460
Grants – non-recurrent	13,461,000	(8,973,840)	(66.7)	2	4,487,160
Contributions – cash	590,000	438,455	74.3	3	1,028,455
Contributions – non-monetary assets	725,000	(440,212)	(60.7)	4	284,788
Reimbursements	198,000	143,147	72.3	5	341,147
Interest	870,000	(328,685)	(37.8)	6	541,315
Net gain (Loss) from disposal of assets	111,000	(103,406)	(93.2)	7	7,594
Other revenue (net of cost of goods sold)	1,349,000	622,782	46.2	8	1,971,782
Total Revenue	56,892,000	(6,992,401)	(12.3)		49,899,599
Expenses					
Employee costs	19,051,000	(634,054)	(3.3)		18,416,946
Contract payments, materials & services	14,334,000	315,250	2.2		14,649,250
Agency payments and community grants	5,754,000	(261,492)	(4.5)		5,492,508
Bad & doubtful debts	6,000	38,203	636.7		44,203
Depreciation & amortisation	7,580,000	234,778	3.1		7,814,778
Finance costs	420,000	(58,916)	(14.0)		361,084
Other expenses paid	925,000	1,439,250	155.6	9	2,364,250
Total Expenses	48,070,000	1,073,019	2.2		49,143,019
Surplus (Deficit) for the year	8,822,000	(8,065,420)	(91.4)		756,580
Other comprehensive income					
Net increase (decrease) in asset revaluation reserves	9,123,000	(10,085,162)	(110.5)	10	(962,162)
Total Comprehensive result	17,945,000	(18,150,582)	(101.1)		(205,582)
Non-recurrent items included in above results					
Income:					
Land sales	110,000	(72,309)	(65.7)		37,691
Grants & contributions – non-recurrent	13,461,000	(8,973,840)	(66.7)		4,487,160
Recurrent capital grants	-	2,082,119	100.0		2,082,119
Contributions – cash non-recurrent	590,000	438,455	74.3		1,028,455
Capital contributions – non-cash	725,000	(440,212)	(60.7)		284,788
2013/14 grants commission	(3,054,000)	(19,466)	0.6		(3,073,466)
Operational expenditure reserve transfers	(107,000)	702,495	(656.5)		595,495
Expenditure:					
Major projects / once off items	2,888,000	1,475,649	51.1		4,363,649
Feasibility & planning studies	41,000	32,195	78.5		73,195
Non-recurrent items	(8,796,000)	7,790,602	(88.6)		(1,005,398)
Recurrent operating Surplus (Deficit)	26,000	(274,818)	(1,057.0)		(248,818)

Standard Income Statement (cont)

Variance Explanation Report

Ref.	Item	Commentary
1	Grants – Recurrent	Grants for Roads to Recovery (\$1.08M) and Country Roads and Bridges (\$1.0M) had been forecast as non-recurrent grants, however they now meet Council's definition of recurrent grants.
2	Grants – Non-recurrent	Roads to Recovery and Country Roads and Bridges grants are now classified as recurrent grants. Funding for the Heartbeat of the Murray laser light show (\$1.13M), Chisholm Reserve upgrade (\$2.0M) and the Swan Hill Aerodrome development (\$6.43M) were not received. Reimbursement of flood recovery costs (\$2.13M) which was budgeted to be received in 2012/13 was received in 2013/14.
3	Contributions - Cash	Contributions for the Swan Hill Community Hub were \$110,000 above budget due to funds budgeted in 2012/13 being received in 2013/14. Funds received for the relocation of tenants at North Park (\$80,000), Communities for Children (\$60,000) and development funds in lieu of car-parking spaces (\$58,000) and resort and recreation fees (\$46,000) were not budgeted.
4	Contributions – Non-monetary assets	The budget had allowed for a further stage to be released at Tower Hill. The next stage has been delayed until early 2014/15, therefore contributed assets were not forthcoming. Contributed assets received were from developer contributions within Swan Hill.
5	Reimbursements	Reimbursements arising from insurance claims on Council property were greater than forecast.
6	Interest	The delayed receipt of the flood recovery reimbursements and deferred borrowings of \$4.655M reduced the cash holdings of Council and subsequently reduced the amount of interest earned. Interest earned on outstanding rates was \$120,000 below budget due to a change in legislation in how the interest penalties are to be applied.
7	Net gain (loss) from disposal of assets	Net gain from disposal of assets was \$103,406 below forecast due to a lower than forecast result on funds received from vehicle trade-in.
8	Other revenue	Revenue from the sale of Tower Hill lots was \$780,000 greater than forecast.
9	Other expenses	Asset write offs of \$1,378,022 occurred during the year. The most significant write off was the disposal of land at the North Park Reserve (\$678,635), which was sold off by the State Government.
10	Net increase (decrease) in asset revaluation reserve	The budget had allowed for the revaluation of land, buildings and drainage. The forecast revaluation of drainage was \$1.3M with the results of the revaluation being \$1.1M. The forecast revaluation for land and buildings was \$7.8M, with the overall revaluation of the asset class being a decrease of \$0.6M. The forecast had been based on the movement of the last revaluation in 2012.

Standard Balance Sheet

As at 30 June 2014

	Budget 2013/14 \$	Variances \$	%	Ref	Actuals 2013/14 \$
Current Assets					
Cash & cash equivalents	10,822,000	(4,836,980)	(44.7)	11	5,985,020
Financial assets	-	4,668,841	100.0	11	4,668,841
Trade & other receivables	1,638,000	198,509	12.1		1,836,509
Inventories – other	48,000	20,517	42.7		68,517
Inventories – land held for resale	158,000	(88,851)	(56.2)		69,149
Other assets	356,000	(168,538)	(47.3)	12	187,462
Total Current Assets	13,022,000	(206,502)	(1.6)		12,815,498
Non-current Assets					
Trade & other receivables	179,000	(98,217)	(54.9)		80,783
Property, plant, equipment & infrastructure	392,144,000	13,366,060	3.4		405,510,060
Intangible assets	973,000	(246,984)	(25.4)	13	726,016
Other assets	-	50,000	100.0		50,000
Total Non-current Assets	393,296,000	13,070,859	3.3		406,366,859
Total Assets	406,318,000	12,864,357	3.2		419,182,357
Current Liabilities					
Trade & other payables	4,037,000	(2,125,188)	(52.6)	14	1,911,812
Trust funds & deposits	230,000	149,595	65.0	15	379,595
Provisions	3,721,000	933,951	25.1	16	4,654,951
Interest-bearing loans & borrowings	1,438,000	(515,476)	(35.8)	17	922,524
Total Current Liabilities	9,426,000	(1,557,118)	(16.5)		7,868,882
Non-Current Liabilities					
Provisions	1,792,000	(99,363)	(5.5)		1,692,637
Interest-bearing loans & borrowings	8,913,000	(5,167,176)	(58.0)	17	3,745,824
Total Non-current Liabilities	10,705,000	(5,266,539)	(49.2)		5,438,461
Total Liabilities	20,131,000	(6,823,657)	(33.9)		13,307,343
Net Assets	386,187,000	19,688,014	5.1		405,875,014
Equity					
Accumulated surplus / reserves	210,365,000	58,891,394	28.0		269,256,394
Asset revaluation reserve	175,822,000	(39,203,380)	(22.3)		136,618,620
Total Equity	386,187,000	19,688,014	5.1		405,875,014

Standard Balance Sheet (cont)

Variance Explanation Report

Ref.	Item	Commentary
11	Cash and cash equivalents and financial assets	For budgeting purposes, all cash and cash equivalents and financial assets are reported under the cash and cash equivalents line item. Financial assets are surplus funds invested for a period greater than 3 months.
12	Other assets	The budget included the sale of plant items at year end that were to be recorded as accrued income. At the end of 2013/14 Council had no such sales for which the receipt of funds were outstanding, therefore the result is significantly less than budget.
13	Intangible assets	Intangible assets held relate entirely to water rights. When preparing the 2013/14 budget Council had forecast the price of water rights to remain steady. At 30 June 2014 the price per ML of water had fallen by \$82.
14	Trade and other payables	At 30 June 2014 all creditors were paid, clearing any trade creditors at year end. The trade and other payables outstanding are accruals and all goods receipts awaiting invoices. The budget hadn't allowed for the payment of creditors processing on 30 June 2014.
15	Trust funds and deposits	Post budget adoption, there were a number of contract retentions received, resulting in a higher than forecast year-end balance.
16	Provisions	The budgeted provisions were based on the 2012/13 forecast actual. The results for 2012/13 were actually \$1.05M greater than forecast due primarily to the increase in long service leave provisions as a result of long service leave being available on a pro rata basis after 7 years (previously 10 years). Further increases in the provisions for annual and long service leave due to the increased levels of leave held by staff where greater than forecast.
17	Interest bearing loans and borrowings	The forecast had been made assuming that the budgeted loans for 2012/13 (\$1.59M) and 2013/14 (\$4.655M) were to be taken up. Both loans have been deferred, and it is expected that Council will borrow \$4.795M in 2014/15.

Standard Cash Flow Statement

For the year ending 30 June 2014

	Budget 2013/14 \$	Variances \$	%	Ref	Actuals 2013/14 \$
Cash flows from Operating Activities					
Receipts					
Rates	23,172,000	(203,132)	(0.9)		22,968,868
Statutory fees and fines	1,038,000	(28,652)	(2.8)		1,009,348
User charges and other fines (inclusive of GST)	5,427,000	(394,259)	(7.3)		5,032,741
Grants (inclusive of GST)	23,812,000	(6,701,931)	(28.1)	18	17,110,069
Contributions (inclusive of GST)	649,000	482,301	74.3	19	1,131,301
Interest	870,000	(328,685)	(37.8)	20	541,315
Other receipts (inclusive of GST)	1,731,000	712,405	41.2	21	2,443,405
Net GST refund/payment	1,337,000	601,891	45.0		1,938,891
Payments					
Payments to suppliers (inclusive of GST)	(22,504,000)	(2,172,184)	9.7		(24,676,184)
Payments to employees (inclusive of GST)	(18,808,000)	779,691	(4.1)		(18,028,309)
Net cash provided by operating activities	16,724,000	(7,252,555)	(43.4)		9,471,445
Cash flows from Investing Activities					
Payments for property, plant & equipment and infrastructure	(23,411,000)	14,106,388	(60.3)	22	(9,304,612)
Proceeds from sale of property, plant & equipment and infrastructure	654,000	(403,694)	(61.7)	23	250,306
Proceeds from financial assets	-	(3,654,967)	100.0		(3,654,967)
Net Cash Outflow from Investing Activities	(22,757,000)	10,047,727	44.2		(12,709,273)
Cash flows from Financing Activities					
Borrowing costs	(420,000)	58,916	(14.0)		(361,084)
Proceeds from interest bearing loans and borrowings	4,655,000	(4,655,000)	(100.0)	24	-
Repayment of interest bearing loans and borrowings	(1,197,000)	76,976	(6.4)		(1,120,024)
Finance Costs	-	(52,284)	100.0		(52,284)
Net Cash Outflow from Financing Activities	3,038,000	(4,571,392)	(150.5)		(1,533,392)
Net Increase (Decrease) in Cash and cash Equivalents					
Cash and cash equivalents at the beginning of the financial year	13,817,000	(3,060,760)	(22.2)		10,756,240
Cash and cash equivalents at the end of the financial year	10,822,000	(4,836,980)	(44.7)		5,985,020
Reconciliation of Operating Result and Net Cash Flows from Operating Activities					
For the year ending 30 June 2014					
Net Surplus (Deficit) from operations	8,821,000	(8,064,420)	(91.4)		756,580
Depreciation and amortisation	7,580,000	234,778	3.1		7,814,778
(Profit) Loss on asset disposals	(111,000)	103,406	(93.2)		(7,594)
Non-cash capital contributions/asset adjustments	(725,000)	440,212	(60.7)		(284,788)
Cost of Tower Hill land sold	27,000	(27,000)	(100.0)		-
Borrowings cost (Interest)	420,000	(58,916)	(14.0)		361,084
Movement in provision doubtful debts	-	31,861	100.0		31,861
Reallocation of non-cash finance sources – landfills	-	(13,131)	100.0		(13,131)
Assets written off / asset adjustments	-	1,378,022	100.0		1,378,022
Movements in:					
Current receivables	(82,000)	(121,121)	147.7		(203,121)
Other operating assets	8,000	76,288	953.6		84,288
Inventories	42,000	(20,199)	(48.1)		21,801
Non-current receivables	(5,000)	5,000	(100.0)		-
Current payables/accruals	525,000	(1,091,860)	(208.0)		(566,860)
Current employee benefits	244,000	(244,000)	(100.0)		-
Current trust funds	(20,000)	20,000	100.0		-
Other provisions	-	98,525	100.0		98,525
Net movement in Current Assets / Liabilities	712,000	(1,277,367)	(179.4)		(565,367)
Inflow from Operating Activities	16,724,000	7,252,555	43.4		9,471,445

Standard Cash Flow Statement (cont)

Variance Explanation Report

Ref.	Item	Commentary
18	Grants	Grants forecast for the Swan Hill Aerodrome (\$4.6M), Chisholm Reserve Upgrade (\$2.0M) and Pioneer Settlement Heartbeat of the Murray Laser Light Show (\$1.1M) were not received during the year.
19	Contributions	Contributions for the Swan Hill Community Hub were \$110,000 above budget due to funds budgeted in 2012/13 being received in 2013/14. Funds received for the relocation of tenants at North Park (\$80,000), Communities for Children (\$60,000) and development funds in lieu of car-parking spaces (\$58,000) and resort and recreation fees (\$46,000) were not budgeted.
20	Interest	The delayed receipt of the flood recovery reimbursements and deferred borrowings of \$4.655M reduced the cash holdings of Council and subsequently reduced the amount of interest earned. Interest earned on outstanding rates was \$120,000 below budget due to a change in legislation in how the interest penalties are to be applied.
21	Other receipts	Revenue from the sale of Tower Hill lots was \$780,000 greater than forecast.
22	Payments for property, plant and equipment, infrastructure	The Swan Hill Aerodrome Development (\$7.04M), Pioneer Settlement Heartbeat of the Murray Laser Light Show (\$1.46M) and Chisholm Reserve Upgrade (\$2.0M) were not undertaken in 2013/14 as they are dependent on grant funding. As the funding was yet to be received these projects have been delayed. Other projects such as the Swan Hill Riverfront Masterplan (\$720,000) and Plant and Fleet purchases (\$702,000) were delayed and expected to be spent in 2014/15.
23	Proceeds from sale of property, plant and equipment and infrastructure	Proceeds from the sale of property, plant and equipment and infrastructure are below forecast due to the lower than budgeted turnover of plant and equipment in 2013/14. Refer Ref 7.
24	Proceeds from interest bearing loans and borrowings	The forecast loan of \$4.655M in 2013/14 has been deferred until 2014/15.

Standard Capital Works Statement

For the year ending 30 June 2014

	Budget 2013/14 \$	Variances \$	%	Ref	Actuals 2013/14 \$
Capital Works Areas					
Roads, streets, bridges & footpaths	14,671,000	(8,662,443)	(59.0)	25	6,008,557
Drainage	1,412,000	(1,135,989)	(80.5)	26	276,011
Other infrastructure	2,328,000	(1,445,387)	(62.1)	27	882,613
Land & buildings	1,648,000	(750,739)	(45.6)	28	897,261
Plant, equipment & other	1,686,000	(765,700)	(45.4)	29	920,300
Waste management	344,000	(344,000)	(100.0)	30	-
Heritage & culture	2,047,000	(1,814,188)	(88.6)	31	232,812
Total Capital Works & Asset Purchases	24,136,000	(14,918,446)	(61.8)		9,217,554
Represented by:					
Renewal	19,037,000	(12,149,237)	(63.8)	32	6,887,763
Upgrade	757,000	304,041	40.2	32	1,061,041
Expansion	-	-	-		-
New assets	4,342,000	(3,073,250)	(70.8)	32	1,268,750
Total Capital Works	24,136,000	(14,918,446)	(61.8)		9,217,554
Includes Donated Assets of:					
Roads, streets, bridges & footpaths	525,000	(409,683)	(78.0)	33	115,317
Drainage	200,000	(78,873)	(39.4)	33	121,127
Land & buildings	-	11,040	100.0	33	11,040
Heritage and culture	-	37,304	100.0	34	37,304
Total Donated Infrastructure Assets	725,000	(440,212)	(60.7)		284,788
Reconciliation of net movement in property, infrastructure, plant and equipment					
The movement between the previous year and the current year in property, plant and equipment as shown in the Balance Sheet links to the net of the following items:					
Total capital works	24,136,000	(14,918,446)	(61.8)		9,217,554
Asset revaluation movement	9,123,000	(10,043,178)	(110.1)		(920,178)
Depreciation & amortisation	(7,580,000)	(234,778)	3.1		(7,814,778)
Written down value of assets disposed	(543,000)	(1,054,939)	194.3		(1,597,939)
Other movements	(27,000)	27,000	(100.0)		-
Net movement in Property, Infrastructure, Plant & Equipment	25,109,000	26,224,341	(104.4)		(1,115,341)

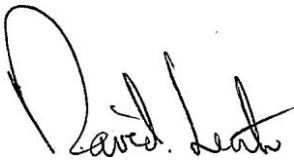
Standard Capital Works Statement (cont)

Variance Explanation Report

Ref.	Item	Commentary
25	Roads, streets, bridges and footpaths	The variance is primarily due to the redevelopment of the Swan Hill Aerodrome (\$7.0M) and Chisholm Reserve Raceway upgrade. Both projects were dependant on grant funding which was not received in 2013/14. Both projects are expected to be undertaken in 2014/15.
26	Drainage	The budget had allowed for works in the Nyah West Commercial Area of \$180,000 and the Robinvale Retarding Basin of \$941,825. Both projects were carried forward to the 2014/15 year.
27	Other infrastructure	Spending on other infrastructure assets was \$1.4M below forecast due to a number of projects being carried forward to the 2014/15 year and also due to a number of budgeted projects that failed to meet Council's asset capitalisation threshold. Projects for ground lighting at the Swan Hill Showgrounds (\$200,000) and Nyah Recreation Reserve (\$191,000), increasing the height of the Lake Boga Turtle Lagoon (\$101,375), irrigation system upgrades (\$200,000) and Transition Town project (\$98,685) are all projects carried over to 2014/15.
28	Land and buildings	Land and building capital works were below forecast due to the Swan Hill Riverfront Masterplan being \$730,000 below forecast. This money will be carried forward and spent in 2014/15.
29	Plant, equipment and other	Renewal of plant and equipment was \$668,000 below forecast. The replacement of large plant and equipment items were not undertaken as forecast. Projects for the replacement of shade sails over playground equipment (\$45,000) was also delayed and carried forward to 2014/15.
30	Waste management	Council spent \$39,000 on fencing upgrades to landfill sites, however this expenditure was capitalised as other infrastructure assets. The remainder of the budgeted funds will be carried forward to 2014/15.
31	Heritage and culture	This variance is due to two projects at the Pioneer Settlement which were awaiting the approval of grant funding. The Heartbeat of the Murray Laser Light Show (\$1.46M) and the renewal of the Steam Workshop (\$0.46M) will proceed once the grant funding has been secured.
32	Renewal, upgrade and new assets	The variance results from the combination of variances 25 - 31 above.
33	Roads, streets, bridges, footpaths, drainage, land and buildings	The forecast had allowed for donated assets from stage 8 of the Tower Hill Estate, however the release of this stage was delayed until 2014/15. The donated assets received in 2013/14 relate to a Swan Hill subdivision which had not been forecast.
34	Heritage and culture	Council received donated artworks to the value of \$26,000, Library books to the value of \$5,000 and Pioneer Settlement collection items to the value of \$6,000. The forecast had not allowed for these donations.

Certification of Standard Statements

In my opinion the accompanying Standard Statements have been prepared on accounting bases consistent with the Financial Statements and in accordance with the Local Government Act 1989 and the Local Government (Finance and Reporting) Regulations 2004.



David C Lenton CPA
Principal Accounting Officer

Dated: 17 September 2014

In our opinion the accompanying Standard Statements have been prepared on accounting bases consistent with the Financial Statements and in accordance with the Local Government Act 1989 and the Local Government (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 16 September 2014 to certify the Standard Statements in their final form.



Councillor (Mayor) Les McPhee

Dated: 17 September 2014



Councillor (Deputy Mayor) Michael Adamson

Dated: 17 September 2014



Brett Luxford
Acting Chief Executive Officer

Dated: 17 September 2014

Auditor General's Report – The Financial Report and Standard Statements

VAGO

Victorian Auditor-General's Office

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

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Swan Hill Rural City Council

The Financial Report and Standard Statements

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

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

The Councillors' Responsibility for the Financial Report and Standard Statements

The Councillors of the Swan Hill Rural City Council are responsible for the preparation and the fair presentation of:

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

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

Auditor's Responsibility

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

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

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

Auditing in the Public Interest

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


Basis of Accounting for Standard Statements

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

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

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

MELBOURNE
17 September 2014


Dr Peter Frost
Acting Auditor-General



Performance Statement

Performance Statement for 2013-2014

Governance and Leadership			2014	2014	2014	Comments
Key Strategic Targets	Reason For Target	Target	Result	Achieved/ Not Achieved		
1	Community Satisfaction with Council's overall performance and average of Council and State Government Survey.	This target will measure whether the services delivered by Council and the initiatives contained in the business plan meet the needs of the community.	58% or higher	53	Not Achieved	The Local Government community satisfaction survey conducted by JWS Research returned the indexed mean score of 53, which is below that of previous years.
2	Financial operating result equal to or better than the budgeted operating result (excluding depreciation).	This provides accountability to ensure that all Council services are delivered on budget, and incorporates the majority of the services to the community by Council. Depreciation is excluded from this measure as it represents a calculated amount, the inclusion of which reduces the accountability underpinning this target.	\$16,402,000	\$8,571,358	Not Achieved	The actual result is \$7,830,642 below the budget target. The major events that contribute to the result is the capital grants for the Heartbeat of the Murray laser light show (\$1.13M), Chisholm Reserve upgrade (\$2.0M) and the Swan Hill Aerodrome development (\$6.43M) which were not received during 2013/14.
3	Completion of all the Projects in Appendix C by 30 June 2014 excluding those for which any external funding is not received by 31 December 2013.	This target will assist in the provision of appropriate infrastructure across the municipality to ensure our economic growth.	139 projects. (51 currently subject to external funding).	70	Not Achieved	The Budget and Business Plan Appendix C nominated 140 projects (51 subject to external funding) to be completed during 2013/14. Thirty five projects received external funding, therefore out of a possible 124 projects, 70 have been successfully completed by 30 June 2014.
4	Redeveloped website launched and available for public use.	Council strives to continually investigate new technologies and the way we can implement them to better communicate with our community.	30 Sept 2013	30 September 2013	Achieved	Council's redeveloped website went live on 30 September 2013.

Economic Growth			2014	2014	2014	Comments
	Key Strategic Targets	Reason For Target	Target	Result	Achieved/ Not Achieved	
5	Complete Rural Living Strategy by 30 June 2014.	To identify areas suitable for housing within commuter distance of Swan Hill.	30 June 2014	N/A	Not Achieved	Council has drafted a scoping paper for the Rural Land Use/Living Strategy. This will be considered by Executive Management and Councillors in the coming months.


Community Health & Wellbeing			2014	2014	2014	Comments
	Key Strategic Targets	Reason For Target	Target	Result	Achieved/ Not Achieved	
6	Implement Swan Hill Riverfront Masterplan. Completion of stage 1 projects identified in the Masterplan.	To provide a range of services that maintain community health, and provide opportunities and infrastructure that contribute to the educational, recreational, cultural and leisure needs of our community.	30 June 2014	April 2014	Achieved	Stage 1 required the development of the Swan Hill Riverfront Masterplan. The plan was developed after extensive community consultation of around 2000 residents and visitors, and will guide the development of the riverfront for the next 30 years.
7	Install “Heartbeat of the Murray” Laser Light Show (Subject to receipt of external funding).	To provide a major attraction that will contribute to the educational, recreational, cultural and leisure needs of our community while boosting tourism and our economy and actively promoting our region.	31 May 2014	N/A	Not Achieved	Funding applications for the Heartbeat of the Murray were not made in the 2013/14 financial year as no suitable funding opportunities were available.

Certification of Performance Statement

In our opinion, the accompanying Performance Statement of the Swan Hill Rural City Council, in respect of the 2014 financial year is presented fairly in accordance with the *Local Government Act 1989*.

The statement outlines the performance measures set out in relation to the achievement of the Key Strategic Targets described in Council's 2013/14 Annual Budget and Strategic Resource Plan and describes the extent to which the Key Strategic Targets were met in that year.

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



David C Lenton CPA
Principal Accounting Officer

Dated: 17 September 2014



Councillor (Mayor) Les McPhee

Dated: 17 September 2014



Councillor (Deputy Mayor) Michael Adamson

Dated: 17 September 2014



Brett Luxford
Acting Chief Executive Officer

Dated: 17 September 2014

Auditor General's Report – Performance Statement

VAGO

Victorian Auditor-General's Office

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

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Swan Hill Rural City Council

The Performance Statement

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

The Councillors' Responsibility for the Performance Statement

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

Auditor's Responsibility

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

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

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

Auditing in the Public Interest

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 Swan Hill Rural City Council in respect of the 30 June 2014 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

Matters Relating to the Electronic Publication of the Audited Performance Statement

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

MELBOURNE
17 September 2014


Dr Peter Frost
Acting Auditor-General



Swan Hill Rural City Council

Postal Address

PO Box 488, Swan Hill, Victoria 3585

Swan Hill Business Centre

45 Splatt Street Swan Hill, Victoria 3585

Phone: (03) 5036 2333 Fax: (03) 5036 2340