



# **COUNCIL MEETING**

## **AGENDA**

**Wednesday 9 November 2022**

**Commencing at 7:00pm**

**Charlton District Office  
Council Chamber  
1 High Street, Charlton**

**Wayne O'Toole  
Chief Executive Officer  
Buloke Shire Council**

## **ORDER OF BUSINESS**

### **1. COUNCIL WELCOME AND STATEMENT OF ACKNOWLEDGEMENT**

#### **WELCOME**

The Mayor Elect will welcome all in attendance.

#### **STATEMENT OF ACKNOWLEDGEMENT**

The Mayor Elect will acknowledge the traditional owners of the land on which we are meeting and pay our respects to their Elders and to the Elders from other communities who maybe here today.

### **2. RECEIPT OF APOLOGIES**

### **3. CONFIRMATION OF MINUTES OF PREVIOUS MEETING**

#### **RECOMMENDATION:**

That Council adopt the Minutes of the Council Meeting held on Wednesday, 12 October 2022.

### **4. REQUESTS FOR LEAVE OF ABSENCE**

### **5. DECLARATION OF PECUNIARY AND CONFLICTS OF INTEREST**

In accordance with Section 130 (2) of the Local Government Act 2020 Councillors who have a conflict of interest in respect of a matter being considered at this Meeting, must

- a) Disclose the conflict of interest in the manner required by the Council's Governance Rules 2020; and
- a) Exclude themselves from the decision making process in relation to that matter, including any discussion or vote on the matter at any Council meeting or delegated committee, and any action in relation to the matter.

Disclosure must occur immediately before the matter is considered or discussed.

### **6. QUESTIONS FROM THE PUBLIC**

NIL

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	NIL	
<b>10.</b>	<b>MEETING CLOSE</b>	

**NEXT MEETING**

THE NEXT MEETING OF COUNCIL WILL BE HELD IN ACCORDANCE WITH THE ADOPTED COUNCIL MEETING SCHEDULE 2022 – 2023.

**Wayne O'Toole**  
**CHIEF EXECUTIVE OFFICER**

**6. QUESTIONS FROM THE PUBLIC**

Nil



**7. PROCEDURAL ITEMS****7.1 REPORT OF COUNCILLOR ASSEMBLIES**

**Author's Title:** Executive Assistant

**Department:** Office of the CEO

**File No:** GO/05/04

**RECOMMENDATION**

That the Council note the report of Councillor Assembly Meetings held 5 October 2022.

**Attachments:** 1 [Councillor Briefing Record - 5 October 2022](#)

**KEY POINTS/ISSUES**

Transparency is a fundamental principle of democratic governance.

The Local Government Act 2020 (The Act) Section 9 (2) (i) provides that the transparency of Council decisions, actions and information is to be ensured.

In accordance with Section 57 of The Act, Council at its September 2020 Ordinary Meeting, adopted a Public Transparency policy, designed to improve public transparency in Council's decision-making processes and to assist the community in understanding the information that is accessible to them.

As per the Council Meeting Schedule adopted 10 November 2021, Councillor Briefings are held for Councillors to meet to consider matters that are likely to be the subject of a Council decision or for the exercise of delegation.

A record of the Councillor Briefing held on 5 October 2022 is attached for public information.

To note that the scheduled 19 October Briefing was cancelled due to the flooding event within Buloke.



## Councillor Briefing Record

*Build a Better Buloke – a healthy, connected, inclusive and prosperous community*

<b>Date:</b>	5 October 2022	<b>Time:</b>	5:00pm – 8:00pm
<b>Location:</b>	Birchip District Office Council Chamber		
<b>Attendees:</b>	Cr Warren, Cr Getley, Cr Pollard, Cr Stewart, Cr Simpson, Cr Milne, Travis Fitzgibbon, Daniel McLoughlan		
<b>Apologies:</b>	Wayne O'Toole		
<b>Conflicts of Interest:</b>	None reported		

### ITEMS

NO.	MATTER FOR DISCUSSION	Notes
1.	<b>Councillor Only time 5:00pm</b>	
2.	<b>Confirmation of Councillor Briefing Notes – 12 September 2022</b>	<b>Confirmation Mayor Warren Cr Milne</b>
3.	<b>Presentations</b>	
3.1	Emergency Management	
3.2	CVGA – Annika Kearton CEO. <a href="mailto:ceo@cvga.org.au">ceo@cvga.org.au</a> via zoom	
3.3	Community Grant Acquittal Project	
3.4	Procurement Policy – update to GST exclusive	
3.5	Loan Guarantee Policy – update value and info required - Aileen	
3.6	Reserve Policy – Intro and discussion only	
3.7	Financial & Performance Statements	
3.8	Streetscapes update	
12	<b>Discussion</b>	
5.	<b>Councillor Matters</b>	
6.	<b>CEO Updates</b>	



6.1	Draft Council Meeting Agenda 12 October 2022	
6.2	Update of the Pool Season Preparation	
6.3	Sea Lake Caravan Park Update	
6.4	Flooding Update	
	<b>NEXT MEETING</b> 19 October 2022 - 5:00pm Donald District Office Council Chamber	<b>Closed at 8:53pm.</b>

## 7.2 LETTERS OF CONGRATULATIONS AND RECOGNITION OF ACHIEVEMENT/AWARDS

**Author's Title:** Executive Assistant

**Department:** Office of the CEO

**File No:** CR/13/01

### PURPOSE

This report acknowledges and congratulates community persons and/or groups for their success in being recognised for a significant achievement or for being a recipient of an honourable award.

The report also informs Council of any letters of congratulations or any particular recognition of achievement that Council has received or been awarded in the past month.

### RECOMMENDATION

That the Council acknowledge and congratulate the persons and/or groups mentioned in the report for their achievements.

**Attachments:** Nil

### RECOGNITION OF ACHIEVEMENT ITEMS

Provider	Recipient	Date	Purpose for Recognition

### 7.3 CORRESPONDENCE INITIATED BY COUNCIL

**Author's Title:** Executive Assistant

**Department:** Office of the CEO

**File No:** GO/06/06

#### PURPOSE

This report notes and records correspondence initiated by Council and informs the Council of the responses received from this correspondence.

#### RECOMMENDATION

That the Council notes the record of correspondence initiated by Council and the responses received.

**Attachments:** Nil

#### TABLE OF CORRESPONDENCE

Council Initiative	Sent/to be sent to	Sent	Response	Purpose of Letter/Response
Writes to Life Saving Victoria and Royal Life Saving Australia requesting the Lifeguard Course include an alternative fitness test.	Life Saving Victoria and Royal Life Saving Australia			<p>To outline the concern that:</p> <p>(a) the long-distance swim does not reflect requirements of the Lifeguard role in community pools; and</p> <p>(b) the use of the long-distance swim as a standardised fitness test is a barrier to the Council's ability to attract/retain Lifeguards, consequently creating greater disadvantage to small rural councils in providing aquatic services to their communities.</p>
Royal Life Saving Australia ((RLSA)	<p>RESPONSE TO COUNCIL'S LETTER:</p> <p>Thank you for raising this matter. RLSA understands the workforce challenges currently facing the aquatic industry and has been communicating with governments at a federal and state level on these issues and how best to address them in the short and longer term. We also understand and appreciate the critical role that aquatic facilities play in regional and remote communities. We are thankful for your efforts in promoting and facilitating safe enjoyment of the water.</p> <p>With regard to the requirement for a candidate to 'swim 200 metres in less than 6 minutes without using equipment', this is a requirement listed in the <i>SISCAQU007 Perform advanced water rescues</i> unit of competency. This unit forms part of the <i>SISSS00111 Pool Lifeguard Skill Set</i>. The Skill Set sits within the</p>			

	<p>SIS Sport and Recreation Training Package and is part of the nationally recognised training system.</p> <p>While we do not have direct carriage over these items, we do sit on the Sport and Recreation Industry Reference Committee, which influences the design of training packages. Within our position on this Committee as an aquatics peak body and technical advisor, we have raised the issues your Council, and other stakeholders in the aquatic industry have identified, and we have advocated and provided technical advice on the case for change. In fact, the sport, fitness, aquatics and recreation products within the Sport and Recreation Training Package have been subject to an extensive review process over the past 12 months and we expect that this issue will be resolved in the release of the new training package.</p> <p>The new training package is likely to be released in November-December 2022 and it is likely that the requirement to swim 200 metres in 6 minutes will no longer form part of the unit of competency / pool lifeguard skill set. Candidates will instead be required to complete two separate rescue scenarios each requiring a 25-metre swim and 25-metre tow, along with a range of other performance assessment requirements that are critical in ensuring Lifeguards can respond to emergencies and effectively keep themselves and patrons safe. It is important to note that the Department of Education Skills and Employment has final say on the release date of new training packages, and once released, Registered Training Organisations then have a 12-month period in which they must transition to delivery of the new products.</p> <p>With respect to the Guidelines for Safe Pool Operations (GSPO), Royal Life Saving manages the GSPO on behalf of the National Aquatic Industry Committee (NAIC) and the Supervision Guideline, <i>SV12 Pool Lifeguard Fitness Assessments</i>, was updated in 2018 to align with the requirement in the current unit of competency. The Guidelines are developed by the NAIC in consultation with industry and any change to a Guideline is managed in accordance with the National Policy. The NAIC will review the relevant Guidelines once the new training products are officially published on the Australian Government website, <a href="https://training.gov.au">training.gov.au</a>. We work closely with NAIC members to support a safe and sustainable aquatic industry, a key part of this being the publication and management of the GSPO.</p> <p>I understand this does not immediately resolve the issues you have outlined in your letter. It would be nice to be able to provide a more immediate solution; however, I trust I have been able to outline the framework we operate within and highlight that it does appear a resolution to this particular matter is imminent. We are happy to communicate directly with you to keep you abreast of progress on these matters if that is suitable and please don't hesitate to reach out if you have any further questions.</p>
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## 7.4 BUILDING PERMITS - MONTHLY UPDATE

**Author's Title:** Statutory Administration Support

**Department:** Works and Technical Services

**File No:**

### EXECUTIVE SUMMARY

This report provides information on Building Permits approved by staff from 1 October 2022 to 31 October 2022.

### RECOMMENDATION

That the Council note information contained in the report on Building Permits approved by staff from 1 October 2022 to 31 October 2022.

**Attachments:** Nil

### LIST OF BUILDING PERMITS APPROVED BY COUNCIL SURVEYOR

Council Ref.	Permit No.	Address	Project Description	Date Approved
20220099	5941509053907	Gray Street, Donald	Demolition of Dwelling	06/10/22
20220100	6889506774078	Best Street, Sea Lake	Shelter	06/10/22
20220101	N/A	Berriwillock-Birchip Road, Birchip	PoPE – Mallee Root Round Up	13/10/22
20220102	5693034164812	High Street, Charlton	Replacement of Shelter Roof Framework and Corrugated Iron	13/10/22
20220103	2469757535877	Horace Street, Sea Lake	Garage/Storage Shed	13/10/22

### LIST OF BUILDING PERMITS APPROVED BY PRIVATE BUILDING SURVEYOR

Permit No.	Address	Project Description	Date Approved
20220104	Bourkes Lane, Jeffcott	Re-stump of Dwelling	07/10/22
20220105	Birchip-Sea Lake Road, Marlbed	Farm Shed	04/10/22

## 7.5 PLANNING APPLICATIONS RECEIVED - MONTHLY UPDATE

**Author's Title:** Planning Officer

**Department:** Works and Technical Services

**File No:** LP/09/01

### PURPOSE

This report provides information on planning applications under consideration by staff and the status of each of these applications.

### RECOMMENDATION

That the Council note information contained in the report on planning applications under consideration by staff and the status of each of these applications.

**Attachments:** Nil

### LIST OF PLANNING APPLICATIONS

Application No	Applicant	Address	Date Rec	Summary of Proposal	Status
PPA962/21		Corack Road, Donald (Lot 1&2 PS216306M)	11/11/2021	Use and development of land for a service station, construct and display a business identification sign and create or alter access to Road Zone, Category 1	Awaiting referral response
PPA981/22		Donald Street, Charlton (PC157596)	18/05/2022	Construction of a single dwelling	Awaiting report
PPA986/22		High Street, Charlton (Lot 1 TP 193629)	01/06/2022	Construct and display an 18.26m2 double-sided, externally illuminated major promotion sign	Objection
PPA987/22		Donald-Murtoa Road, Laen East (Lot 2 PS744335)	10/06/2022	Create access to a road in Transport Zone 2 for a dwelling	Permit issued
PPA992/22		Bunker Road, Donald (Lot 2 LP209107)	06/07/2022	Construct and display an illuminated, double-sided major promotion sign	Permit issued



Application No	Applicant	Address	Date Rec	Summary of Proposal	Status
PPA993/22		High Street, Charlton (Lot 1 & 2 TP216537)	08/07/2022	Construction of a shed for domestic use	Referral Authority - Request for further information
PPA994/22		Rutherford Street Charlton (CP153475)	20/07/2022	Construction of a verandah and deck	Permit issued
PPA995/22		Donald-Swan Hill Road, Corack East (CA 3 Sec C Parish of Corack East)	20/07/2022	Building and works associated with a telecommunications facility	Permit issued
PPA996/22		Tonkins Road, Jeffcott (CA 29, 30 & 31 Parish of Jeffcott)	22/07/2022	Three lot subdivision of land (boundary realignment) and removal of easement	Awaiting report
PPA997/22		Industry Drive, Donald (Lot 69 PS444989)	28/07/22	Development of land for a service station (unmanned fuel cell) and construction and display of a business identification sign	Awaiting report
PPA998/22		Cheetham Salt Road, Bimbourie (CA 50A Parish of Bimbourie)	09/08/2022	Works to upgrade an existing concrete pad and the installation of a new 12mx12m concrete pad associated with an existing salt harvesting facility	Permit issued
PPA999/22		Donald-Swan Hill Road, Towaninny	13/08/2022	Subdivision of land (boundary realignment and dwelling excision) resulting in three lots	Awaiting report
PPA1000/22		Taverner Street, Birchip (Lot 21 LP3071)	15/08/2022	Three-lot subdivision of land and construction of two dwellings	Awaiting report
PPA1002/22		Menzies Street, Charlton (CA 3, Sec. 12, Parish of Charlton East)	09/09/2022	Construction of a verandah	Awaiting report
PPA1003/22		Warracknabeal- Birchip Road, Warmur	31/08/2022	Subdivision of land (boundary realignment)	Awaiting report

<b>Application No</b>	<b>Applicant</b>	<b>Address</b>	<b>Date Rec</b>	<b>Summary of Proposal</b>	<b>Status</b>
PPA1004/22		Berriwillock-Birchip Road, Berriwillock	05/09/2022	Subdivision of land (boundary realignment)	Awaiting report
PPA1005/22		Calder Highway, Berriwillock (CA21 Sec. 1, Parish of Boigbeat)	03/10/2022	Building and works associated with a telecommunications facility	Permit issued
PA22001		Wright Street, Chalrton (CA19 Sec. 10A, CA20 Sec. 10A, CA21 Sec. 10A)	11/10/2022	Development of land to construct a single storey dwelling	Referral

## 7.6 STATUS OF ACTION OF PAST COUNCIL MEETING RESOLUTIONS

**Author's Title:** Executive Assistant

**Department:** Office of the CEO

**File No:** GO/05/04

### PURPOSE

To provide Council with a list of the Status of Action (SOA) of Council Resolutions outstanding for action and the SOA for the 12 October 2022 Council Meetings Resolutions.

### RECOMMENDATION

Council to note the Status of Action Report for Council resolutions documented on this list.

**Attachments:** 1 [↓](#) Action taken on Council Resolutions - Outstanding items and 12 October 2022

### KEY POINTS/ISSUES

The Local Government Act 2020 (The Act) Section 9 (2) (i) provides that the transparency of Council decisions, actions and information is to be ensured.

In accordance with the Council's Governance Rules adopted August 2020, Council decisions are to be made and actions taken in accordance with the relevant law.

The transparency of Council decisions, actions and information is to be ensured and is a fundamental principle of democratic governance.

Attached to this report for public information is a list of the SOA of Council Resolutions outstanding and introducing the SOA for the 12 October 2022 Council Meeting Resolutions.

## Summary of Action on Council Resolutions – Commencing 8 June 2022 CM

9 November 2022

Date	Directorate	Item	Resolution	Actioning Officer/s	Status of Action	Complete or Commenced
12102022	Office of CEO	Letter of Congrats	Ms Louise Staley MLA - For her dedicated work and service in representing the people of the Ripon Electorate as a Member of the Victorian Parliament	E A	To be undertaken in November	Commenced
12102022	Corporate and Gov	Loan Guarantee Policy	That Council adopt the revised Loan Guarantee Policy for a period of 4 years.	Mgr Finance and Gov Officer	Policies document provided to Governance & Communications 19.10.22	COMPLETED.
12102022	Corp and Gov	Procurement Policy	That Council adopt the revised Procurement Policy for a period of 4 years.T	Mgr Finance and Gov Officer	Policies document provided to Governance & Communications 19.10.22	COMPLETED.
12102022	Eco Dev Office	Tourism Bus Innovation Grants	That Council 1. Award \$15,000 to the Blue Duck Distillery in Donald, and 2. Retain the remaining \$15,000 in the fund to run a third round in 2023.	Eco Dev Officer	Funding agreement sent to recipient	COMPLETED.
12102022	Comm Develop	Advocacy Strategy 22 - 23	That Council adopt the Advocacy Strategy and review the Strategy within 12 months.	D C D		COMPLETED.
12102022	Corp Services	Instrument of Delegation to CEO	That Council resolve that: 1. There be delegated to the person holding the position, or acting in or performing the duties, of Chief Executive Officer the powers, duties and functions set out in the attached <i>Instrument of Delegation to the Chief Executive Officer</i> , subject to the conditions	Gov Officer		COMPLETED.

## Summary of Action on Council Resolutions – Commencing 8 June 2022 CM

9 November 2022

Date	Directorate	Item	Resolution	Actioning Officer/s	Status of Action	Complete or Commenced
			<p>and limitations specified in that Instrument;</p> <p>2. The instrument comes into force immediately upon this resolution being made and is to be signed by the Council's Chief Executive Officer and the Mayor;</p> <p>3. On the coming into force of the instrument all previous delegations to the Chief Executive Officer are revoked; and</p> <p>4. The duties and functions set out in the instrument must be performed, and the powers set out in the instruments must be executed, in accordance with any guidelines or policies of Council that it may from time to time adopt.</p>			
12102022	Mgr Finance	Financial & Perf Statements 2021 – 2022 Fin Year	<p>That Council:</p> <p>1. Approves in principle the Financial Statements and Performance Statement for the 2021-22 Financial Year;</p> <p>2. Authorises the Mayor, Cr. Warren, to approve last minute changes on an immaterial nature on the advice of Council's External Auditor; and</p> <p>3. Authorises the Mayor, Cr. Warren, and the Deputy</p>	Mgr Finance	Signed statements provided to Crowe for VAGO finalisation 19.10.22	COMPLETED 19.10.22

## Summary of Action on Council Resolutions – Commencing 8 June 2022 CM

9 November 2022

Date	Directorate	Item	Resolution	Actioning Officer/s	Status of Action	Complete or Commenced
			Mayor, Cr. Getley, to sign the final form Financial Statements and Performance Statement on behalf of, and with full authority of, the Council.			
12102022	Office of CEO	Question from Cllrs	Rural Land Use Campaign – Update to be provided to Cllrs on Rural Land Use at a Briefing, most likely first briefing in Dec 2022.	CEO	Briefing to occur on 2 November	Commenced
12102022	Infra & Delivery	Contract 115 21/22 Local Rds Reconstruction	Award Contract as resolved by Council.	D I & D		COMPLETED.
14092022	Office of CEO	Letter of Congratulations and Recognition to Sharps's Bakery Birchip and North Central LLEN	That the Council acknowledge and congratulate the persons and/or groups mentioned in the report for their achievements.	E A		COMPLETED.
14092022	Comm Dev	Community Grants and Sponsorship	That Council: 1. Increase the original awarded amount for the Charlton Men's Shed Sustainability Grant by \$1,866.67, to \$5,054.00, to reflect the changes in overall project costs. 2. That Council considers \$500 sponsorship to Blair Gould.	D C D		COMPLETED.
14092022	Infra & Delivery		That Council:	D I & D	Extended to 30 November by CEO under delegation.	Commenced

## Summary of Action on Council Resolutions – Commencing 8 June 2022 CM

9 November 2022

Date	Directorate	Item	Resolution	Actioning Officer/s	Status of Action	Complete or Commenced
			<ol style="list-style-type: none"> <li>Provides free access to the Council's landfill and transfer stations for the month of October for the remainder of the current Council term for the purpose of disposing green waste in preparation for annual fire seasons; and</li> <li>Authorises the Chief Executive Officer to determine an alternative period or extend the period in 2022 and future years based on forecast weather conditions.</li> </ol>			
14092022	Infra & Delivery	Sale of Land 110 Sutcliff St Sea Lake	<p>That Council:</p> <ol style="list-style-type: none"> <li>Commence the sale of land process pursuant to section 114 of the <i>Local Government Act 2020</i>.</li> <li>Gives notice of its intention to sell surplus land at 110 Sutcliff Street, Sea Lake at least 4 weeks prior to selling or exchanging the land, including on Council's Internet site.</li> <li>Undertakes a community engagement process in accordance with its community engagement policy.</li> </ol>	D I & D		Commenced

## Summary of Action on Council Resolutions – Commencing 8 June 2022 CM

9 November 2022

Date	Directorate	Item	Resolution	Actioning Officer/s	Status of Action	Complete or Commenced
			<p>4. Obtains from a person who holds the qualifications or experience specified under section 13DA(2) of the <i>Valuation of Land Act 1960</i>, a valuation of the land which is made not more than 6 months prior to the sale or exchange.</p> <p>5. Receives a further report on the Sale of Land at 110 Sutcliff Street Sea Lake following the community engagement process.</p>			
14092022	Infra & Delivery	Draft Road Management Plan 2021- 2025	That the Council endorse the draft Road Management Plan for a final community engagement process	D I & D		COMPLETED.
14092022	Infra & Delivery	Draft Transport Asset Management Plan	That Council note and endorse the release of the draft Transport Asset Management Implement Plan to the community for feedback in accordance with the Council's Community Engagement Policy	D I & D		COMPLETED.
14092022	Infra & Delivery	2022/23 Swimming Pool Season	<p>That Council:</p> <p>1. Sets the 2022/2023 swimming pool season to operate from Saturday 12 November 2022 until Monday 20 March 2023 for all seven swimming pools;</p> <p>2. Make no change to opening days and hours across all seven swimming pools;</p>	D I & D		COMPLETED.



## Summary of Action on Council Resolutions – Commencing 8 June 2022 CM

9 November 2022

Date	Directorate	Item	Resolution	Actioning Officer/s	Status of Action	Complete or Commenced
			3. Advertises the 2022/2023 pool season dates through its media platforms and displays them at each pool for the duration of the season;  4. Continue to waive the Lifeguard fee of \$50.00 per hour for all swimming pool hire bookings in the 2022/2023 swimming pool season; and  5. Cessation of 'banking' cold weather days for use at the end of the 2022/2023 season to minimise the impact of waiving fees to Council's budgeted position.			
14092022	Infra & Delivery	Lifeguard Qualification Fitness Assessment	That the Council:  1. Writes to Life Saving Victoria and Royal Life Saving Australia requesting the Lifeguard Course include an alternative fitness test, and  2. In writing to Life Saving Victoria and Royal Life Saving Australia outline the Council's concern that:  (a) the long-distance swim does not reflect the requirements of the Lifeguard role in community pools; and  (b) the use of the long-distance swim as a standardised fitness test is a barrier to the	D I & D	Letters sent as required.	COMPLETED.

## Summary of Action on Council Resolutions – Commencing 8 June 2022 CM

9 November 2022

Date	Directorate	Item	Resolution	Actioning Officer/s	Status of Action	Complete or Commenced
			Council's ability to attract and retain Lifeguards, and consequently creates greater disadvantage to small rural councils in providing aquatic services to their communities.			
14092022	Infra & Delivery	Growth of Grass in Townships	Council staff to liaise with Community Forums to seek assistance with addressing the issue of long grass in public areas of townships.	D I & D		Commenced.
10082022	Comm Dev	Questions from Public – Kevin O'Dea Emu Management Plan	Nil resolution. Meeting is proposed for first week of October. Stakeholders will be notified when confirmed.	D C D	Question answered by Mayor at the Meeting and response minuted.  Director Community Development has been in contact with Mr O'Dea keeping him across the protracted timeline.	In progress.
13072022 and 10082022	Corp Serv	Draft Governance Rules 2022  Governance Rules 2022	That Council note and endorse the Draft Governance Rules 2022 for release through the Council's Community Engagement Policy.  Council to adopt the Governance Rules 2022.	D I & D  D I & D	Available on website – correspondence to CACs sent.	COMPLETED.
10082022	Works & Tech S	Update to Building Fees Schedule	That Council adopt the following building fees: 1. For residential and commercial works over \$500,000 an amount of \$5,000 plus (\$value x 0.45% plus \$2150 plus levy)	D I & D		COMPLETED.

## Summary of Action on Council Resolutions – Commencing 8 June 2022 CM

9 November 2022

Date	Directorate	Item	Resolution	Actioning Officer/s	Status of Action	Complete or Commenced
			2. For multi-unit development works over \$400,000 an amount of \$5,500 plus (value/125 plus levy).			
13072022	Comm Dev	Questions from Public Kevin O'Dea – Charlton Tourist Inc – Draft Emu Man Report.	Nil resolution. Following receipt of DELWP final report, to liaise with First Nations, DELWP, and other interested parties to hold meeting to discuss this and other issues.	D C D	Question answered by the Mayor at the Meeting and response minuted.  Meeting with interested parties yet to be scheduled with discussion with DEWLP and Department of Premier and Cabinet advancing.  Director Community Development has been in contact with Mr O'Dea keeping him across the protracted timeline.	In progress.
13072022	Comm Dev	Questions from Public Robbie Wirramanda Knighta – Lake Tyrell and other issues in letter 09032022	Nil resolution. Following receipt of DELWP final report, to liaise with First Nations, DELWP, and other interested parties to hold meeting to discuss this and other issues.	D C D	Question answered by the Mayor at the Meeting and response minuted.  Meeting with interested parties yet to be scheduled.  Meeting with interested parties yet to be scheduled with discussion with DEWLP and Department of Premier and Cabinet advancing.	In progress.
13072022	Comm Dev	Questions from Public	Nil resolution. Following receipt of DELWP final report, to liaise with First Nations, DELWP, and other	D C D	Question answered by the Mayor at the Meeting and response minuted.	In progress.

## Summary of Action on Council Resolutions – Commencing 8 June 2022 CM

9 November 2022

Date	Directorate	Item	Resolution	Actioning Officer/s	Status of Action	Complete or Commenced
		Elder Robbie Nicholls – Emus on Mt Wycheproof and other issues – letter 09032022	interested parties to hold meeting to discuss this and other issues.		Meeting with interested parties yet to be scheduled.  Meeting with interested parties yet to be scheduled with discussion with DEWLP and Department of Premier and Cabinet advancing.	
08062022	Council	NOM – Proposed Culgoa Dump Point	That Council temporally remove the proposed Culgoa Dump Point from the capital works project list until the following information is received;  1. A full annual operational cost of transporting the waste 2. Determine where annual operating expend fits into budget 3. Are there any traffic m'ment issues to access the dump point? 4. How many overflows happen before we receive EPA infringement not & at what cost 5. Are there any environmental issues with the proximity to the waterway (DELWP, CMA)? 6. Is the location beside the hall the best location? Could it be shifted further from the waterway to minimise environmental issues? 7. Design of proposed dump point 8. Has a complete cost Benefit Analysis been prepared?	Mgr Assets	Initial response provided at Briefing 15062022. Report back to Council yet to occur.	In progress. Detailed update was to Oct 19 Briefing – however was postponed due to floods.

**Summary of Action on Council Resolutions – Commencing 8 June 2022 CM****9 November 2022**

Date	Directorate	Item	Resolution	Actioning Officer/s	Status of Action	Complete or Commenced
			9. When all the info available, be presented back to future open Council meeting for debate			



**8. GENERAL BUSINESS****8.1 POLICY REPORTS****8.1.1 SALE OF LAND POLICY**

**Author's Title:** Director Infrastructure and Delivery

**Department:** Works and Technical Services

**File No:** CP|02|08

**Relevance to Council Plan 2021 - 2025**

**Strategic Objective:** Our Built and Natural Environment

**PURPOSE**

The purpose of this Report is to present to the Council the Sale of Land Policy (Policy) for adoption.

**SUMMARY**

The Policy outlines the Council's position on the sale of Council land and provides guidance in Council decisions on matters which are to be taken into account when determining whether the sale of Council land is to be pursued. The Policy has been prepared in recognition of the Local Government Best Practice Guideline for the Sale, Exchange and Transfer of Land, 2009.

The Council will offer the land for sale at the current market value unless there is a tangible net community or social benefit which will be realised from the sale of Land. The Policy does not apply to Crown Land.

**RECOMMENDATION**

That Council adopt the Sale of Land Policy.

**Attachments:** 1 [Sale of Land Policy](#)

**DISCUSSION**

The purpose of this Policy is to outline Council's position on the sale of Council Land to ensure that the process is conducted in a lawful, transparent, and equitable manner.

The Policy provides guidance to Council on the matters which are to be taken into account when determining whether the sale of Council Land should be pursued.

The Policy has been prepared in recognition of the *Local Government Best Practice Guideline for the Sale, Exchange & Transfer of Land* dated June 2009 which remains the current authority on best practice principles for the sale, exchange, and transfer of land within the sector.

A key consideration in the proposed sale of Council Land is achieving the best outcome for the community balanced against the requirement for Council to manage its finances responsibly and achieving its strategic and operational objectives.

Council will offer the land for sale at the current market value as assessed by a valuer unless there is a tangible net community or social benefit that will be realised from the sale of the land.

The Policy applies to all Council Land, including buildings located on land which are owned by Council. The Policy does not apply to Crown Land including Crown Land for which Council is the appointed Committee of Management.

The discontinuance and sale of roads is carried out in accordance with clause 3, Schedule 10 of the *Local Government Act 1989*.

The Draft Sale of Land Policy was presented to the Audit and Risk Committee Meeting held Tuesday, 20 September 2022.

#### **RELEVANT LAW**

The sale of Council Land must be undertaken in accordance with s. 114 of the *Local Government Act 2020*.

#### **RELATED COUNCIL DECISIONS**

Not applicable.

#### **OPTIONS**

Not applicable.

#### **SUSTAINABILITY IMPLICATIONS**

Not applicable.

#### **COMMUNITY ENGAGEMENT**

In accordance with the Policy, any proposed Sale of Land will be placed on public exhibition in accordance Council's Community Engagement Policy.

Council will also provide the proposed sale through its website.

#### **INNOVATION AND CONTINUOUS IMPROVEMENT**

Not applicable.

#### **COLLABORATION**

Not applicable.

#### **FINANCIAL VIABILITY**

Council will need to obtain from a person who holds the qualifications or experience specified under section 13DA(2) of the *Valuation of Land Act 1960* a valuation of the land which is made not more than 6 months prior to the sale or exchange. A sale price will then be determined for the land prior to sale.

Council will offer the land for sale at the current market value as assessed by a valuer unless there is a tangible net community or social benefit that will be realised from the sale of the land.

The proceeds from the sale of Council Land must be received by Council prior to the determination of the expenditure which is to be used for either –

- the acquisition of new assets; or
- the enhancement of existing assets.

The sale proceeds must not be utilised for recurrent or operational purposes.

The proceeds from the sale and any costs associated with the sale process will be included in the annual budget process.



**REGIONAL, STATE AND NATIONAL PLANS AND POLICIES**

Not applicable.

**COUNCIL PLANS AND POLICIES**

Not applicable.

**TRANSPARENCY OF COUNCIL DECISIONS**

Prior to the sale or exchange of land, the Council must publish notice of its intention to do so and undertake a community engagement process in accordance with its Community Engagement Policy. Any public notification must be informative, ensuring that the subject land is clearly identified, and the way engagement activities are to be undertaken is clearly explained.

**CONFLICTS OF INTEREST**

No Officer involved in the preparation of the Policy, or this Report has any conflicts of interest to disclose.



<b>POLICY LOCATION</b>	Infrastructure and Delivery	<b>POLICY TITLE</b>	Sale of Land
<b>POLICY NUMBER</b>	[INSERT NUMBER]	<b>DATE ADOPTED</b>	2022
<b>REVISION NUMBER</b>	1	<b>REVISION DATE</b>	[INSERT REVISION DATE MM/YY]

### Purpose

The purpose of this Policy is to outline Council's policy position on the sale of Council Land within the municipal district to ensure the process is conducted in a lawful, transparent, and equitable manner.

This Policy provides guidance to the Council on the considerations which are to be taken into account when determining whether the sale of Council land should be pursued and establishes a framework for Council decision-making to provide the best result, both financial and non-financial, for the Council and the community.

This Policy has been prepared in recognition of the *Local Government Best Practice Guideline for the Sale, Exchange and Transfer of Land* dated June 2009 which remains the current authority on best practice principles for the sale, exchange, and transfer of land within the sector.

### Scope

This Policy applies to all Council land, including buildings located on that land which are owned by the Council. This Policy does not apply to Crown Land including Crown Land for which Council is the appointed Committee of Management.

The discontinuance and sale of roads is carried out in accordance with clause 3, Schedule 10 of the *Local Government Act 1989*.

### Definitions

#### Within this Policy –

**Act** means the *Local Government Act 2020*

**Council Land** means land which is owned by the Council

**Guidelines** means the *Local Government Best Practice Guideline for the Sale, Exchange and Transfer of Land* dated June 2009

### Policy Statement

The primary consideration in the proposed sale of Council land is achieving the best outcome for the local community, taking into account future generations. Whilst the promotion of health and well-being within the community is an important objective, this must be balanced against the requirement for the Council to manage its finances responsibly and achieve strategic and operational objectives.



## Guidelines

In order to promote good governance, the Council must in the performance of its role give effect to the overarching governance principles contained within section 9 of the Act.

These principles require Council to act lawfully, to prioritise achieving best outcomes for the community and to ensure the ongoing financial viability of the Council.

## Specific Legislative Considerations

The sale of Council land must be undertaken in accordance with section 114 of the Act which provides that before selling or exchanging land, the Council must -

- (a) at least 4 weeks prior to selling or exchanging the land, publish notice of its intention to do so –
  - (i) on the Council's Internet site; and
  - (ii) in any other manner prescribed by the regulations for the purposes of this subsection; and
- (b) undertake a community engagement process in accordance with its community engagement policy; and
- (c) obtain from a person who holds the qualifications or experience specified under section 13DA(2) of the *Valuation of Land Act 1960* a valuation of the land which is made not more than 6 months prior to the sale or exchange.

Public notification must be informative, ensuring that the subject land is clearly identified and the manner in which engagement activities are to be undertaken is clearly explained.

## Legislative exemptions

Section 116 of the Act provides that Council has the power to transfer, exchange or lease any land, either with or without consideration to –

- (a) the Crown
- (b) a Minister
- (c) any public body
- (d) the trustees appointed under any Act to be held on trust for public or municipal purposes or
- (e) a public hospital within the meaning of the *Health Services Act 1988* or other hospital carried on by an association or society otherwise than for profit or gain to the members of the association or society –

without having to comply with the public notification and community engagement obligations required under section 116.

Where Council transfers, exchanges, or leases land to a party other than those listed above, the Council is still required to comply with section 114 of the Act.



## **Sale of Council Land Considerations**

The sale of Council land is a significant decision which requires a thorough and detailed assessment to be undertaken prior to commencing the sale process.

It is Council's stated Policy position that all Council land is to be retained, subject to the following exceptions –

- (1) the land is surplus to the Council's needs and is of no current or future utility, having no strategic or operational significance to Council
- (2) the land does not support, facilitate, or contribute to current or future strategic objectives having regard to the Long-Term Community Vision and Council Plan, or other strategic documents
- (3) the sale of the land will generate positive social, health-related, economic, or commercial outcomes for the local community which supports the divestment of the land
- (4) there is no tangible net benefit to the community by Council retaining ownership of the land or
- (5) the financial cost to the Council to retain ownership of the land presents as a liability and the revenue generated from the sale of the land could be diverted toward other municipal projects.

Unless there is a tangible net community or social benefit that will be realised from the sale of the land, Council must not offer land for sale at a price which is less than the current market value as assessed by a valuer and ensure (where practicable) that land is appropriately zoned prior to sale to achieve best value and to ensure that the ultimate use of the land is determined.

Circumstances that would justify a sale of Council Land for a price that is less than the current market valuation include –

- Achieving development outcomes
- Achieving employment outcomes
- Meeting educational, medical, housing, or other social objectives
- Meeting Council's strategic goals or
- Other exceptional circumstances

## **Reporting to Council**

Before the statutory process for the sale of Council Land commences, a Report is to be provided to Council which outlines the following matters –

- Description of the land including the current use
- The estimated current market value of the land
- The reason for the proposed sale
- Recommended method of sale
- Timelines for sale and
- Any other relevant matters



If it is proposed that the land is to be sold for less than market value, the Report must explain the rationale for doing so.

Council approval is then required prior to commencing the statutory process under the Act.

Once the statutory process has been completed, and a meaningful and robust community engagement process has been undertaken, the matter should return before Council or a delegate of Council for a final decision on the proposed sale of the Council land.

### **Method of Sale**

In order to ensure transparency, the sale of Council land must be conducted through a public process, unless exceptional circumstances warrant sale by private treaty.

The method of sale that is recommended will be determined having regard to the nature of the Council land, applicable market conditions and any restrictions affecting the land.

The following sale methods may be considered:

- Sale by Auction
- Sale by Public Tender
- Sale by Expression of Interest or
- Sale by Private Treaty

### **Sale of Public Open Space**

In accordance with section 20(4) of the *Subdivision Act 1988*, public open space may only be sold by the Council if a replacement of that public open space is provided.

The Council must also use the proceeds from the sale of public open space to:

- Buy land for use for public recreation
- Improve land already set aside for use for public recreation or
- With Ministerial approval, improve land (whether set aside or not) used for public recreation

### **Use of Proceeds from Sale of Council Land**

Except for the proceeds generated from the sale of public open space, proceeds from the sale of Council land must be received by the Council prior to the determination of the expenditure which is to be used for either –

- the acquisition of new assets or
- the enhancement of existing assets

The sale proceeds must not be utilised for recurrent or operational purposes.

### **References**

- *Local Government Best Practice Guideline for the Sale, Exchange and Transfer of Land 2009*



- *Local Government Act 2020*
- *Local Government Act 1989*
- *Subdivision Act 1988*
- *Valuation of Land Act 1960*
- Council's Community Engagement Policy



## 8.1.2 RISK MANAGEMENT POLICY | RISK MANAGEMENT FRAMEWORK

**Author's Title:** Director Infrastructure and Delivery

**Department:** Works and Technical Services

**File No:** CM|14|18

**Relevance to Council Plan 2021 - 2025**

**Strategic Objective:** Our Council and Community Leadership

### PURPOSE

To present the Risk Management Framework and Risk Management Policy to the Council for adoption.

### SUMMARY

The Risk Management Framework and Risk Management Policy clearly document the Council's commitment to risk management principles and practices. The review of these documents has considered contemporary risk management practices applicable to the local government sector.

### RECOMMENDATION

That Council adopt the Risk Management Policy and Risk Management Framework.

**Attachments:**

- 1 [Risk Management Policy](#)
- 2 [Risk Management Framework](#)

### DISCUSSION

A review of the Council's risk management function has been undertaken following an audit conducted by the Council's Internal Auditors. The review incorporates a number of key initiatives to promote consistency of risk management within the Council, taking into account strategic and operational objectives and changes to operations and processes.

The underlying objective of the risk management review has been to promote risk management as an essentially component of the Council's processes through a review of the Risk Management Policy and the Risk Management Framework, ensuring both documents are appropriate and reflect the Council's size and complexity.

A summary of the key components of the Risk Management Policy and Risk Management Framework are set out below:

(a) Risk Management Policy

The purpose of this Policy is to clearly document Council's commitment to risk management principles and practices.

In meeting this objective Council recognises risk management activities should not be separate from its main activities – effective risk management is an essential component in the framework of good corporate governance, and good decision making and management practice.

(b) Risk Management Framework

The Framework provides details of the requirements and processes supporting Council's Risk Management Policy. It is designed to assist managing uncertainty, its associated risks, and opportunities, and enhance Council's ability to achieve its objectives.

The Framework outlines the key principles, elements, and processes to guide all staff in the effective management of risk, as a component of day-to-day decision making and business practice.

#### **RELEVANT LAW**

The Risk Management Policy and Framework address a number of legislative requirements, regulatory requirements, and industrial instruments. Reference to specific legislation, regulations or industrial instruments has been made within the documents.

The Risk Management Framework directly links to the overarching governance principles the Council must consider in its decision-making process, as set out under section 9 of the *Local Government Act 2020*.

#### **RELATED COUNCIL DECISIONS**

The current Risk Management Policy and Risk Management Framework were adopted by the Council at the Council Meeting scheduled 14 June 2017.

#### **OPTIONS**

Not applicable.

#### **SUSTAINABILITY IMPLICATIONS**

The Risk Management Framework provides for acceptance and non-acceptance of risk associated with the economic, social, and environmental sustainability of the municipal district, including mitigation, and planning for climate change risks

#### **COMMUNITY ENGAGEMENT**

The Risk Management Framework provides for acceptance and non-acceptance of risk associated with community engagement practices.

#### **INNOVATION AND CONTINUOUS IMPROVEMENT**

The Risk Management Framework provides for acceptance of decisions which enable the pursuit of innovation and continuous improvement.

#### **COLLABORATION**

The Risk Management Framework provides for acceptance of decisions which provide benefits through collaboration with other councils, governments, and statutory bodies.

#### **FINANCIAL VIABILITY**

The Risk Management Framework provides for acceptance and non-acceptance of risk associated with the long-term financial sustainability of the Council.

#### **REGIONAL, STATE AND NATIONAL PLANS AND POLICIES**

The Risk Management Framework provides for acceptance of decisions which are made, and actions which are taken, in consideration of regional, state, and national plans and policies.

#### **COUNCIL PLANS AND POLICIES**

The Risk Management Framework outlines the risk tolerance which will be applied across all Council decision making processes.



**TRANSPARENCY OF COUNCIL DECISIONS**

The Risk Management Policy and Risk Management Framework provides for non-acceptance of risks which damage the Council's reputation through a lack of transparency associated with Council decisions, actions, and information.

**CONFLICTS OF INTEREST**

In providing this advice to the Council as the Director Infrastructure and Delivery I, Hannah Yu, have no conflicts of interest to disclose in this report.



<b>POLICY LOCATION</b>	Corporate and Organisational Performance	<b>POLICY TITLE</b>	Risk Management
<b>POLICY NUMBER</b>	RM1	<b>DATE ADOPTED</b>	[INSERT ADOPTION DATE MM/YY]
<b>REVISION NUMBER</b>	5	<b>REVISION DATE</b>	[INSERT REVISION DATE MM/YY]

### Purpose

The purpose of this Policy is to clearly document the Buloke Shire Council's (Council) commitment to risk management principles and practices. The Council acknowledges risk management is essential for sound strategic, financial, and operational planning and the achievement of the Council's objectives.

Risks are an everyday occurrence that potentially impact on the Council's ability to meet its objectives to internal and external stakeholders, residents, and the community.

The Council recognises that while many risks cannot be eliminated, they can be identified, prioritised, controlled, and managed. It requires a balance between the cost and effort of managing and treating the risks and the anticipated benefits that will be derived.

In meeting its objectives, the Council thus recognises that risk management activities should not be separate from the main activities and processes of the organisation - effective risk management is an essential element in the framework of good corporate governance and is an integral part of good decision making and management practice.

The Council is thus committed to establishing and promoting an organisational culture that implements effective risk management practices within all activities and business processes, to prevent adverse incidents and advance the Council's objectives. The Council will ensure that, as far as is reasonably practicable, the organisation's operations do not expose people, property, or the environment to unacceptable levels of risk or harm.

Economic prosperity, financial sustainability, environmental quality, and social equity are treated as core considerations in managing risks, encompassing both disadvantageous effects and opportunities for improvement.

The Australian Standard AS/NZS ISO 31000:2018 Risk Management – Principles and Guidelines (the Australian Standard) will guide the approach for managing risk within the Council.

The above approach supports sustainability objectives and protects the Council's assets - infrastructure, environment, people, finances, and reputation. In addition, it ensures the sustainable delivery of services and amenities to ratepayers, residents, and visitors.



## Scope

The Council requires the development and provision of an effective risk management framework and process to mitigate risks to the Council and to capitalise on sustainable opportunities present in the Council's operations.

This Policy is applicable to all Council staff and contractors across all services and departments of the organisation and encompasses risk management principles pertaining to all classes of risk.

The intent of this Policy is to provide support and guidance for all departments to implement the risk management framework in a practical way into business processes and functions, to ensure an effective process for the identification, analysis and management of enterprise and operational risks.

## Definitions

In this Policy the following definitions apply:

**"Inherent Risk"** represents the amount of risks which exists in the absence of controls.

**"Operational Risks"** are risks which could impact on the organisation's effectiveness and efficiency.

**"Risk"** is the effect (both positive and negative) of uncertainty on objectives.

**"Risk Identification"** is the process of finding, recognising, and describing risks.

**"Risk Management"** refers to the principles, framework, and processes in place for managing risk effectively.

**"Risk Management Framework"** is the set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management within Council.

**"Risk Management Process"** refers to the systematic application of management policies, procedures and practices to the activities of communicating, consulting, establishing the context, and identifying and analysing, evaluating, treating, monitoring, and reviewing risk.

**"Risk Treatment"** is the process of modifying risk.

**"Strategic Risk"** are risks which could affect the achievement of the Council's vision and strategic objectives.

## Policy Statement

The Council is actively committed to:

- Applying sound risk management principles and practices, including identifying, prioritising, and managing risks in a coordinated manner
- Improving strategic planning processes as a result of structured consideration of risk
- Protecting the organisation, its employees, contractors, community, assets and the



environment against reasonably foreseeable loss and injury

- Providing assistance to improve the quality of decision-making throughout the Council, including ensuring that all employees have the necessary risk management training and skills to undertake effective risk management on a consistent basis across Council
- Preventing and minimising exposure to risk and adverse impact on the Council's operations
- Facilitating continual improvements in Council's risk management maturity, and
- Ensuring the inputs to risk management are based on the best available information and are timely, clear, and available to relevant stakeholders.

The Council recognises that risk management is essential for sound strategic and financial planning. The following objectives are fundamental to Council's ability to create a positive, viable future:

- Ensuring compliance with legislative requirements and current industry standards
- Identifying and analysing the Council's liability associated with risk exposure
- Selecting the most advantageous method for minimising the Council's exposure to injury, loss, or damage
- Protecting employees, contractors, visitors, and the community against personal, physical, and financial losses that are within the control of the Council
- Protecting the Council's corporate image as a professional, responsible, and ethical organisation
- Promoting and supporting risk management practices and encourage and empower staff in managing risk by educating employees about good risk management practices
- Facilitating accountability for risk management, recognising that risk management is the responsibility of all employees
- Monitoring risk management practices of the Council to ensure continued effectiveness, consistency, and efficiency and to provide an audit trail
- Promoting and supporting risk management practices throughout the Council
- Utilising risk management as an essential part of project management, and
- Demonstrating responsible risk management processes that align with best practice and the identification, analysis, evaluation, and treatment of risks as detailed in the Australian Standard.

In particular, the Council recognises that to achieve the objectives and capitalise on opportunities as contained in the Long-Term Community Vision and Council Plan 2021-25, it will need to accept some level of well managed inherent risk in the following activities:

- Engagement with communities to identify and meet their needs
- Supporting and enhancing the local economy
- Working with our partners and communities to enhance and protect our natural environment, and
- Influencing governments to improve liveability for rural communities.

Council has a low tolerance for risks which foreseeably may:

- Compromise its ability to deliver its services in a financially sustainable way or



- Constitute a breach of its legislative requirements or
- Compromise the health and safety of staff, members of the public or any third party.

Measuring performance is a key monitoring activity to assess how effective this Policy, the Risk Management Framework and reporting supports the Council's strategic objectives. The Council's risk management performance indicators include:

- The number of internal audits completed per annum
- The number of internal audit findings accepted by management
- The timeliness of remediating internal audit findings
- Progress against, and deviation from, the risk management plan or treatment plans
- The reduction in the number of extreme and high risks in the Council's risk registers
- The review of the effectiveness of the Risk Management Framework and reporting.

### Guidelines

1. The Council is responsible for determining and adopting its risk appetite in accordance with this Policy, including through consideration of the requirement for the Council to give effect to the overarching governance principles in the performance of its role in accordance with section 9 of the *Local Government Act 2020*.
2. All employees are responsible for effective risk management practices and ensuring the management of existing risks and identification of new or emerging risks is integrated into Council activities. This extends to recommending suitable plans to manage risks and obtaining appropriate approval prior to action and sharing and communicating information.
3. Each Director and Manager is accountable for implementing this Policy in their department and for the implementation of risk management practices within their areas of responsibility. They are responsible for reviewing and updating any allocated risks and for ensuring appropriate resources are made available and effective monitoring, review and reporting is undertaken.
4. Each Councillor and member of staff is accountable for compliance with the conflict of interest provisions as contained within the Councillor Code of Conduct and Staff Code of Conduct, respectively.
5. The Director Corporate and Organisational Performance is responsible for overseeing the development, facilitation and implementation of a risk management culture, framework, and strategic direction across the Council.
6. The Chief Executive Officer is the Senior Executive responsible for establishing and facilitating a risk management process across the Council.
7. Council is responsible for ensuring adequate resourcing is available for the continued development, implementation and maintenance of risk management programs and activities.
8. Council is responsible for ensuring that Council strategy and operations are managed within an effective risk management framework.





9. The Audit and Risk Committee is responsible for the monitoring and provision of oversight on risk management and fraud prevention systems and controls.

10. The Council will:

- Maintain high standards for services provided
- Adopt a strategic framework which allows for impacts on natural, social, and economic capital to be appropriately considered, thereby supporting sustainability and safeguarding Council's assets, namely people, finances, property, and reputation
- Create an environment that enables Council to deliver services and meet performance objectives in line with our best value principles
- Ensure resources and operational capabilities are identified and deployed responsibly and effectively, and
- Demonstrate transparent and responsible risk management processes which align with best practice, including commitment to the development of relevant key performance measures for risk management.

## References

- *Local Government Act 2020*
- AS/NZS ISO 31000:2018 Risk Management – Guidelines
- Risk Register
- Long-Term Community Vision and Council Plan 2021-25
- Buloke Shire Council Risk Management Framework
- Buloke Shire Council Risk Management Strategy
- Buloke Shire Council Councillor Code of Conduct
- Buloke Shire Council Staff Code of Conduct



<b>Document Title:</b>	Risk Management Framework
<b>Document Location:</b>	Corporate and Organisational Performance
<b>Responsible Person:</b>	Director Corporate and Organisational Performance

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## SECTION 1 - INTRODUCTION

### Background

The Buloke Shire Council (Council) is a public statutory body incorporated under the *Local Government Act 2020*.

The Shire covers more than 8,000 square kilometres of the Mallee region in the state's northwest, stretching between Lake Tyrrell, Victoria's largest Salt Lake, and the northern reaches of the Avoca River.

The Council serves the communities of Wycheproof, Charlton, Donald, Birchip, and Sea Lake, as well as the smaller townships of Berriwillock, Culgoa, Nandaly, Nullawil, and Watchem.

Agriculture, specifically grain production, is the primary source of income and employment in the area. Other forms of farming, education, retail, community service sectors and light industry also provide employment and income.

Services, projects, and activities of Council are conducted in accordance with the Long-Term Community Vision Council Plan 2021-2025. These Plans form the basis for how resource budgets and staff support are provided.

### Our Vision:

Building a Better Buloke – A healthy, connected, inclusive and prosperous community.

### Our Values:

- Good communication
- Transparency in decision making
- Accountability for actions
- Working collaboratively with partners
- Taking responsibility
- Being responsive and timely

### Introduction

The Council is committed to an integrated approach to risk management to:

- Protect its staff, assets, liabilities, and community against potential exposures
- Minimise uncertainty in achieving its goals, and
- Maximise opportunities to achieve its Strategic Objectives

The risk management process is not static, nor does it operate in a vacuum as a stand-alone discipline. It requires full integration with the Council's business process including key business drivers and activities as part of good management practice. Effective identification, assessment and evaluation of defined risks are critical to the Council achieving its strategic objectives, as outlined in the Long-Term Community Vision and Council Plan 2021 – 2025 and meeting overall community expectations.

Council in performing its role in accordance with section 9 of the *Local Government Act 2020*, will embed its risk management practices across Council to inform its decision making and delivery in the key functions of:

- Community Vision
- Council Plan
- Policy Development
- Service Delivery
- Financial management and budgeting
- Project management and delivery
- Change management processes



The embedding of risk management is achieved by ensuring that risks which may impact Council's Strategic Objectives are captured in the risk register, control plans are identified and implemented in accordance with the Framework.

The following risk management activities are currently being undertaken by the Council:

#### Assets

- Asset renewal program and budgeting
- Project risk assessments
- Project delivery risk assessments

#### Corporate Governance

- Reporting insurance claims
- Incident Management Reporting
- Annual internal audit program
- External audit both Interim and Year End
- Audit and Risk Committee Reporting
- Business Continuity Plan
- Disaster Recovery Plan
- Onboarding and Induction Training and Compliance

#### Financial Management

- Monthly financial reporting
- Quarterly financial reporting
- Procurement reporting
- Project management and reporting

The Council's Risk Management Framework (Framework) is developed to ensure the objectives of the Risk Management Policy (Policy) are achieved. The Framework describes the key principles, elements, and processes to guide all staff to effectively manage risk, as a component of day-to-day decision making and business practice.

#### Purpose

The purpose of the Framework is to provide details of the requirements and processes supporting Council's Policy. It is designed to assist managing uncertainty, its associated risks, and opportunities, as well as enhancing the Council's ability to achieve its objectives.

The Framework will:

- Align to the objectives of the Policy
- Ensure consistent application of reporting assessment and treatment of Council's identified risks
- Provide clarity around the accountability for controls, reporting, strategies, and actions
- Assist in the development of a continuous improvement culture integrating the risk management process into management structures.

#### Scope

The Framework applies to the following categories:

- Strategic risks: associated with high level goals that align to Council's community, annual and business plans which may affect Council's corporate objectives
- Operational risks: associated with departmental functions and daily operations
- Project risks: associated with project management

- Compliance risks: associated with regulatory and legislative requirements.

### Definitions

Within the Risk Management Framework –

**“Consequence”** is the outcome of an event affecting objectives.

**“Council”** means Buloke Shire Council.

**“Inherent Risk”** is the amount of risk that exists before risk treatments or controls are applied. This is calculated at Council using the inherent risk matrix, factoring in likelihood and consequences.

**“Likelihood”** is the chance of something happening.

**“Operational Risks”** are risks associated with departmental functions and day-to-day activities which deliver essential services.

**“Project Risks”** are risks associated with project management that impact milestones connected to delivering a specific project.

**“Residual Risk”** is the amount of risk that remains after controls are applied. Residual risk should be used as the basis for determining whether the risk level is acceptable for Council (as per Risk Attitude Statements).

**“Risk Management”** is the effect of uncertainty (either positive or negative) on objectives. It describes the planned and systematic approach used to identify, evaluate, and manage the whole range of business risks and opportunities facing Council. Risk management involves both the management of potentially adverse effects as well as the fulfilment of potential opportunities. The risk management process will enable Council to minimise losses and maximise opportunities.

**“Risk Management Policy”** is the statement over the overall intention and direction of the Council related to risk management.

**“Strategic Risks”** are risks associated with high level goals which align to Council Plans (such as the Council Plan and Strategic Resource Plan). Strategic risks may affect the achievement of Council’s corporate objectives.

## SECTION 2 – FRAMEWORK

### Risk Attitude Statements

Risk attitude statements (formerly risk appetite statements) are intended to provide a broad outline upon which management can base risk acceptance decisions, i.e., what is justifiable, what is not and what is in line with the Council's objectives. Decisions about the acceptance or non-acceptance of risk should also consider consequences to the Council within the criteria set out in Appendix A.

It should be noted a change in the acceptance/non-acceptance of a risk attitude statement may be subject to Council resolution, where such a change is not in breach of a legal, statutory, or legislative requirement. References to the relevant sections of the *Local Government Act 2020* are outlined in the categories below.

Category	Acceptance/Non-Acceptance
Operational/Business (section 9(1)(e); section 9(1)(f))	<ul style="list-style-type: none"> <li>Acceptance of decisions which enable pursuit of innovation and continuous improvement</li> <li>Acceptance of decisions which provide for benefits through collaboration with other councils, governments, and statutory bodies</li> <li>Non-acceptance if decisions or actions which may cause significant degradation to standards to the community, organisation, and infrastructure</li> </ul>
Sustainability (section 9(1)(c))	<ul style="list-style-type: none"> <li>Acceptance of decisions which promote the economic, social, and environmental sustainability of the municipal district, including mitigation and planning for climate change risks</li> <li>Non-acceptance of decisions or actions which cause disadvantage the economic, social, and environmental sustainability of the municipal district</li> </ul>
Financial Viability (section 9(1)(g))	<ul style="list-style-type: none"> <li>Acceptance of decisions or actions ensure the ongoing financial viability of the Council</li> <li>Non-acceptance of decisions which impact negatively on Council's long term financial sustainability</li> </ul>
Occupational Health and Safety	<ul style="list-style-type: none"> <li>Acceptance of decisions or actions which improve Council's ability to provide a safe and healthy working environment</li> <li>Non-acceptance of any actions which compromise health and safety of the public or staff</li> </ul>
Compliance, governance and legal (section 9(1)(a); section 9(1)(h))	<ul style="list-style-type: none"> <li>Acceptance of decisions which are made and actions which are taken in accordance with the relevant law, and in consideration of regional, state, and national plans and policies</li> <li>Non-acceptance of any non-compliance with legal, professional, and regulatory requirements</li> </ul>
Public Image and Reputation (section 9(1)(b); section 9(1)(d); section 9(1)(i))	<ul style="list-style-type: none"> <li>Acceptance of decisions which provide the best outcomes for the municipal community, including future generations</li> </ul>

Category	Acceptance/Non-Acceptance
	<ul style="list-style-type: none"> <li>Acceptance of risks which support community engagement in strategic planning and strategic decision making</li> <li>Non-acceptance of risks which damage the Council's reputation through not providing for the best outcomes for the municipal community including future generations, lack of community engagement in strategic planning and decision making or resulting in a lack of transparency associated with Council decisions, actions, and information.</li> </ul>

### Risk Management System

A risk management system includes the methods and processes used to manage risks and identify opportunities – to achieve defined objectives. Risk management is not just about the risk assessment process nor is it a stand-alone discipline; to maximise risk management benefits and opportunities, it needs to be integrated with existing business process.

Annual (strategic) risk assessments must be undertaken by the Executive Leadership Team to address key strategic risks. Extreme and High rated risks will be reported to the Audit and Risk Advisory Committee and monitored on a quarterly (or meeting frequency) basis.

### Audit and Risk Committee

The audit process plays an important role in evaluating internal controls (and risk management processes) currently employed by the Council. The Audit and Risk Committee carries out the following risk management activities:

- Monitor the systems and process via the Council's risk register to ensure that material operational risks to the Council are treated.
- Monitor the systems and process via the Council's Fraud register to ensure that material Fraud risks to the Council are treated.
- Monitor the process of review of the Council's risk profile.
- Consider the adequacy of actions taken to ensure that the material business risks have been dealt with in a timely manner to mitigate exposures to the Council.

### Business Continuity

Council's Business Continuity Plan (BCP) is designed to re-establish functions and services in a timely and efficient manner, with minimal disruption to stakeholders. By understanding the environment, vulnerabilities and criticalities of the organisation, the Council is committed to ensuring there is a clear understanding of what accountabilities and responsibilities are in place when emergency, continuity and recovery response are in effect.

Risks relating to a disruption of the Council's operations are gathered through Business Impact Analysis, testing and desktop exercises and reviews following significant incidents resulting in disruption to Council's core services.

### Occupational Health and Safety (OHS)

Risk management is the generally accepted method of systematically managing OHS. The Council has in place a suite of policies and procedures to assist in managing work related risk.

### Risk Management awareness

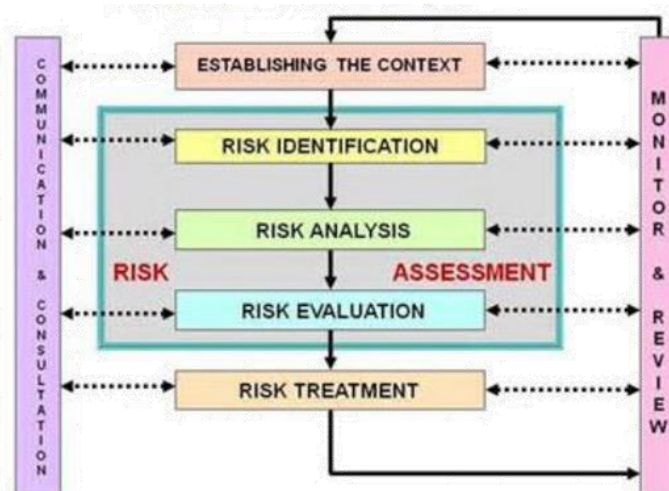
The Framework and supporting policies and tools will be made available to all staff. Risk Management awareness strategies, including training and workshops, will be completed by workers to increase the Council's risk management culture.

### The Risk Management Process

The Council's risk management methodology is consistent with the principles of *AS/NZS ISO 31000:2018 Risk Management – Principles and Guidelines*. It aims to integrate risk management into all corporate governance, strategic and business planning processes and provides for risk-based decision making and planning through understanding the potential threats and opportunities associated with a specific scope of work.

The Risk Management Process consists of:

1. Establishing the context
2. Risk assessment, including identification, analysis, and evaluation
3. Treatment
4. Communication and consultation
5. Monitoring and review



#### 1. Establishing the context

Establishing the context is the first and most important step of the risk management process. It aids in defining the scope of work to which the risk assessment will apply and considers the internal context and external context.

When establishing the context of a risk assessment, you should first determine what the objectives of the assessment are, as well as considering the objectives of the service, activity, or event.

Examples of potential risk factors include:

- Assets and Infrastructure – such as condition, maintenance, renewal, replacement, and planning
- Customer service and reputation – such as the current and potential future needs of Council's customer base
- Environment – such as environmental compliance and consequences of Council activities to the environment

- Finance – such as cash flow, budget requirements, tax obligations, and creditor and debtor management
- Governance – such as organisational structure, roles and accountabilities, and policies
- Human Resources – such as the attraction, development and retention of staff, succession planning and remuneration
- ICT – such as implementation, maintenance, and upgrades
- Political – such as meeting Council’s commitments as outlined in its Plans
- Project – such as finances, resources, contractor management and delivery dates
- Regulatory and legal – such as compliance with Acts, Regulations and Standards
- Safety – such as individual, public and workplace safety

## 2. Risk Assessment

Risk assessment is the overall process of risk identification, risk analysis and risk evaluation.

### a. Risk Identification

Council identifies, assesses, and treats strategic, operational and project risks. Identification will include recognising which risks need to be managed on an ongoing basis or which may have significant implications for Council in the future. A useful way to identify these risks is to ask:

- What can happen
- Where could it happen
- When could it happen
- Why could it happen, and
- How can it happen

All staff should have the ability to be able to identify risks; to achieve this, risks should be identified on an activity basis, whereby existing and new activities are reviewed for any potential risks. The identification exercises should be a regular process, and a standing agenda item on department meetings. These exercises should establish a list of risks associated with a scope of work or project, including risks associated with not pursuing an opportunity. All significant causes and consequences should be considered.

This principle is demonstrated below:



Using the above principle, a breakdown on the identification process may be as follows:

Objective	<ul style="list-style-type: none"> <li>• Deliver Council services in a financially sustainable way</li> </ul>
Performance (Measures and Targets)	<ul style="list-style-type: none"> <li>• Budgeted Comprehensive Income Statement Surplus is greater than zero</li> <li>• Budgeted Statement of Cash Flow net increase is cash flows greater than zero</li> </ul>
Process (Activity)	<ul style="list-style-type: none"> <li>• Achieve adopted budget and proposed future budgets</li> <li>• Monitor service delivery to ensure Council is meeting proposed new service levels</li> <li>• Adopt increasing surplus budgets over life of Council Plan</li> </ul>
Risk Identification	<ul style="list-style-type: none"> <li>• Financial position deteriorates due to failure to implement current budget and forward forecasts</li> <li>• Failure to adhere to long term Strategic Resource Plan</li> </ul>

#### b. Risk analysis

Risk is measured by the consequence (or impact) on Council and the likelihood the risk will become an actual event. In simple terms, this is about developing an understanding of the risk itself, which in turn will enable an effective risk evaluation, decisions on whether risks need to be treated, and the most appropriate risk treatment strategies and methods.

The risk assessment criteria require the application of two measures when determining the risk level:

- Consequence (impact)
- Likelihood (probability)

An inherent risk rating can then be obtained by the following:

$$\text{Inherent Risk} = \text{Consequence} \times \text{Likelihood}$$

Without taking the effect of controls into account.

The consequence categories in the risk assessment criteria are those which reflect the business drivers of Council. Council's consequence categories are defined below (Council's full consequence table is outlined in *Appendix A*):

<b>Operational/Business</b>	The impact on Council operations and delivery of service in terms of outage time and operations against the requirements of section 9(1) of the <i>Local Government Act</i>
<b>Sustainability</b>	The impact on the economic, social, and environmental sustainability of the municipal district
<b>Financial Viability</b>	All revenue, savings, direct and indirect costs such as fines, legal expenses (including claims and settlements), operational costs (including workarounds and additional resources) and capital expenses
<b>Occupational Health and Safety</b>	Any injury, illness, disease, and fatalities which may occur to staff, contractors, volunteers, customers, and the public

<b>Compliance, Governance and Legal</b>	Any potential breach of regulations, statutes, or contracts, as well as any legal proceedings, prosecution, suspension of activity or financial penalties
<b>Public Image and Reputation</b>	Perceived impact on image of Council derived from media, political or community attention and expectations

The likelihood is the probability that the consequences will occur. In this step, it is important to assess or focus on the consequences and not the event itself. This may include a review of historical data, and existing controls and their effectiveness in mitigating the risk.

Council's Likelihood table is outlined in *Appendix B*.

An 'inherent risk rating' can now be obtained by using the Likelihood and Consequence tables. Council's defined levels of risk are: Low, Medium, High, and Extreme. Council's Risk Matrix is outlined in *Appendix C*.

### c. Risk evaluation

Risk evaluation is essentially the process of prioritising which risks are going to be treated and how quickly treatment action is required. It gives Council an indication of whether a risk is 'acceptable' or 'unacceptable', where 'unacceptable' risks need to be reduced through further controls.

The assessment of 'acceptable' and 'unacceptable' risks will largely be determined by Council's risk attitude (also referred to as risk appetite), as outlined earlier in this framework.

Ultimately, there are two options available in the risk evaluation process – to accept or treat the risk – and the decision to do so will be unique to the risks' context and consider the wider context of the risk (i.e., alignment with Council objectives and legislative and regulatory requirements).

The risk ratings within Council's Risk Management Matrix will assist in guiding Council's response to the identified risk. As a rule of thumb **extreme risks** require urgent and immediate action, and **high risks** require management attention and specific action within set timeframes, to bring the risk to a more acceptable level.

**Moderate risks** and **low risks** should be subject to ongoing review and action within the relevant department. Mitigation of these risks should be undertaken when it is considered the current controls in place will not be appropriate in the future as a result of any changes to the operating and external environments.

Prior to developing and implementing treatment plans (outlined below), the effectiveness of current controls and costs associated with the management of the risk should be considered. In some cases, this review may identify all reasonable steps to control the risk are already in place and any further action would be uneconomical.

Controls are methods for evaluating impacts and taking action to reduce or eliminate the potential for the event occurring. There are several ways controls can be implemented, including procedures, training, checklists, process changes, audits, and business decisions. Questions to test the effectiveness of current controls may include:

- How does the control impact the likelihood and consequence of the risk?
- Is the control reliable?
- Is the control specific in addressing the risk in question?
- Is the control understood and being applied as intended?

Controls can be categorised in three distinct categories:

- **Preventative controls:** Apply at the beginning of a risk's lifecycle or sit near the root cause of the risk. They primarily reduce the likelihood of the risk occurring.
- **Detective controls:** Apply somewhere in the middle of the lifecycle and rely on the analysis of information to detect the impact of the risk.



- **Reactive controls:** Apply towards the end of the risk's lifecycle, when the impact is imminent, or likelihood is high. They focus on modifying the impact of the risk.

A combination of these control types should be recorded against each individual risk (where applicable), ensuring controls are specific and are customised to each individual risk identified. Once the level of controls has been applied to the identified risk, a residual risk rating can be applied. Residual risk is the level of risk that remains after the controls have been considered. Risk evaluations and subsequent treatment plans should be determined based on the residual risk.

### 3. Risk Treatment

Risk treatments involve identifying possible methods for reducing, removing, or managing the risk. Treatment will involve one or a combination of the following:

1. Accept the risk – take no further action
2. Mitigate the risk – do something to treat, reduce or change the risk. This is the most common approach to risk treatment and may include an action to reduce the likelihood, consequence, or both
3. Avoid the risk – do not start or eliminate any activity associated with the risk. The key consideration is whether the activity is inherently risky and unavoidable. The elimination of the activity may not be possible as it is critical to Council's objectives
4. Transfer the risk – allocate or share the risk with third parties, such as through insurance or contractor management activities.

Key questions when considering the most appropriate risk treatment strategy may include:

- Are stakeholders prepared to accept the mitigation strategy?
- Is it aligned, and consistent, with Council practices?
- Is it cost effective? Can the same result be achieved at a lower cost and/or through an alternative approach?
- Is it sustainable?
- How does it meet with our regulatory and legislative requirements?
- Does it introduce new risks to Council?

### 4. Communication and Consultation

Communication and consultation recognise the need to promote and embed risk management concepts within Council. Effective communication should occur at an early stage in the risk management process to ensure those involved with, and affected by, decisions understand why those decisions were made.

### 5. Monitor and Review

The ongoing monitoring and review of risk assessments and plans will ensure any changes in risks can be recorded. Risks can and do evolve during the lifecycle of any project or Plan, and a regular review of strategies and actions will ensure treatment strategies remain relevant by:

- Ensuring implemented controls are effective
- Providing further information to improve risk assessments
- Identifying possible emerging risks
- Considering any new activities which may influence established risk management strategies.

The following monitoring and review programs should be in place:

- Operational risks – annual review
- Medium/Low risks – annual review
- Extreme/High risks – quarterly review
- Project risks – reviewed at transition between project phases and at conclusion of project.

The date of each review conducted should be recorded against each individual risk within Council's risk register, to track when each risk has been reviewed and the officer who has conducted this review.

**Risk Register**

Council's risk register underpins the risk management framework and is essentially a comprehensive library of risks. It provides clear information on the current risk profile by documenting risks, current controls, and future management strategies. It also allows Council to monitor and review the timeliness and effectiveness of controls, with the aim of reducing risks as far as reasonably practicable.

**Risk Reporting**

Council's risk reporting structure is a critical component of the risk management process. Effective reporting will provide information on key and emerging risks and may also uncover trends in data. In addition, risks identified in one area may have implications across Council in a broader sense and can be captured as part of the reporting process.

It is also important to be able to report against the performance of the risk management system to evaluate performance and ensure continuous improvement of processes. Reporting should include communication of the risk management activities as well as outcomes achieved of the risk management system.

Risk Management KPIs are to be monitored and reported against to assess the performance and effectiveness of the risk management system.

## **SECTION 3 – RESPONSIBILITIES**

In relation to the application of this document, the following roles and responsibilities shall apply:

### **Council**

- Endorse the systematic approach to managing risk and opportunity across Council operations.
- Facilitate resources and guidance in relation to the Risk Management policy and associated Framework.
- Review and consider any report or recommendations regarding the Risk Management Framework.

### **Audit and Risk Committee**

- Review and endorse the Risk Management Framework.
- Ensure a Framework is in operational and delivers a consistent approach to risk management.
- Review reports from management and Auditors and monitor that effective risk and opportunity management controls have been implemented.
- Liaison with external auditor.
- Review annual financial statements.
- Review the adequacy of the accounting, internal control, reporting and other financial management systems and practices.

### **Chief Executive Officer (CEO)**

- Review, endorse and implement the Risk Management policy and Framework.
- Promote a strong risk management culture by providing firm and visible support for risk management including ensuring appropriate delegations for the management of risk.
- Ensure a Framework is in operation and delivers a consistent approach to risk management.
- Ensure managers have the necessary knowledge and skills to effectively fulfil their risk management responsibilities and are accountable for risks arising from the activities of their departments.
- Ensure annual risk management planning is undertaken.

### **Director Corporate and Organisational Performance**

- Provide guidance and assistance to staff in relation to the application of this framework and reporting within the Risk Register.
- Ensure relevant risk information is reported and escalated to the Senior Management Team, CEO and/or Audit Committee, or cascaded to staff, as appropriate.
- Maintain the Risk Management policy and framework (including associated templates) to ensure its currency and accuracy.
- Provide support and advice to managers and staff in the application and use of the Framework.

### **Employees, Volunteers, Contractors**

- Understand the risk management processes which are integrated into all Council activities.
- Identify, evaluate, report, and manage risks in daily activities and projects.

### **Individual Risk Owners**

- Responsibility for the management and administration of the assigned risks.
- High or extreme rated risks should be assigned to executive management/CEO level.

**SECTION 4 – REFERENCES, SUPPORTING DOCUMENTATION AND GOVERNANCE**

References
<i>Local Government Act 2020</i>
<i>AS/NZS ISO 31000:2018 Risk Management – Principles and Guidelines</i>
<i>Occupational Health and Safety Act 2004</i>
Long-Term Community Vision and Council Plan 2021-2025
Buloke Shire Council Code of Conduct for Councillors
Buloke Shire Council Code of Conduct for Staff
Buloke Shire Council Risk Management Policy
Buloke Shire Council Occupational Health and Safety Policy
Audit and Risk Committee Charter
Audit and Risk Committee Annual Work Plan
Business Continuity Plan
Disaster Recovery Plan
Project Management Framework
Buloke Shire Council Risk Register

## APPENDIX A – CONSEQUENCE TABLE

Score	Consequence	Operational/Business	Sustainability	Financial Viability	Occupational Health and Safety	Compliance, Governance and Legal	Public Image and Reputation
1	Insignificant	Negligible or no impact or brief loss of service for less than one day	No measurable impact on economy, community or environment or brief non-detrimental and transient effect	Less than \$25,000	Injuries or illness no requiring first aid or medical treatment	Possible minor breach of statute/regulation. Little or no impact	Resolved in day-to-day management. Little or no impact
2	Minor	Some inefficiencies and/or delays in delivery of support services and non-critical functions. No impact on client service standards. Brief service interruption for one day	Small impact on economy, community, or environment with no lasting effects	Up to \$100,000	Minor injuries/first aid only required	Minor breach of statute/regulation or minor delays in meeting legal requirements	Sporadic localised unfavourable publicity. Customer complaint. No impact on staff morale
3	Moderate	Inability to provide key support services according to expected service levels (e.g., payroll). No notable impact on client service standards. Temporary recoverable service failure between two and three days	Some impact on economy, community, or environment no long-term effect or small impact with long-term effect	\$100,000 to \$300,000	First Aid and ongoing medical treatment required	Some breach of material terms of key contracts or agreements. Formal warning from regulator. Threat of legal action against Council, but able to be resolved through negotiation/remedial action by Council	Localised negative publicity/local community concern. Loss of community trust or confidence in service delivery. Limited impact on staff morale

4	Major	Significant delays and inefficiencies in core processes and systems impacting significantly on customer service levels. Service or provider needs to be replaced or modified. Essential process/system not available for between three to five days	Significant impact on economy, community or environment with long term effects and requiring restorative work	\$300,000 to \$600,000	Life threatening injury or multiple serious injuries requiring hospital admission	Suspension of activity and prosecution/financial penalty. Noticeable increase in claims and legal liability. Most exposures covered by existing insurance cover	Significant/continued adverse state-wide and local political media scrutiny and exposure. Requires intervention of the CEO and/or Council to answer public concerns
5	Extreme	Essential process/system not available for greater than five days. Prolonged inability to provide basic services. Inability to perform core client functions and/or loss of revenue	Extensive impact on economy, community, or environment /or permanent and irreversible damage	Equal to or greater than \$600,000	Death or permanent disability to one or more persons or multiple life-threatening injuries	Prosecution (civil and/or criminal proceedings). Financial penalty or cessation of activity. Significant increase in volume and value of legal exposures and claims. Critical services impacted by cancellation of contracts. Exposures not covered by current insurance cover	Council or external enquiry, commission inquiry or significant/continued adverse national, state, and local media scrutiny or exposure. Permanent loss of community trust. Withdrawal of funding/key grants, etc. Low staff morale resulting in loss of key staff

**APPENDIX B – LIKELIHOOD TABLE**

Score	Description	Example	Indicative Frequency
<b>A</b>	<b>Rare</b>	The incident may only occur in exceptional circumstances. Its predictability is negligible	Highly unlikely to occur in the next five (5) years. No history of adverse event in the Council.
<b>B</b>	<b>Unlikely</b>	The incident could occur at some time and is unpredictable	Event not likely to occur in the next five years, but there is a slight possibility of occurrence (less than 25%).
<b>C</b>	<b>Possible</b>	The incident should occur at some time and has a low predictability	50/50 chance of the event occurring in within the next three to five (3 to 5) years. Event is equally likely to occur as not.
<b>D</b>	<b>Likely</b>	The incident will probably occur occasionally and is predictable	There is a strong likelihood that the event will occur at least once in the next year (50-75%). History of event/s in Council or other Councils.
<b>E</b>	<b>Almost Certain</b>	The incident is expected to occur regularly and is predictable	The adverse event is likely to occur at least one in the next 12 months (greater than 75%).

## APPENDIX C – INHERENT RISK MATRIX

Likelihood		1	2	3	4	5
Almost Certain	E	Medium	High	High	Extreme	Extreme
Likely	D	Medium	Medium	High	High	Extreme
Possible	C	Low	Medium	Medium	High	Extreme
Unlikely	B	Low	Low	Medium	Medium	High
Rare	A	Low	Low	Low	Medium	High
Consequence		Insignificant	Minor	Moderate	Major	Extreme





## 8.2 MANAGEMENT REPORTS

### 8.2.1 COMMUNITY GRANTS AND SPONSORSHIPS

**Author's Title:** Community Development Officer

**Department:** Community Development

**File No:** GS/09/42

**Relevance to Council Plan 2021 - 2025**

**Strategic Objective:** Our Community Wellbeing

#### PURPOSE

This report is presented to Council to consider the allocation of funds from the Community Grants and Sponsorship Program.

#### SUMMARY

Presenting three applications for the Community Grants and Sponsorship program and one Sustainability Grant application for the 2022/2023 Financial Year.

#### RECOMMENDATION

That Council considers the following funding under the Community Grants and Sponsorship program:

- (a) \$2,000.00 project support grant to the Sea Lake Golf and Bowls Club
- (b) \$459.25 project support grant to the Charlton Forum
- (c) \$1,000.00 project support grant to the Wycheproof Caravan Park
- (d) \$6,481.82 Sustainability Grant to the Charlton Park Community Asset Committee

**Attachments:** 1 [November Council Meeting Fund table](#)

#### DISCUSSION

The following applications for funding are being put forth to Council for final decision.

These applications were assessed by an assessment panel of two Council Staff from across the organisation, as per the Community Grant Guidelines as accepted by Council. Assessment Panel recommends the following grants for council's consideration and final decision on the allocations.

<b>Project:</b>	<b>Sea Lake Golf and Bowls Club</b>
	Sea Lake Golf Bowls
Grant Type	Project support grant
Amount Applied:	\$2,000.00
Funding Amount Recommended:	\$2,000.00
Full project cost:	\$25,743.00
Project Description:	Funding to upgrade the current Sea Lake Golf Bowls Club kitchen to enhance the usability of the facility for both Club members and the wider community. They have already received a \$20,000.00 grant from the Federal Government to undertake this work.
Project Benefit:	The kitchen upgrade would encourage greater community use of the space and allow for additional revenue through the hiring out of the space.
Assessment Panel Scoring	Average score of 21.5 out of 25 All members of the panel recommended the project be funded for the full amount requested (\$2000.00).
<b>Project:</b>	<b>Travellers Rest Condom Machines</b>
	Charlton Forum
Grant Type	Project Support Grant
Amount Applied:	\$459.25
Funding Amount Recommended:	\$459.25
Full project cost:	\$918.50
Project Description:	Installation of an additional condom vending machine in the men's toilets of the Charlton Travellers Rest, and the relocation of the existing condom machine to the female toilets in the Travellers Rest public toilet.
Project Benefit:	Better access of the condom vending machines for the community, particularly youth living in Charlton. It will mean that residents and travellers will be able to purchase condoms out of hours and in a discrete manner.
Assessment Panel Scoring	Average score of 15.5 out of 25 All members of the panel recommended the project be considered for the full amount requested (\$459.25).
<b>Project:</b>	<b>IT System Upgrades</b>
	Wycheproof Caravan Park
Grant Type	Organisation Support Grant
Amount Applied:	\$1,000.00
Funding Amount Recommended:	\$1,000.00
Full project cost:	\$2,291.00
Project Description:	Upgrade IT equipment to meet expectations of travelling public who want to use different payment options, and this funding will help to meet this need.
Project Benefit:	Travellers visiting the park and staying in the area, in addition the volunteers who are using these systems.
Assessment Panel Scoring	Average score of 18 out of 25 All members of the panel recommended the project be funded for the full amount requested (\$1000.00).

<b>Project:</b>	<b>Charlton Park Sustainability Grant</b>
	Charlton Park Community Asset Committee
Grant Type	Sustainability Grant
Amount Applied:	\$6,481.82
Funding Amount Recommended:	\$6,481.82
Full project cost:	\$9,857.73
Project Description:	Replacement of a bladder for a water tank that will hold run off water to enable year long watering of the facilities in Charlton Park.
Project Benefit:	Users of the playing fields at Charlton Park will be able to access these facilities year-round, as the water stored in the tank will enable these areas to be watered, enhancing the natural environment of the space.
Assessment Panel Scoring	Average score of 25 out of 30 All members of the panel recommended the project be funded for the full amount requested (\$6,481.82).

**2022/2023 Community Grant Fund grants prior to this allocation: \$16,500**

**2022/2023 Sustainability Grant Fund grants prior to this allocation: \$40,000**

#### **RELEVANT LAW**

Not Applicable

#### **RELATED COUNCIL DECISIONS**

Not Applicable

#### **OPTIONS**

Council has the option not to allocate funds as per recommended or defer for further information.

#### **SUSTAINABILITY IMPLICATIONS**

Project sustainability is the responsibility of the applicant. One grant application directly relates to environmental sustainability.

#### **COMMUNITY ENGAGEMENT**

Community Development Officer engaged with each applicant listed.

#### **INNOVATION AND CONTINUOUS IMPROVEMENT**

Not Applicable

#### **COLLABORATION**

Not Applicable

#### **FINANCIAL VIABILITY**

These applications for the 2022/23 Financial Year from the \$20,000 allocation for Community Grants and the Sustainability Fund \$50,000 allocation.

#### **REGIONAL, STATE AND NATIONAL PLANS AND POLICIES**

Not Applicable

#### **COUNCIL PLANS AND POLICIES**

Buloke Shire Council Plan 2021-2025 and Long-Term Community Vision.

Community Grant Guidelines.

Community Engagement Policy.

**TRANSPARENCY OF COUNCIL DECISIONS**

Not Applicable

**CONFLICTS OF INTEREST**

No officers involved in this report have a conflict of interest.

<b>Community Grants, Sponsorship &amp; Sustainability Fund – November Council Report Information</b>					
<b>2022-2023</b>	<b>Community Grants and Sponsorship Applications</b>				
<b>Organisation</b>	<b>Type</b>	<b>Date received</b>	<b>Amount in Application</b>	<b>Recommended \$</b>	<b>Granted by Council</b>
Birchip Playgroup	Project Support Grant	15/11/2021	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00
Charlton Golf Club	Sponsorship	8/06/2022	\$ 500.00	\$ 500.00	\$ 500.00
Birchip P-12 School	Sponsorship	27/06/2022	\$ 500.00	\$ 500.00	\$ 500.00
Individual	Sponsorship	14/09/2022	\$ 500.00	\$ 500.00	\$ 500.00
<b>Sea Lake Golf and Bowls Club</b>	<b>Project Support Grant</b>	<b>29/09/2022</b>	<b>\$ 2,000.00</b>	<b>\$ 2,000.00</b>	
<b>Charlton Forum</b>	<b>Project Support Grant</b>	<b>8/09/2022</b>	<b>\$ 459.25</b>	<b>\$ 459.25</b>	
<b>Wycheproof Caravan Park</b>	<b>Organisation Support Grant</b>	<b>4/10/2022</b>	<b>\$ 1,000.00</b>	<b>\$ 1,000.00</b>	
				<b>\$ 6,959.25</b>	<b>\$ 3,500.00</b>
<b>2022-2023</b>	<b>Sustainability Grants Applications</b>				
<b>Organisation</b>	<b>Type</b>	<b>Date received</b>	<b>Amount in Application</b>	<b>Recommended \$</b>	<b>Granted by Council</b>
Rex Theatre	Sustainability Grant	18/02/2022	\$ 10,000.00	\$ 10,000.00	\$10,000
<b>Charlton Park Sustainability</b>	<b>Sustainability Grant</b>	<b>5/10/2022</b>	<b>\$ 6,481.82</b>	<b>\$ 6,481.82</b>	
				<b>\$ 16,481.82</b>	<b>\$10,000</b>

## 8.2.2 AUDIT AND RISK COMMITTEE CHARTER

**Author's Title:** Director Infrastructure and Delivery

**Department:** Works and Technical Services

**File No:** FM|02|09

**Relevance to Council Plan 2021 - 2025**

**Strategic Objective:** Our Council and Community Leadership

### PURPOSE

To ensure the Council remains compliant with the *Local Government Act 2020* (the Act) in relation to its Audit and Risk Committee (Audit Committee) by reviewing and adopting an Audit and Risk Committee Charter (Charter).

### SUMMARY

The Buloke Shire Council's Audit Committee is established in accordance with the Act and supports the Council through advice on the:

- Integrity of the Council's financial reporting
- Effectiveness of the Council's risk management systems, internal control framework, compliance, governance, and internal audit activities
- Effectiveness of communication strategies between the Council's external auditor, internal auditor, and management.

The Charter was last reviewed and adopted in August 2020.

### RECOMMENDATION

That Council approve the Audit and Risk Committee Charter as attached.

**Attachments:** 1 [Audit and Risk Committee Charter - November 2022](#)

### DISCUSSION

The current Audit Committee Charter, adopted by the Council in August 2020, provides for a biennial review of the Charter to ensure it continues to reflect best practice and remains reflective of the Audit Committee's remit.

Following a review by the Audit Committee at its September 2022 Meeting, the below matters were proposed to be included in the revised Charter:

- That the Audit Committee comprise of the Deputy Mayor in addition to its current membership, being three Independent Members and the Mayor
- Provision for Circulated Motions
- Reference to the Audit Committee's responsibilities in relation to fraud prevent systems and controls.

The attached revised Charter has been updated to incorporate the above proposals.

**RELEVANT LAW**

Section 54 of the Act provides that the Council must prepare and approve the Charter.

**RELATED COUNCIL DECISIONS**

The current Charter was reviewed and adopted at the Council's Meeting held in August 2020.

**OPTIONS**

The proposed Charter provides that the Audit Committee will comprise of three independent members, the Mayor, and one other Councillor to be appointed as Delegate to the Audit Committee at the Council's annual Statutory Meeting as part of the review of Councillor Delegations. In the absence of the Mayor and/or the Council Delegate, the Mayor shall appoint another Councillor(s) to attend.

The Council may determine maintain the current status quo, which is to appoint one Councillor, currently the Mayor, to the Audit Committee.

**SUSTAINABILITY IMPLICATIONS**

Not applicable.

**COMMUNITY ENGAGEMENT**

Not applicable.

**INNOVATION AND CONTINUOUS IMPROVEMENT**

Not applicable.

**COLLABORATION**

Not applicable.

**FINANCIAL VIABILITY**

The Audit Committee is required to monitor financial and performance reporting in accordance with the Charter.

Fees paid to independent members of the Audit Committee are included as operational expenses within the adopted Budget.

**REGIONAL, STATE AND NATIONAL PLANS AND POLICIES**

Not applicable.

**COUNCIL PLANS AND POLICIES**

The Audit Committee is required to monitor the Council's compliance with its policies with the overarching governance principles, the Act, associated Regulations, and any Ministerial directions.

**TRANSPARENCY OF COUNCIL DECISIONS**

The Audit Committee must undertake an annual assessment of its performance against the Charter. The assessment must be tabled at a Council Meeting. The Audit Committee must also prepare a reporting setting out its activities which must be tabled at a Council Meeting.

**CONFLICTS OF INTEREST**

In providing this recommendation to the Council as the Director Infrastructure and Delivery I, Hannah Yu, have no interests to disclose in this report.



# Audit and Risk Committee Charter – Buloke Shire Council September 2022



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## **Audit and Risk Committee Charter**

### **Purpose and Objectives**

The Buloke Shire Council Audit and Risk Committee is established in accordance with section 53 of the *Local Government Act 2020 (Act)*. The Buloke Shire Council considers the establishment of an Audit and Risk Committee to be more than a function which ensures compliance with the Act. It is also an essential element of good governance and provides guidance on how the Buloke Shire Council will work with the Audit and Risk Committee for the benefit of the organisation and the community.

In recognition of the above principles the role of the Audit and Risk Committee, as an advisory committee, includes:

- (a) monitoring the compliance of Council policies and procedures with—
  - (i) the overarching governance principles under section 9 of the Act and
  - (ii) the Act and the Regulations and any Ministerial directions
- (b) monitoring the Council's financial and performance reporting
- (c) monitoring and providing advice on risk management and fraud prevention systems and controls and
- (d) overseeing internal and external audit functions.

### **Scope of Authority**

The framework for the functions, activities and accountabilities of the Audit and Risk Committee are set out under section 54 of the Act. The Act provides that the Audit and Risk Committee is independent from the Buloke Shire Council, and that the Buloke Shire Council cannot abrogate or delegate its responsibilities to the Audit and Risk Committee. As such, the Audit and Risk Committee does not have any management functions, executive authority or delegated financial responsibility.

The Buloke Shire Council provides the Audit and Risk Committee with authority to:

- Endorse key documents relevant to its scope which must be approved by the Council including annual financial reports, annual performance statements, new or revised policies and other documents which assist in maintaining a strong internal control environment
- Seek resolution on any disagreements between management and external auditors on financial reporting
- Review the results of any audits, review the Council's planning documents or query Council outcomes
- Seek any information it requires from Buloke Shire Council staff via the Chief Executive Officer and external parties
- Formally meet with relevant Buloke Shire Council staff, internal and external auditors as necessary
- Ensure compliance with the provisions of the Act dealing with misuse of position and disclosure of conflicts of interest
- Effectively discharge its responsibilities under the Audit and Risk Committee Charter and the Act and
- Provide advice and recommendations to the Council on how best to fulfill its responsibilities and facilitate effective decision making.

### **Composition**

#### **Membership**

The Audit and Risk Committee will comprise of three independent members, the Mayor, and one other Councillor appointed as Delegate at the Council's annual Statutory Meeting. In the absence of the Mayor and/or the Council Delegate from a meeting the Mayor shall appoint another Councillor(s) to attend.

**Quorum**

A quorum of any meeting shall be at least two independent members and at least one Councillor, present either physically or via teleconference.

**Selection**

Audit and Risk Committee members and the Audit and Risk Committee Chair will be appointed by the Council, which will consider:

- Expertise in financial management and risk
- Experience in public sector management
- Strong communication skills
- High level personal integrity and ethics
- Availability to perform the functions of the Audit and Risk Committee
- Level of financial literacy.

At least one member of the Audit and Risk Committee shall have financial qualifications and experience.

In considering the appointment of an independent member, the Council will contemplate current or previous relationships between the proposed independent member and the Council.

**Tenure, Continuity and Rotation**

The period of tenure for independent members will be up to three years which, after expiry, may be extended up to a limit of two further terms. Independent members have a right to seek reappointment after the first term. Reappointment after the second term will be by application.

To ensure continuity, no more than one member should leave the Audit and Risk Committee pursuant to rotation in any one year unless otherwise determined by Council resolution.

The Chair of the Audit and Risk Committee must be an independent member and will be appointed on a two-year term. The term of the Chair may be extended for a further two-year term where the period of tenure for an independent member is also extended.

The Audit and Risk Committee may appoint an Acting Chair when the Chair appointed by the Council is unavailable to attend a meeting of the Audit and Risk Committee, however the Acting Chair must not be a Councillor or a member of Council staff and must be suitably qualified.

**Remuneration**

Remuneration for independent members is at the discretion of the Buloke Shire Council. The Council will consider, among other matters, the time, commitment, responsibility required in undertaking duties, and parity with other local government entities equivalent to the Buloke Shire Council's size and complexity.

Fees will be paid to independent members on a per meeting basis in arrears.

Bona fide expenses incurred by independent members will be paid or reimbursed in accordance with the Council Expenses Policy.

Where independent members reside outside of Victoria, Council will not pay the expenses associated with interstate travel or interstate accommodation to attend meetings.

**Meetings**

The Audit and Risk Committee will meet at least four times a year in closed session, with authority to convene additional meetings, as circumstances require. Meeting schedules will be set following the annual statutory meeting of the Buloke Shire Council, and will ensure sufficient time between meetings of the Audit and Risk Committee and meeting of the Buloke Shire Council.

All Audit and Risk Committee members are expected to attend each meeting, in person or through teleconference or video conference.

Where independent members are unable to attend at least 75% of meetings per annum in person, they will be required to resign from their position, unless in the following circumstances apply:

- An exemption by the Council on recommendation of the Audit and Risk Committee on reasonable grounds, or
- In circumstances where there is a declared state of emergency by the Victorian State Government.

The Director Corporate and Organisational Performance is the designated secretariat and will facilitate the meetings of the Audit and Risk Committee, including inviting members of management, auditors, or others to attend meetings to provide pertinent information, as necessary.

Meeting agendas will be prepared and provided at least one week in advance to members, along with appropriate briefing materials.

Meeting minutes will be collated and provided to independent members as soon as practicable following the Audit and Risk Committee for review and presented at the following Audit and Risk Committee meeting for confirmation.

The Chair of the Audit and Risk Committee has the discretion to present, in person, any reports tabled for the consideration by the Councillors at a Councillor Briefing.

**Attendance**

The Chief Executive Officer and Council's Internal Auditors must attend all meetings (except where the Audit and Risk Committee wants to meet without management in attendance).

Council's External Auditor must attend meetings considering the draft annual financial report and results of the external audit and will be invited to attend all other meetings.

Council's Director Corporate and Organisational Performance, Director Infrastructure and Delivery, Director Community Development, Senior Manager Finance and Procurement, Manager Assets and Governance Officer are invited to attend all meetings to provide appropriate information. Other Council staff will be invited to attend meetings where appropriate.

All Councillors are invited to attend Audit and Risk Committee meetings if they wish to do so.

**Circulated Motions**

Where:

- The Audit and Risk Committee endorses a matter in principle subject to receiving further information or
- A matter within the scope of the Audit and Risk Committee's remit requires endorsement prior to presentation to the Council before the next Audit and Risk Committee meeting,

The Director Corporate and Organisational Performance may circulate a proposed motion to members of the Audit and Risk Committee to obtain their endorsement.

The proposed motion must be in writing and must contain a statement where the member of the Audit and Risk Committee indicates their approval or dissent from the proposed motion in writing.

The proposed motion will not be considered to have been endorsed by the Audit and Risk Committee unless all members of the Audit and Risk Committee unanimously approve the proposed motion.

At the next meeting of the Audit and Risk Committee, the Director Corporate and Organisational Performance must ensure the agenda contains a report on the motion circulated and the Audit and Risk Committee's decision which must be recorded in the minutes of the meeting.

Circulated Motions may not be used for reports from the Council's Internal Auditor or External Auditor unless the Audit and Risk Committee has moved a recommendation to receive the reports at the prior meeting.

### **Responsibilities**

The Audit and Risk Committee will carry out the following activities:

#### **Financial Report**

- Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent accounting, professional and regulatory pronouncements and legislative changes, and understand their effect on the financial report.
- Review with management and external auditors the results of the audit, including any difficulties encountered.
- Review the annual financial report, and consider whether it is complete, consistent with information known to the Audit and Risk Committee members, and reflects appropriate accounting principles.
- Review with management and the external auditors all matters required to be communicated to the Audit and Risk Committee under the Australian Auditing Standards.

#### **Internal Control**

- Understand the scope of internal and external auditors' review of internal controls over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses.
- Review the adequacy and effectiveness of key policies, systems, and controls for providing a sound internal control environment including, but not limited to, fraud prevention systems and controls.
- Assess whether the control environment is consistent with the Council's governance principles.

#### **Fraud Prevention Systems and Controls**

- Review the Council's fraud and corruption reporting framework as established under the Fraud and Corruption Reporting Policy to ensure the Council has appropriate processes and systems in place to ensure material fraud risks to the Council are treated and any alleged fraud activities are investigated.

#### **Risk Management**

- Monitor the systems and process via the Buloke Shire Council's risk profile to ensure that material operational risks to the Buloke Shire Council are dealt with appropriately.
- Monitor the process of review of the Buloke Shire Council's risk profile.
- Consider the adequacy of actions taken to ensure that the material business risks have been dealt with in a timely manner to mitigate exposures to the Buloke Shire Council.

#### **Business Continuity**

- Monitor processes and practices of the Buloke Shire Council to ensure for effective business continuity and disaster recovery.

**Internal Audit**

- Review with management and the internal auditor the Charter, activities, staffing and organisational structure of the internal audit function.
- Review and recommend the annual audit plan for approval by the Buloke Shire Council and all major changes to the plan.
- Monitor processes and practices to ensure that the independence of the audit function is maintained.
- As part of the Audit and Risk Committee's annual assessment of performance, determine level of satisfaction with internal audit function having consideration to the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing.
- Monitor that the internal auditor's plan is linked with and covers the material business risks.
- Provide an opportunity for the Audit and Risk Committee to meet with the internal auditor to discuss any matters that the Audit and Risk Committee or internal auditor believes should be discussed privately.

**External Audit**

- Note the external auditor's proposed audit scope and approach, including any reliance on internal auditor activity.
- Provide an opportunity for the Audit and Risk Committee to meet with the external auditors, to discuss any matters that the Audit and Risk Committee or external auditors believe should be discussed privately.

**Compliance**

- Review the systems and processes to monitor effectiveness of the system for monitoring compliance with legislation and regulations and the results of management's investigation and follow up (including disciplinary action) of any instances of non-compliance.
- Keep informed of the findings of any examinations by regulatory agencies, and any auditor (internal or external) observations and monitor management's response to these findings.
- Obtain regular updates from management about compliance matters.

**Reporting Responsibilities**

- Report regularly to the Buloke Shire Council about Audit and Risk Committee activities, and related recommendations through circulation of minutes and annual report. Additional updates may be appropriate should issues of concern arise.
- Monitor that open communication between the internal auditor, the external auditors, and the Buloke Shire Council occurs.
- Report annually to stakeholders, describing the Audit and Risk Committee's composition, responsibilities and how they were discharged, and any other information required by regulation, including approval of non-audit services.
- Consider the findings and recommendations of relevant Performance Audits undertaken by the Victorian Auditor-General and to ensure the Buloke Shire Council implements relevant recommendations.
- The Chair will prepare a biannual audit and risk report which describes the activities of

the Audit and Risk Committee and includes its findings and recommendations and the results of its annual performance assessment against the Audit and Risk Committee Charter. This report will be tabled at the next Council Meeting by the Chief Executive Officer. The Chair may present the report to Council at that meeting if desired.

**Other Responsibilities**

- Adopt an annual work plan outlining how each area of responsibility will be addressed each meeting, or on an annual basis as required, which may include but will not be limited to policy reviews considered under the scope of the Audit and Risk Committee.
- Perform other activities related to this Charter as requested by the Buloke Shire Council.
- Review and assess the adequacy of the Audit and Risk Committee Charter every two years, requesting Council approval for proposed changes, and ensure appropriate disclosure as might be required by legislation or regulation.
- Confirm annually that all responsibilities outlined in this Charter have been carried out.

All Audit and Risk Committee members are expected to be aware of their responsibilities under Sections 123, 125 and Division 2 of Part 6 of the Act including but not limited to the requirement to conflicts of interest that may apply to a matter being considered at an Audit and Risk Committee meeting.



## 8.2.3 AUDIT AND RISK COMMITTEE CHAIR REPORT

**Author's Title:** Director Infrastructure and Delivery

**Department:** Works and Technical Services

**File No:** FM|02|09

**Relevance to Council Plan 2021 - 2025**

**Strategic Objective:** Our Council and Community Leadership

### PURPOSE

To provide the Council with the Biannual Audit and Risk Report (Biannual Report) from the Chair of the Audit and Risk Committee (Audit Committee).

### SUMMARY

The Biannual Report from the Chair of the Audit Committee was provided to the Chief Executive Officer on 6 October 2022. It describes the activities of the Audit Committee and includes its findings and recommendations.

### RECOMMENDATION

That Council notes the Biannual Audit and Risk Report from the Chair of the Audit and Risk Committee.

**Attachments:** 1 [Audit and Risk Committee Biannual Chair Report October 2022](#)

### DISCUSSION

The *Local Government Act 2020* (act) provides that the Audit Committee must prepare a Biannual Report which describes the activities of the Audit Committee and includes its findings and recommendations.

The Act further provides that these reports must be provided to the Chief Executive Officer for tabling at the next scheduled Council Meeting.

### RELEVANT LAW

Section 54(5)(b) of the Act requires the Chief Executive Officer provide a copy of the Biannual Report to the Council.

### RELATED COUNCIL DECISIONS

The Audit Committee was established by the Council at the Council Meeting held on 12 August 2020. The last Biannual Report was noted by the Council at the Council Meeting held on 13 April 2022.

### OPTIONS

Not applicable.

### SUSTAINABILITY IMPLICATIONS

Not applicable.

**COMMUNITY ENGAGEMENT**

Not applicable.

**INNOVATION AND CONTINUOUS IMPROVEMENT**

Not applicable.

**COLLABORATION**

Not applicable.

**FINANCIAL VIABILITY**

The Audit and Risk Committee is required to monitor financial and performance reporting.

**REGIONAL, STATE AND NATIONAL PLANS AND POLICIES**

Not applicable.

**COUNCIL PLANS AND POLICIES**

Not applicable.

**TRANSPARENCY OF COUNCIL DECISIONS**

The Audit Committee is an Advisory Committee to the Council and its role is to ensure good governance and provide guidance on how the Council will work with the Audit Committee for the benefit of the organisation and the community.

**CONFLICTS OF INTEREST**

In providing this advice to the Council as the Director Infrastructure and Delivery I, Hannah Yu, have no interests to disclosure in this report.

# Buloke Shire Council

## AUDIT AND RISK COMMITTEE CHAIR'S REPORT

### PURPOSE

To advise the Councillors and Chief Executive Officer at Buloke Shire Council of the activities of the Audit and Risk Committee over the past six months since the last Chair's report in March 2022.

### INTRODUCTION

The Buloke Shire Council Audit and Risk Committee Charter provides that the Chair will prepare a biannual audit and risk report that "describes the activities of the Audit and Risk Committee and includes its findings and recommendations." The Charter also provides that this report will be tabled at the next Council meeting by the Chief Executive Officer and that the Chair may present the report to Councillors at that meeting if desired.

The Audit and Risk Committee is established in accordance with s53 of the Local Government Act 2020 which provides that the Committee is not a delegated committee but rather fulfils an advisory role.

### AUDIT AND RISK COMMITTEE CHARTER

The Charter was reviewed by the Committee at both its May and September 2022 meetings, prior to its consideration by Council. A number of changes have been recommended to the Charter including the membership of the Committee to also include the Deputy Mayor, the inclusion of the opportunity for Circular Motions and the additional role for the Committee in relation to reviewing Council's fraud and corruption reporting processes.

### COMMITTEE MEMBERSHIP

The current membership of the Committee comprises four members – the Mayor and three external, independent members and has not changed during this reporting period.

The Committee has met in person on two occasions during this period and all members have been in attendance. These meetings were held on:

- 11 May 2022
- 20 September 2022

The Committee continues to be ably supported by Council staff who provided timely updates and responses to issues and questions raised by the Committee.

**AUDIT FUNCTIONS**

The Committee continues to assist the Council in addressing financial, strategic and operational risks and also ensuring that the Council maintains a reliable system of internal controls. As is the usual practice, the Committee reviewed its Work Plan at the two meetings held during this reporting period.

**GOVERNANCE**

In order to ensure accountability, compliance and transparency, in addition to this biannual report, the minutes of each Committee meeting are presented to the next available Ordinary Council meeting.

The Committee also receives a report from the Chief Executive Officer at each Committee meeting regarding any legal, significant OH&S issues, fraud events, or any other events or issues affecting Council as an organisation at a strategic level.

**EXTERNAL AUDITORS**

In accordance with the Local Government Act, Council's Auditor is appointed by the Victorian Auditor General (VAGO). The external auditor is Crowe and representatives have attended each of the Committee meetings via electronic means.

The Committee, at its September meeting, received the Financial Statements and Performance Statement for 2021/2022. The Committee noted that as a result of a changing interpretation of the treatment of grants received in advance, and in particular the Sufficiently Specific performance obligation conditions of AASB 1058 and ASSB 15, the Local Roads and Community Infrastructure (LRCI) grant was taken as income in the year of receipt with no corresponding expense booked. The Committee was advised this was a sector wide interpretation by VAGO.

The Committee will await the VAGO accounting paper on this matter in due course.

In addition, it was noted that whilst the Performance Statement indicators were generally stable / favourable, the financial forecasts for future years would change significantly due to the impact of the change in recognition of the LRCI grant noted above.

This matter is likely to continue to influence the ability to understand a *normalised* set of performance indicators until it has cycled through a number of reporting periods.

**INTERNAL AUDITORS**

Buloke Shire Council has continued the engagement of RSD Audit Bendigo as its Internal Auditors. The Committee receives a regular Internal Audit Progress report which provides not only a progress report on the Buloke internal audit program but also a very useful summary of recent reports from public bodies.

Three internal audit reports were scheduled for 2022 – ICT General Security Controls, Department review – Saleyards and Procurement. Unfortunately, all three reviews have been delayed during the year. As mentioned in my previous report, the Committee is very interested in the outcome of the ICT General Security Controls and therefore is very keen for this audit, in particular, to be progressed. Deliberations regarding the scope of the other two audits have delayed their progress and the Committee discussed their scope at its September 2022 meeting.

### **MANAGEMENT REPORTS**

In addition to the Internal and External audit functions of the Committee, in order to meet its advisory functions, the Committee also receives regular management reports at each meeting which have incorporated the following:

- Progress on implementing outstanding actions arising from past internal and external audits and other regulatory reports. It was pleasing to see that a number of actions have been completed during this reporting period.
- An asset management update is received at each meeting, recognising its importance of Council. At the September meeting the Committee meeting received a detailed briefing on the draft Road Management Plan, the Transport Asset Management Implementation Plan and other challenges facing Council including the increasing cost of materials and services to undertake capital works.
- A risk management update is also presented to each meeting. The Committee received the Risk Management Policy, Framework and Strategy at its September meeting. The Committee noted that this is a very important step forward in Council's risk management environment.
- The regular updating of the legislative compliance register is an important tool for Council to be assured that it is meeting its legal obligations.
- Financial Performance reports are received by the Committee for the preceding quarter enabling discussion on management reports, the statutory accounts, performance statements and forward looking reports such as the budget and strategic resource plan.
- The Committee also undertakes various management duties such as reviewing its annual work plan.

Specific reports and presentations were also received during this reporting period in relation to the following matters:

- Insurance Summary
- Sale of Land Policy and Lease Project update
- Draft Procurement Policy
- Draft Loan Guarantee Policy
- Draft Reserves Policy
- Community Grants Review

## **CONCLUSION**

The work of the Audit and Risk Committee continues to be greatly assisted by the diligence and professionalism of both Councillors and officers. The Committee encourages all Councillors to attend and participate in Committee meetings when they are able to do so and to also contribute to the forthcoming annual review of the performance of the Committee.

Margaret Abbey PSM

Chair

Audit and Risk Advisory Committee

Buloke Shire Council

## 8.2.4 REAPPOINTMENT OF INDEPENDENT MEMBER | AUDIT AND RISK COMMITTEE

**Author's Title:** Director Infrastructure and Delivery

**Department:** Works and Technical Services

**File No:** SM|02|10

**Relevance to Council Plan 2021 - 2025**

**Strategic Objective:** Our Council and Community Leadership

### PURPOSE

To recommend the reappointment of Mr Dean Sleigh as an Independent Member of the Audit and Risk Committee (Audit Committee) for a further term of 3 years.

### SUMMARY

Mr Dean Sleigh will conclude his first term as Independent Member on the Council's on 14 November 2022. This report recommends his reappointment for a second term of 3 years on the Audit Committee commencing 15 November 2022.

### RECOMMENDATION

That Council reappoint Mr Dean Sleigh as an Independent Member on the Council's Audit and Risk Committee for a further term of 3 years commencing 15 November 2022 and expiring 15 November 2025.

**Attachments:** Nil

### DISCUSSION

The Audit Committee consists of four members comprising 3 Independent Members and the Mayor as the representative of the Council. The Audit and Risk Committee Charter provides for the appointment of Independent Members for an initial term of 3 years, with the option to request reappointment after the first term should they wish to continue.

Mr Sleigh was initially appointed as an Independent Member in November 2019. He has an extensive career in roles across executive finance, governance and risk management positions in the private sector and has worked with boards in various organisations. During his initial term he has taken a keen interest in the operations of the Council and has provided valuable feedback to the Council, its auditors and management.

Mr Sleigh wrote to express his interest in continuing his role as Independent Member for a further term points 15 November 2022.

This report recommends Mr Sleigh's reappointment for a further term in accordance with the Charter.

### RELEVANT LAW

Section 53 of the *Local Government Act 2020* requires the Council to establish an Audit Committee which must consist of a majority of members who are not Councillors and cannot include a member of Council staff.

**RELATED COUNCIL DECISIONS**

The Audit Committee was established by the Council at the Council Meeting held on 12 August 2020. Mr Sleigh was appointed by the Council to the Audit Committee at the Council Meeting held on 13 November 2019.

**OPTIONS**

The Council may determine note to reappoint Mr Sleigh to the maximum allowable term.

In the event the Council determines not to reappoint Mr Sleigh for any further term, the Council will be required to seek expressions of interest to appoint a new Independent Member.

**SUSTAINABILITY IMPLICATIONS**

Not applicable.

**COMMUNITY ENGAGEMENT**

Not applicable.

**INNOVATION AND CONTINUOUS IMPROVEMENT**

Not applicable.

**COLLABORATION**

Not applicable.

**FINANCIAL VIABILITY**

Fees are paid to Independent Members of the Audit Committee on a per meeting basis in accordance with the section 53(6) of the *Local Government Act 2020*. Payment of fees for Independent Members are provided for as operational expenses in the adopted Budget.

**REGIONAL, STATE AND NATIONAL PLANS AND POLICIES**

Not applicable.

**COUNCIL PLANS AND POLICIES**

Not applicable.

**TRANSPARENCY OF COUNCIL DECISIONS**

The Audit and Risk Committee Charter is available on the Council's website. Minutes of the Audit Committee are made available to the public through adoption of Council Meeting Minutes, other than those matters considered confidential.

**CONFLICTS OF INTEREST**

In provided this recommendation to the Council as the Director Infrastructure and Delivery I, Hannah Yu, have no conflicts of interest to disclose.



## 8.2.5 FINANCIAL AND PERFORMANCE STATEMENTS

**Author's Title:** Acting Manager Finance

**Department:** Corporate Services

**File No:** FM/02/08

**Relevance to Council Plan 2021 - 2025**

**Strategic Objective:** Our Council and Community Leadership

### PURPOSE

The purpose of this report is to have the Council approve, in principle, the Financial Statements and Performance Statement (Statements) for the 2021-22 financial year and to authorise two (2) Councillors to sign the final form statements on behalf of the Council.

### SUMMARY

The preparation of the Financial and Performance Statements is a legislative requirement.

Council previously considered the Financial and Performance Statements matter at the Council Meeting held Wednesday, 12 October 2022.

Council authorised the Mayor, Cr. Warren, and the Deputy Mayor, Cr. Getley, to sign the final form Financial Statements and Performance Statement on behalf of Council.

Following discussions with Victorian Auditor-General's Office, due to many parts of country Victoria been impacted by flood events since 13 October a subsequent event needs to be closed out and a note 8.5 Events occurring after balance date needs to be included in the Notes to the Financial Statements for the year ended 30 June 2022.

The subsequent event has arisen post signing by Buloke Shire Council and prior to signing by the Victorian Auditor-General's Office.

It is now appropriate for Council to re-approve the Statements in principle and authorise two (2) Councillors to re-sign the final Statements.

### RECOMMENDATION

That Council:

1. Notes the updated Notes to the Financial Statements for the year ended 30 June 2022 at Note 8.5 Events occurring after balance date; and
2. Confirms its authorisation for the Mayor, Cr. Warren, and the Deputy Mayor, Cr. Getley, to sign the final form Financial Statements and Performance Statement on behalf of, and with full authority of, the Council.

**Attachments:**

- 1 [Buloke Shire Council - Performance Statement 2021-2022](#)
- 2 [Buloke Shire Council - Financial Statements 2021-2022](#)

**DISCUSSION**

Under Section 98 of the *Local Government Act 2020* a council must in respect of each financial year, prepare an Annual Report that includes audited Statements for the financial year. These Statements must be prepared in the prescribed manner and form and be certified by the Auditor General.

This year the Victorian Auditor General's Office agents Crowe acted as Council's auditors. The Statements have been reviewed by the Victorian Auditor General's Office.

Following discussions with Victorian Auditor-General's Office, due to many parts of country Victoria been impacted by flood events since 13 October, a subsequent event needs to be closed out and at note 8.5, Events occurring after balance date, needs to be included in the Notes to the Financial Statements for the year ended 30 June 2022.

The subsequent event has arisen post signing by Buloke Shire Council and prior to signing by the Victorian Auditor-General's Office.

Council is required to approve, in principle, the Statements prior to receiving certification from the Auditor General. The Council must also authorise two (2) Councillors to certify the Statements in their final form; historically the Mayor and the Deputy Mayor.

**RELEVANT LAW**

The Statements have been prepared in accordance with Australian Accounting Standards and Interpretations, the *Local Government Act 2020* and the Regulations.

Council's Statements must be audited to meet the requirements as set out under the *Local Government Act 2020*.

**RELATED COUNCIL DECISIONS**

At the Council Meeting held Wednesday, 12 October 2022, Council resolved (R122/22) as follows:

*That Council:*

1. *Approves in principle the Financial Statements and Performance Statement for the 2021-22 Financial Year;*
2. *Authorises the Mayor, Cr. Warren, to approve last minute changes on an immaterial nature on the advice of Council's External Auditor; and*
3. *Authorises the Mayor, Cr. Warren, and the Deputy Mayor, Cr. Getley, to sign the final form Financial Statements and Performance Statement on behalf of, and with full authority of, the Council.*

**OPTIONS**

Not applicable to this report.

**SUSTAINABILITY IMPLICATIONS**

Not applicable to this report.

**COMMUNITY ENGAGEMENT**

Community consultation was not required in the preparation of the Statements. However, the Statements will be made available as public documents following the Auditor-General's approval. The Statements will form part of the Council meeting minutes and will be published in Council's Annual Report.

**INNOVATION AND CONTINUOUS IMPROVEMENT**

Not applicable to this report.

**COLLABORATION**

Not applicable to this report.

**FINANCIAL VIABILITY**

The Statements are a report back to the community on Council's performance against the adopted 2021-22 Annual Budget, along with performance against measures and targets for Key Strategic Activities specified in the 2021-22 Annual Budget.

**REGIONAL, STATE AND NATIONAL PLANS AND POLICIES**

Not applicable to this report.

**COUNCIL PLANS AND POLICIES**

The Statements are a report back to the community on Council's performance against the performance against measures and targets for Key Strategic Activities specified in the 2021-22 Annual Budget.

**TRANSPARENCY OF COUNCIL DECISIONS**

The availability of Council's audited financial and performance reporting to the community essential for ensuring transparency and accountability to the community and other levels of government.

**CONFLICTS OF INTEREST**

In providing this advice to the Council as the Acting Manager Finance, I, Anthony Smith, have no interests to disclose in this report.



# Buloke Shire Council

## Performance Statement

For the year ended 30 June 2022

## Performance Statement

For the year ended 30 June 2022

### Description of Buloke

The Buloke Shire is located in the northwest of Victoria between 210 and 360 kilometres from Melbourne.

The Buloke Shire is bounded by both the Mildura and Swan Hill Rural Cities in the north, Gannawarra and Loddon Shires in the east, Northern Grampians Shire in the south and Yarriambiack Shire in the west.

The Buloke Shire is a predominantly rural area. The main townships are Birchip, Charlton, Donald, Sea Lake and Wycheproof. The shire also comprises of the smaller townships of Berriwilllock, Culgoa, Nandaly, Nullawil and Watchem.

The Buloke shire encompasses a total land area of 8,000 square kilometres and is approximately 140 kilometres long and 60 kilometres wide.

The two main highways servicing the Buloke Shire are the Calder Highway and the Sunraysia Highway, both of which run north and south through the Shire.

Land is used largely for agriculture, particularly grain (wheat, oats and barley) production and sheep grazing.

The Buloke Shire is named after the 'buloke' or 'bulloak' tree, '*Allocasuarina Luehmannii*' which is common in the area and the feature of the Buloke Shire logo.

## Sustainable Capacity Indicators

For the year ended 30 June 2022

Indicator/Measure	2019	2020	2021	2022	Comments
<b>Population</b> <i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$5,564.68	\$4,320.22	\$5,088.84	\$4,821.94	
<b>Infrastructure per head of municipal population</b> [Value of infrastructure / Municipal population]	\$42,429.33	\$44,242.33	\$44,820.36	\$41,215.45	
<b>Population density per length of road</b> [Municipal population / Kilometres of local roads]	1.16	1.16	1.15	1.15	
<b>Own-source revenue</b> <i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$2,407.83	\$2,512.90	\$2,600.07	\$2,637.29	Own source revenue is relatively high when compared to other councils due to Council's rural location, low population and reliance on rate income as its main income source.
<b>Recurrent grants</b> <i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$1,499.51	\$1,687.62	\$1,701.69	\$1,993.25	2022 includes increased advance payment of Financial Assistance Grant
<b>Disadvantage</b> <i>Relative Socio-Economic Disadvantage</i> [Index of Relative Socio-Economic Disadvantage by decile]	3.00	3.00	3.00	3.00	Council is ranked in the lower end of the SEIFA index, indicating high levels of disadvantage within the municipality.
<b>Workforce turnover</b> <i>Percentage of staff turnover</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year]x100	9.5%	9.6%	10.6%	18.2%	Impact of Covid-19 restrictions and higher number of long-term staff retirements

**Definitions**

**“Adjusted underlying revenue”** means total income other than —

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

**“Infrastructure”** means non-current property, plant and equipment excluding land

**“Local road”** means a sealed or unsealed road for which the council is the responsible road authority under the *Road Management Act 2004*

**“Population”** means the resident population estimated by council

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

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

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

**“Unrestricted cash”** means all cash and cash equivalents other than restricted cash.

## Service Performance Indicators

For the year ended 30 June 2022

Service Indicator/Measure	2019	2020	2021	2022	Comments
<b>Aquatic Facilities</b> <b>Utilisation</b> <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	5.12	4.86	3.08	3.81	Council has 7 outdoor pools and relative small population. Pool are open seasonally and attendance is impacted by ambient summer temperatures.
<b>Animal Management</b> <b>Health and safety</b> <i>Animal management prosecutions</i> [Percentage of successful animal management prosecutions]	New in 2020	100%	100%	100%	The number of animal management prosecutions are very low (2), referral to prosecution is used as a last resort.
<b>Food Safety</b> <b>Health and safety</b> <i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	100.00%	0.00%	100.00%	100.00%	
<b>Governance</b> <b>Satisfaction</b> <i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	52	58	61	54	
<b>Libraries</b> <b>Participation</b> <i>Active library members</i> [Number of active library members / Municipal population] x100	7.08%	7.91%	8.00%	7.74%	



Service Indicator/Measure	2019	2020	2021	2022	Comments
<b>Maternal and Child Health (MCH)</b> <b>Participation</b> <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100  <i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	78.28%	79.50%	85.53%	87.45%	Council is proactive in encouraging participation in the MCH service. Participation tends to drop from age 3 to 4. Percentage variance in the results tend to fluctuate due to the relatively low average number of births (60) in the shire.
	73.68%	93.33%	75.00%	84.62%	
<b>Roads</b> <b>Satisfaction</b> <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	42	39	48	38	
<b>Statutory Planning</b> <b>Decision Making</b> <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	0.00%	100.00%	0.00%	N/A	No decisions for matters referred to VCAT were made during 2021-22
<b>Waste Collection</b> <b>Waste diversion</b> <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	24.54%	24.74%	32.03%	31.08%	

### Definitions

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

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

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

**"Annual report"** means an annual report prepared by a council under sections 131, 132 and 133 of the *Local Government Act 2020*.

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

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

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

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

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

**"HACC program"** means the Home and Community Care program established under the Agreement entered into for the purpose of the *Home and Community Care Act 1985* (Cwth)

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

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

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

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

**"Population"** means the resident population estimated by council

**"Target population"** has the same meaning as in the Agreement entered into for the purposes of the *Home and Community Care Act 1985* (Cwth)

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

## Financial Performance Indicators

For the year ended 30 June 2021

Dimension/indicator/measure	Actual				Forecast				Comments
	2019	2020	2021	2022	2023	2024	2025	2026	
<b>Efficiency</b> <b>Revenue level</b> <i>Average residential rate per residential property assessment</i> [General Rates and Municipal Charges / Number of property assessments]	New in 2020	\$1,938.81	\$2,063.17	\$2,001.27	\$2,038.89	\$2,080.00	\$2,119.21	\$2,159.21	
<b>Expenditure level</b> <i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$5,498.00	\$4,227.03	\$5,174.50	\$4,646.67	\$5,142.06	\$5,150.48	\$5,293.97	\$5,431.43	
<b>Liquidity</b> <b>Working capital</b> <i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	202.76%	371.48%	267.19%	303.18%	395.67%	372.48%	264.67%	117.46%	
<b>Unrestricted cash</b> <i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	171.78%	286.83%	36.48%	115.98%	364.96%	357.22%	248.02%	100.81%	Calculation of the forecast Unrestricted Cash has been updated since adoption of the Financial Plan in June 2022.

Dimension/indicator/measure	Actual				Forecast				Comments
	2019	2020	2021	2022	2023	2024	2025	2026	
<b>Obligations</b> <b>Asset renewal and upgrade</b> <i>Asset renewal compared to depreciation</i> [Asset renewal expense / Asset depreciation] x100	New in 2020	137.44%	134.83%	149.96%	178.53%	91.90%	93.02%	92.21%	
<b>Loans and borrowings</b> <i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x100	52.18%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
<i>Loans and borrowings repayments compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	2.21%	51.60%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
<b>Indebtedness</b> <i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	9.70%	8.43%	7.99%	6.41%	9.88%	7.52%	7.46%	7.34%	
<b>Operating position</b> <b>Adjusted underlying result</b> <i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100	-10.48%	4.47%	-6.13%	-2.28%	-31.11%	-16.48%	-19.65%	-20.32%	

Dimension/indicator/measure	Actual				Forecast				Comments
	2019	2020	2021	2022	2023	2024	2025	2026	
<b>Stability</b> <b><i>Rates concentration</i></b> <i>Rates compared to adjusted underlying Revenue</i> [Rate revenue / Adjusted underlying revenue] x100	43.06%	49.72%	48.17%	49.92%	58.96%	53.23%	54.08%	53.89%	Own source revenue is relatively high compared to other councils due to Council's rural location, low population and reliance on rate income as its main income source.
<b><i>Rates effort</i></b> <i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.85%	0.81%	0.76%	0.68%	0.50%	0.51%	0.52%	0.53%	

### **Definitions**

**“Adjusted underlying revenue”** means total income other than—

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

**“Adjusted underlying surplus (or deficit)”** means adjusted underlying revenue less total expenditure

**“Asset renewal expenditure”** means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability

**“Current assets”** has the same meaning as in the AAS

**“Current liabilities”** has the same meaning as in the AAS

**“Non-current assets”** means all assets other than current assets

**“Non-current liabilities”** means all liabilities other than current liabilities

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

**“Own-source revenue”** means adjusted underlying revenue other than revenue that is not under the control of council (including government grants

**“Population”** means the resident population estimated by council

**“Rate revenue”** means revenue from general rates, municipal charges, service rates and service charges

**“Recurrent grant”** means a grant other than a non-recurrent grant

**“Residential rates”** means revenue from general rates, municipal charges, service rates and service charges levied on residential properties

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

**“Unrestricted cash”** means all cash and cash equivalents other than restricted cash.

## Other Information

For the year ended 30 June 2022

### 1. Basis of Preparation

Council is required to prepare and include a performance statement within its annual report. The performance statement includes the results of the prescribed sustainable capacity, service performance and financial performance indicators and measures together with a description of the municipal district and an explanation of material variations in the results. This statement has been prepared to meet the requirements of the *Local Government Act 2020* and *Local Government (Planning and Reporting) Regulations 2020*.

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

The performance statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by the council's strategic resource plan. The *Local Government (Planning and Reporting) Regulations 2020* requires explanation of any material variations in the results contained in the performance statement. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.

The forecast figures included in the performance statement are those adopted by council in its strategic resource plan on 29 Jun 2022 and which forms part of the council plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The strategic resource plan can be obtained by contacting council.

## **Certification of the Performance Statement**

In my opinion, the accompanying performance statement has been prepared in accordance with the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

.....  
Wayne O'Toole  
**Principal Accounting Officer**  
**Dated: 9 November 2022**

In our opinion, the accompanying performance statement of the Buloke Shire Council for the year ended 30 June 2022 presents fairly the results of council's performance in accordance with the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

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

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

We have been authorised by the Council and by the *Local Government (Planning and Reporting) Regulations 2020* to certify this Performance Statement in its final form.

.....  
Cr Daryl Warren  
**Councillor**  
**Dated: 9 November 2022**

.....  
Cr Alan Getley  
**Councillor**  
**Dated: 9 November 2022**

.....  
Wayne O'Toole  
**Chief Executive Officer**  
**Dated: 9 November 2022**

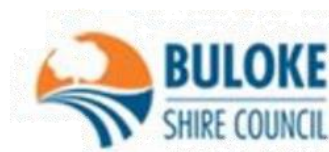


# Buloke Shire Council

## ANNUAL FINANCIAL REPORT

for the year ended 30 June 2022

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## Buloke Shire Council

### Annual Financial Report

for the year ended 30 June 2022

2021/2022 Financial Report

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**Buloke Shire Council**  
**Annual Financial Report**  
for the year ended 30 June 2022

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2021/2022 Financial Report

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## Buloke Shire Council

### Annual Financial Report

for the year ended 30 June 2022

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2021/2022 Financial Report

#### Certification of the Financial Statements

In my opinion, the accompanying financial statements have been prepared in accordance with the *Local Government Act 2020*, the *Local Government (Planning and Reporting) Regulations 2020*, the Australian Accounting Standards and other mandatory professional reporting requirements.

---

Wayne O'Toole  
**Principal Accounting Officer**  
09 November 2022  
Wycheproof

In our opinion, the accompanying financial statements present fairly the financial transactions of Buloke Shire Council for the year ended 30 June 2022 and the financial position of the Council as at that date.

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

We have been authorised by the Council and by the *Local Government (Planning and Reporting) Regulations 2020* to certify the financial statements in their final form.

---

Daryl Warren  
**Councillor**  
09 November 2022  
Wycheproof

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Alan Getley  
**Councillor**  
09 November 2022  
Wycheproof

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Wayne O'Toole  
**Chief Executive Officer**  
09 November 2022  
Wycheproof

## Buloke Shire Council

2021/2022 Financial Report

### Annual Financial Report

for the year ended 30 June 2022

### Victorian Auditor-General's Office Report

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Insert VAGO Report here

## Buloke Shire Council

2021/2022 Financial Report

### Annual Financial Report

for the year ended 30 June 2022

### Victorian Auditor-General's Office Report

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Insert VAGO Report here

## Buloke Shire Council

2021/2022 Financial Report

## Comprehensive Income Statement

for the year ended 30 June 2022

	Notes	2022 \$ '000	2021 \$ '000
<b>Income</b>			
Rates and charges	3.1	14,287	14,091
Statutory fees and fines	3.2	197	339
User fees	3.3	925	849
Grants - operating	3.4	10,889	10,934
Grants - capital	3.4	11,320	11,607
Contributions - monetary	3.5	157	108
Net gain on disposal of property, infrastructure, plant and equipment	3.6	2	–
Other income	3.7	600	584
<b>Total income</b>		<b>38,377</b>	<b>38,512</b>
<b>Expenses</b>			
Employee costs	4.1	10,814	11,649
Materials and services	4.2	8,509	8,384
Depreciation	4.3	9,038	8,747
Amortisation - Right of use assets	4.4	258	296
Bad and doubtful debts	4.5	(19)	156
Finance Costs - Leases	4.6	10	19
Net loss on disposal of property, infrastructure, plant and equipment	3.6	–	89
Other expenses	4.7	664	1,708
<b>Total expenses</b>		<b>29,274</b>	<b>31,048</b>
<b>Surplus/(deficit) for the year</b>		<b>9,103</b>	<b>7,464</b>
<b>Total comprehensive result</b>		<b>9,103</b>	<b>7,464</b>

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

## Buloke Shire Council

2021/2022 Financial Report

## Balance Sheet

as at 30 June 2022

	Notes	2022 \$ '000	2021 \$ '000
<b>Assets</b>			
<b>Current assets</b>			
Trade and other receivables	5.1	4,294	1,920
Cash and cash equivalents	5.1	27,102	12,133
Non-current assets classified as "held for sale"	6.1	60	20
Other financial assets	5.1	5,000	18,015
Inventories	5.2	139	132
Other assets	5.2	260	273
<b>Total current assets</b>		<b>36,855</b>	<b>32,493</b>
<b>Non-current assets</b>			
Property, infrastructure, plant and equipment	6.2	277,975	273,448
Right-of-use assets	5.7	152	185
<b>Total non-current assets</b>		<b>278,127</b>	<b>273,633</b>
<b>Total assets</b>		<b>314,982</b>	<b>306,126</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	5.3	2,057	2,085
Trust funds and deposits	5.3	294	360
Unearned income/revenue	5.3	6,813	7,339
Provisions	5.4	2,901	2,226
Lease liabilities	5.8(b)	91	152
<b>Total current liabilities</b>		<b>12,156</b>	<b>12,162</b>
<b>Non-current liabilities</b>			
Provisions	5.4	957	1,210
Lease liabilities	5.8(b)	70	58
<b>Total non-current liabilities</b>		<b>1,027</b>	<b>1,268</b>
<b>Total liabilities</b>		<b>13,183</b>	<b>13,430</b>
<b>Net assets</b>		<b>301,799</b>	<b>292,696</b>
<b>Equity</b>			
Accumulated surplus		126,405	119,610
Reserves	9.1	175,394	173,086
<b>Total Equity</b>		<b>301,799</b>	<b>292,696</b>

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



## Buloke Shire Council

2021/2022 Financial Report

### Statement of Changes in Equity

for the year ended 30 June 2022

	Note	Total \$ '000	Accumulated Surplus \$ '000	Revaluation Reserves \$ '000	Other Reserves \$ '000
<b>2022</b>					
Balance at beginning of the financial year		292,696	119,610	172,086	1,000
Surplus/(deficit) for the year		9,103	9,103	–	–
Other comprehensive income					
Net asset revaluation increment/(decrement)		–	–	–	–
- Additional asset recognition		–	–	–	–
Other comprehensive income		–	–	–	–
<b>Total comprehensive income</b>		<b>9,103</b>	<b>9,103</b>	<b>–</b>	<b>–</b>
Transfers to other reserves	9.1	–	(2,308)	–	2,308
<b>Balance at end of the financial year</b>		<b>301,799</b>	<b>126,405</b>	<b>172,086</b>	<b>3,308</b>
<b>2021</b>					
Balance at beginning of the financial year		285,232	112,146	172,086	1,000
Surplus/(deficit) for the year		7,464	7,464	–	–
Other comprehensive income					
Net asset revaluation increment/(decrement)		–	–	–	–
- Additional asset recognition		–	–	–	–
Other comprehensive income		–	–	–	–
<b>Total comprehensive income</b>		<b>7,464</b>	<b>7,464</b>	<b>–</b>	<b>–</b>
Transfers to other reserves	9.1	–	–	–	–
<b>Balance at end of the financial year</b>		<b>292,696</b>	<b>119,610</b>	<b>172,086</b>	<b>1,000</b>

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

## Buloke Shire Council

2021/2022 Financial Report

## Statement of Cash Flows

for the year ended 30 June 2022

		2022	2021
		Inflows/ (Outflows)	Inflows/ (Outflows)
	Notes	\$ '000	\$ '000
<b>Cash flows from operating activities</b>			
Statutory fees and fines		154	339
Other receipts		541	1,436
Rates and charges		14,158	14,084
User fees		823	849
Grants - operating		11,231	12,341
Grants - capital		8,228	16,252
Contributions - monetary		157	108
Interest received		44	32
Trust funds and deposits taken/(repaid)		(66)	157
Net GST refund/(payment)		2,104	387
Employee costs		(10,812)	(11,439)
Materials and services		(8,635)	(7,433)
Other payments		(2,086)	(2,553)
<b>Net cash provided by/(used in) operating activities</b>	9.2	<b>15,841</b>	<b>24,560</b>
<b>Cash flows from investing activities</b>			
Payments for property, infrastructure, plant and equipment	6.2	(13,605)	(12,108)
Proceeds from sale of property, infrastructure, plant and equipment		2	465
Payments for investments		-	(30,023)
Proceeds from sale of investments		13,015	23,011
<b>Net cash provided by/(used in) investing activities</b>		<b>(588)</b>	<b>(18,655)</b>
<b>Cash flows from financing activities</b>			
Interest paid - lease liability		(10)	(19)
Repayment of lease liabilities		(274)	(294)
<b>Net cash flow provided by/(used in) financing activities</b>		<b>(284)</b>	<b>(313)</b>
<b>Net Increase (decrease) in cash and cash equivalents</b>		<b>14,969</b>	<b>5,592</b>
Cash and cash equivalents at the beginning of the financial year		12,133	6,541
<b>Cash and cash equivalents at the end of the financial year</b>		<b>27,102</b>	<b>12,133</b>
Financing arrangements	5.5	150	150
Restrictions on cash assets	5.1	220	358

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

## Buloke Shire Council

2021/2022 Financial Report

## Statement of Capital Works

for the year ended 30 June 2022

	2022 \$ '000	2021 \$ '000
<b>Property</b>		
Land	34	–
Land improvements	3,370	2,202
<b>Total land</b>	<b>3,404</b>	<b>2,202</b>
Buildings	735	3,732
Building improvements	6	–
<b>Total buildings</b>	<b>741</b>	<b>3,732</b>
<b>Total property</b>	<b>4,145</b>	<b>5,934</b>
<b>Plant and equipment</b>		
Plant, machinery and equipment	472	612
Fixtures, fittings and furniture	100	77
Computers and telecommunications	187	59
Library books	–	20
<b>Total plant and equipment</b>	<b>759</b>	<b>768</b>
<b>Infrastructure</b>		
Roads	6,494	3,895
Bridges	8	–
Footpaths and cycleways	82	–
Drainage	641	–
Recreational, leisure and community facilities	1,777	1,511
Waste management	–	–
Parks, open space and streetscapes	304	–
<b>Total infrastructure</b>	<b>9,306</b>	<b>5,406</b>
<b>Total capital works expenditure</b>	<b>14,210</b>	<b>12,108</b>
Represented by:		
New asset expenditure	657	299
Asset renewal expenditure	10,247	9,953
Asset expansion expenditure	–	18
Asset upgrade expenditure	3,306	1,838
<b>Total capital works expenditure</b>	<b>14,210</b>	<b>12,108</b>

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

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 1. Overview

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##### Introduction

The Buloke Shire 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 367 Broadway, Wycheproof, Victoria 3527.

##### Statement of compliance

These financial statements are a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and Notes accompanying these financial statements. The general purpose financial report complies with Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 2020*, and the *Local Government (Planning and Reporting) Regulations 2020*.

The Council is a not-for-profit entity and therefore applies the additional AUS paragraphs applicable to a not-for-profit entity under the Australian Accounting Standards.

##### Significant accounting policies

###### (a) Basis of accounting

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.2.)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.2.).
- the determination of employee provisions (refer to Note 5.4.).
- the determination of landfill provisions (refer to Note 5.4.)
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of *AASB 15 Revenue from Contracts with Customers* or *AASB 1058 Income of Not-for-Profit Entities* (refer to Note 3)
- the determination, in accordance with *AASB 16 Leases*, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value (refer to Note 5.7)
- whether or not *AASB 1059 Service Concession Arrangements: Grantors* is applicable (refer to Note 8.2)
- other areas requiring judgements

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

## Buloke Shire Council

2021/2022 Financial Report

## Notes to the Financial Statements

for the year ended 30 June 2022

## Note 2.1. Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2020* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or \$50,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

These notes are prepared to meet the requirements of the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

	Budget 2022 \$ '000	Actual 2022 \$ '000	Variance \$ '000	Variance %	Ref
<b>2.1.1 Income and expenditure</b>					
Income					
Rates and charges	14,250	14,287	37	0%	
Statutory fees and fines	240	197	(43)	(18)%	1
User fees	760	925	165	22%	2
Grants - operating	9,020	10,889	1,869	21%	3
Grants - capital	14,076	11,320	(2,756)	(20)%	4
Contributions - monetary	276	157	(119)	(43)%	5
Contributions - non monetary	—	—	—	∞	
Net gain on disposal of property, infrastructure, plant and equipment	—	2	2	∞	
Other income	183	600	417	228%	6
Total income	38,805	38,377	(428)	(1)%	
Expenses					
Employee costs	10,763	10,814	(51)	0%	
Materials and services	6,881	8,509	(1,628)	(24)%	7
Depreciation	8,950	9,038	(88)	(1)%	
Amortisation - intangible assets	—	—	—	∞	
Amortisation - right of use assets	404	258	146	36%	8
Bad and doubtful debts	178	(19)	197	111%	9
Borrowing costs	—	—	—	∞	
Finance costs - leases	33	10	23	70%	10
Net loss on disposal of property, infrastructure, plant and equipment	—	—	—	∞	
Other expenses	780	664	116	15%	
Total expenses	27,989	29,274	(1,285)	(5)%	
<b>Surplus/(deficit) for the year</b>	<b>10,816</b>	<b>9,103</b>	<b>(1,713)</b>	<b>(16)%</b>	

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 2.1. Performance against budget

---

(i) Explanation of material variations

Variance	Explanation
----------	-------------

Ref	
-----	--

- |     |  |
|-----|--|
| 1.  | Negative variation in Statutory Fees due to reclassification of Building Surveying Fees to User Fees   |
| 2.  | Postive variation in User Fees due to reclassification of Building Surveying Fees from Statutory Fees and underestimation of Landfill fees in budget.  |
| 3.  | Postive variation in Grants - operating mostly due to early payment of Financial Assistance Grant  |
| 4.  | Negative variation in Grants - capital due to project completion delays  |
| 5.  | Negative variation in Contributions due to capital project contributions delayed in line with project completion   |
| 6.  | Positive variation in Other income due to higher than anticipated reimbursement income, including workcover claims   |
| 7.  | Negative variation in Materials and services includes recognition of Landfills provision raised, higher than anticipated insurance and increased labour hire/contract to cover vacant employee positions |
| 8.  | Postive variation in Amortistaion - right of use assets due to over estimation in budgeting now resovled with introduction of lease register   |
| 9.  | Postive variation in Bad and doubtful debts due to unanticipated property settlements for long term debtors outside of historic trend  |
| 10. | Postive variation in Finance costs - leases due to over estimation in budgeting now resovled with introduction of lease register   |

## Buloke Shire Council

2021/2022 Financial Report

## Notes to the Financial Statements

for the year ended 30 June 2022

## Note 2.1. Performance against budget

	Budget 2022 \$ '000	Actual 2022 \$ '000	Variance \$ '000	Variance %	Ref
<b>2.1.2 Capital works</b>					
Property					
Land	–	34	34	∞	
Land improvements	4,640	3,370	(1,270)	(27)%	1
Total land	4,640	3,404	(1,236)	(27)%	
Buildings	1,234	735	(499)	(40)%	2
Building improvements	60	6	(54)	(90)%	3
Total buildings	1,294	741	(553)	(43)%	
Total property	5,934	4,145	(1,789)	(30)%	
Plant and equipment					
Plant, machinery and equipment	826	472	(354)	(43)%	4
Fixtures, fittings and furniture	110	100	(10)	(9)%	
Computers and telecommunications	320	187	(133)	(42)%	5
Library books	–	–	–	∞	
Total plant and equipment	1,256	759	(497)	(40)%	
Infrastructure					
Roads	7,437	6,494	(943)	(13)%	6
Bridges	141	8	(133)	(94)%	7
Footpaths and cycleways	163	82	(81)	(50)%	8
Drainage	40	641	601	1,503%	9
Recreational, leisure and community facilities	2,192	1,777	(415)	(19)%	10
Waste management	60	–	(60)	(100)%	11
Parks, open space and streetscapes	2,826	304	(2,522)	(89)%	12
Total infrastructure	12,859	9,306	(3,553)	(28)%	
<b>Total capital works expenditure</b>	<b>20,049</b>	<b>14,210</b>	<b>(5,839)</b>	<b>(29)%</b>	
Represented by:					
New asset expenditure	3,256	657	(2,599)	(80)%	
Asset renewal expenditure	11,238	10,247	(991)	(9)%	
Asset expansion expenditure	–	–	–	∞	
Asset upgrade expenditure	5,555	3,306	(2,249)	(40)%	
Total capital works expenditure	20,049	14,210	(5,839)	(29)%	

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 2.1. Performance against budget

---

(i) Explanation of material variations

Variance	Explanation
----------	-------------

Ref	
-----	--

- |     |  |
|-----|--|
| 1.  | Positive variance due to delays with Streetscape projects  |
| 2.  | Positive variance due to delays with Donald Lake Cabin project   |
| 3.  | Positive variance due to postponing of Workshop upgrade works  |
| 4.  | Positive variance due to delivery delay on major plant item due to Covid 19 supply issues                |
| 5.  | Positive variance due to delivery delay on items ordered due to Covid 19 supply issues                   |
| 6.  | Positive variance due to weather delay on major rehabilitation projects                                  |
| 7.  | Positive variance due to delay with Scilly's Bridge project specification and engineering design changes |
| 8.  | Positive variance due to deferral of projects to 2022-2023   |
| 9.  | Negative variance due to project carry over from 2020-2021   |
| 10. | Positive variance due to delivery delay on items ordered due to Covid 19 supply issues                   |
| 11. | Positive variance due to funding redirected to additional Roads renewal expenditure                      |
| 12. | Positive variance due to deferral of Playspaces project to 2022-2023                                     |



## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 2.2. Analysis of Council results by program

##### 2.2.1 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

###### 1. Our Built and Natural Environment

- 1.1 Work Towards Sustainability
- 1.2 Suitable Housing Options
- 1.3 An Attractive and Well Maintained Buloke
- 1.4 A Safe and Active Buloke

###### 2. Our Community Wellbeing

- 2.1 Partnerships to Outcomes
- 2.2 Inclusiveness Plan in Action
- 2.3 Well Supported Community
- 2.4 Increased Community Wellbeing

###### 3. Our Economy

- 3.1 Tourism
- 3.2 Attraction and Promotion of Local Business
- 3.3 Employment Opportunities
- 3.4 Digital Connections

###### 4. Our Council and Community Leadership

- 4.1 Active Leaders and Volunteers
- 4.2 Community Engagement
- 4.3 Continuous Service Improvement for Efficient and Flexible Services
- 4.4 A Well Governed and Healthy Organisation

##### 2.2.2 Summary of income, expenses, assets and capital expenses by program

Functions/activities	Income \$ '000	Expenses \$ '000	Surplus / (Deficit) \$ '000	Grants included in income \$ '000	Total assets \$ '000
<b>2022</b>					
Our Built and Natural Environment	17,028	21,130	(4,102)	13,163	277,975
Our Community Wellbeing	2,602	3,481	(879)	1,742	–
Our Economy	156	389	(233)	62	–
Our Council and Community Leadership	5,774	4,274	1,500	5,642	36,932
Unattributed	12,817	–	12,817	1,600	75
Total functions and activities	38,377	29,274	9,103	22,209	314,982
<b>2021</b>					
Our Built and Natural Environment	17,571	21,385	(3,814)	15,614	273,634
Our Community Wellbeing	1,807	2,362	(555)	1,288	–
Our Economy	1,908	3,102	(1,194)	1,386	–
Our Council and Community Leadership	4,510	4,111	399	4,132	32,488
Unattributed	12,628	–	12,628	–	4
Total functions and activities	38,424	30,960	7,464	22,541	306,126

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 3. Funding for the delivery of our services

	2022	2021
	\$ '000	\$ '000

##### 3.1 Rates and charges

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

The valuation base used to calculate general rates for 2021/22 was \$2.095 billion (2020/21 \$1.795 billion). The 2021/22 rate in the CIV dollar was a General Rate of 0.7399 cents (2020/21, 0.7650 cents) and a Farm Rate of 0.5179 cents (2020/21, 0.6120 cents).

Municipal charge	750	751
Waste management charge	3	–
Supplementary rates and rate adjustments	45	–
Interest on rates and charges	77	108
Rates - Residential	2,605	2,561
Rates - Commercial	601	611
Rates - Rural	8,607	8,456
Windfarm electricity generation charge	131	141
Garbage Charges	1,468	1,463
<b>Total rates and charges</b>	<b>14,287</b>	<b>14,091</b>

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2020, and the valuation will be first applied in the rating year commencing 1st July 2020.

Annual rates and charges are recognised as revenues when Council issues annual rates notices. Supplementary rates are recognised when a valuation and reassessment is completed and a supplementary rates notice issued.

##### 3.2 Statutory fees and fines

Compliance	88	103
Planning Permits & Certificates	63	79
Revenue Collection	15	10
Building Regulations and Inspections	31	147
<b>Total statutory fees and fines</b>	<b>197</b>	<b>339</b>

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

##### 3.3 User fees

Pound fees and animal registrations	59	86
Home and Community Care	177	206
Brokered Programs Charges	268	253
Public Health and Wellbeing Charges	36	14
Building Services charges	90	17
Caravan Parks & Halls	11	4
Waste and Environment	181	182
Saleyards / Truck Wash	75	83
Other	28	4
<b>Total user fees</b>	<b>925</b>	<b>849</b>

User fees are recognised as revenue when the service has been provided or council has otherwise earned the income.

## Buloke Shire Council

2021/2022 Financial Report

## Notes to the Financial Statements

for the year ended 30 June 2022

## Note 3. Funding for the delivery of our services

	2022	2021
	\$ '000	\$ '000

## 3.4 Funding from other levels of government

Grants were received in respect of the following:

Summary of grants		
Commonwealth funded grants	16,833	11,204
State funded grants	5,376	11,337
<b>Total grants received</b>	<b>22,209</b>	<b>22,541</b>

## (a) Operating Grants

<i>Recurrent - Commonwealth Government</i>		
Financial Assistance Grants - general purpose	9,080	6,724
General home care	522	507
<i>Recurrent - State Government</i>		
Libraries	159	125
Maternal and child health	329	314
General home care	206	153
Other	198	160
Total recurrent operating grants	10,494	7,983
<i>Non-recurrent - Commonwealth Government</i>		
Other	—	21
<i>Non-recurrent - State Government</i>		
Natural disaster -flood damage	—	1,195
Working for Victoria	—	1,374
Other	395	361
Total non-recurrent operating grants	395	2,951
<b>Total operating grants</b>	<b>10,889</b>	<b>10,934</b>

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 3. Funding for the delivery of our services

	2022 \$ '000	2021 \$ '000
<b>(b) Capital Grants</b>		
<i>Recurrent - Commonwealth Government</i>		
Roads to recovery	1,607	2,400
Total recurrent capital grants	1,607	2,400
<i>Non-recurrent - Commonwealth Government</i>		
Regional Growth Fund/Local Roads and Community Infrastructure	2,628	1,552
Other - Roads Infrastructure	2,996	-
<i>Non-recurrent - State Government</i>		
Recreation	128	455
Road rehabilitation	350	-
Parks, Open space & Streetscapes	2,884	5,852
Other	727	1,348
Total non-recurrent capital grants	9,713	9,207
<b>Total capital grants</b>	<b>11,320</b>	<b>11,607</b>
<b>(c) Unspent grants received on condition that they be spent in a specific manner:</b>		
<i>Operating</i>		
Balance at start of year	1,590	183
Received during the financial year and remained unspent at balance date	342	1,407
<b>Balance at year end</b>	<b>1,932</b>	<b>1,590</b>
<i>Capital</i>		
Balance at start of year	5,749	1,104
Received during the financial year and remained unspent at balance date	731	5,393
Received in prior years and spent during the financial year	-	(748)
<b>Balance at year end</b>	<b>6,480</b>	<b>5,749</b>

#### 3.5 Contributions

<i>Monetary contributions</i>		
Revenue Collection Contributions	114	58
Capital Works Contributions	43	50
<b>Total monetary contributions</b>	<b>157</b>	<b>108</b>
<b>Total contributions</b>	<b>157</b>	<b>108</b>

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

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 3. Funding for the delivery of our services

	2022	2021
	\$ '000	\$ '000

#### 3.6 Net gain/(loss) on disposal of property, infrastructure, plant and equipment

Land and buildings		
Proceeds of sale	–	–
Written down value of assets disposed	–	(241)
Total net gain/(loss) on disposal of land and buildings	–	(241)
Plant and equipment		
Proceeds of sale	2	465
Written down value of assets disposed	–	(313)
Total net gain/(loss) on disposal of plant and equipment	2	152
<b>Total net gain/(loss) on disposal of property, infrastructure, plant and equipment</b>	<b>2</b>	<b>(89)</b>

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

#### 3.7 Other income

Interest	44	32
Rent Council properties	17	6
Reimbursements	222	236
Fuel tax credits	101	97
Other	216	213
<b>Total other income</b>	<b>600</b>	<b>584</b>

Interest is recognised as it is earned.

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

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 4. The cost of delivering services

	2022	2021
	\$ '000	\$ '000

#### 4.1 Employee costs

##### (a) Employee costs

Wages and salaries	9,628	10,443
Superannuation	950	972
Fringe benefits tax	40	-
Allowances	21	29
Worksafe	172	200
Other	3	5
<b>Total employee costs</b>	<b>10,814</b>	<b>11,649</b>

##### (b) Superannuation

Council made contributions to the following funds:

Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	13	26
	<u>13</u>	<u>26</u>
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	473	398
Employer contributions - other funds	464	548
Employer contributions - other funds prior financial year	-	-
	<u>937</u>	<u>946</u>
Employer contributions payable at reporting date	-	-
<b>Total superannuation costs</b>	<b>950</b>	<b>972</b>

Refer to Note 9.3. for further information relating to Council's superannuation obligations.

#### 4.2 Materials and services

Utilities	515	569
Information technology	531	354
Insurance	535	391
Consultants	452	410
Advertising	81	70
Garbage	243	221
Operational Contracts and Services	3,066	3,332
Operational Materials	950	1,255
Promotion/Public Education	4	1
Subscriptions/Memberships/Publications	91	72
Telephone	94	99
Vehicle and Plant Costs	1,440	966
Other	507	644
<b>Total materials and services</b>	<b>8,509</b>	<b>8,384</b>

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 4. The cost of delivering services

	2022 \$ '000	2021 \$ '000
<b>4.3 Depreciation</b>		
Property		
Buildings - non specialised	2,128	2,031
Leasehold improvements	27	12
Total depreciation - property	2,155	2,043
Plant and equipment		
Plant machinery and equipment	811	780
Fixtures fittings and furniture	64	51
Computers and telecomms	219	242
Library books	-	16
Total depreciation - plant and equipment	1,094	1,089
Infrastructure		
Roads	5,275	5,108
Bridges	102	102
Footpaths and cycleways	163	161
Drainage	71	66
Kerb & Channel	163	163
Landfill sites	5	5
Other infrastructure	10	10
Total depreciation - infrastructure	5,789	5,615
<b>Total depreciation</b>	<b>9,038</b>	<b>8,747</b>

Refer to note 5.7 and 6.2 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.

#### 4.4 Amortisation - Right of use assets

Vehicles	258	296
<b>Total Amortisation - Right of use assets</b>	<b>258</b>	<b>296</b>

#### 4.5 Bad and doubtful debts

Rates debtors	(43)	129
Other debtors	24	27
<b>Total bad and doubtful debts</b>	<b>(19)</b>	<b>156</b>
Movement in provisions for doubtful debts		
Balance at the beginning of the year	565	676
New provisions recognised during the year	(19)	136
Amounts already provided for and written off as uncollectable	(15)	(247)
<b>Balance at end of year</b>	<b>531</b>	<b>565</b>

Provision for doubtful debt is recognised based on an expected credit loss model.

Bad debts are written off when identified. This model considers both historic and forward looking information in determining the level of impairment.

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 4. The cost of delivering services

##### 4.6 Finance Costs - Leases

Interest - Lease Liabilities

**Total finance costs**

10	19
10	19

##### 4.7 Other expenses

Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals

Auditors' remuneration - Internal Audit

Councillors' allowances

Council Contributions and Donations

Council meeting expenses

Election expenses

Others

**Total other expenses**

50	42
12	32
202	177
374	1,435
15	6
-	1
11	15
664	1,708



## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 5. Our financial position

	Note	2022 \$ '000	2021 \$ '000
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#### 5.1 Financial assets

##### (a) Cash and cash equivalents

Current			
Cash at bank		27,102	12,133
<b>Total current cash and cash equivalents</b>		<b>27,102</b>	<b>12,133</b>

##### (b) Other financial assets

Current			
Term deposits - current		5,000	18,015
<b>Total current other financial assets</b>		<b>5,000</b>	<b>18,015</b>

<b>Total financial assets</b>		<b>32,102</b>	<b>30,148</b>
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External restrictions

Councils cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:

Trust funds and deposits	5.3	220	358
<b>Total restricted funds</b>		<b>220</b>	<b>358</b>

<b>Total unrestricted cash and cash equivalents</b>		<b>26,882</b>	<b>11,775</b>
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Intended allocations

Although not externally restricted the following amounts have been allocated for specific future purposes by Council:

Cash held to fund carried forward capital works	5.3	4,881	5,749
Cash held for carried forward service delivery	5.3	1,932	1,590
Cash held for General reserves	9.1(b)	2,709	—
<b>Total funds subject to intended allocations</b>		<b>9,522</b>	<b>7,339</b>

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.

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

Other financial assets include term deposits and those with original maturity dates of three to 12 months are classified as current, whilst term deposits with maturity dates greater than 12 months are classified as non-current.

##### (c) Trade & Other Receivables

Current			
<i>Statutory receivables</i>			
Rates debtors		1,433	1,304
Infringement debtors		209	166
GST receivable		407	565
<i>Non-statutory receivables</i>			
Grant debtors		2,430	206
Other debtors		346	244

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 5. Our financial position

	2022 \$ '000	2021 \$ '000
<i>Provisions for doubtful debts</i>		
Provision for doubtful debts - infringements	(133)	(109)
Provision for doubtful debts - rates debtors	(398)	(456)
<b>Total current trade and other receivables</b>	<b>4,294</b>	<b>1,920</b>
<b>Total trade and other receivables</b>	<b>4,294</b>	<b>1,920</b>

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

#### (d) Ageing of receivables

The ageing of the Council's trade & other receivables (excluding statutory receivables) that are not impaired was:

Current (not yet due)	123	205
Past due by up to 30 days	4	5
Past due between 31 and 180 days	4	5
Past due between 181 and 365 days	215	235
<b>Total trade and other receivables</b>	<b>346</b>	<b>450</b>

### 5.2 Non-financial assets

#### (a) Inventories

Inventories held for distribution	139	132
<b>Total inventories</b>	<b>139</b>	<b>132</b>

Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential. All other inventories, including land held for sale, are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

#### (b) Other assets

Current		
Prepayments	252	268
Other	8	5
<b>Total current other assets</b>	<b>260</b>	<b>273</b>

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 5. Our financial position

	2022	2021
	\$ '000	\$ '000

#### 5.3 Payables, trust funds and deposits and unearned income/revenue

##### (a) Trade and other payables

*Non-statutory payables*

*Statutory payables*

Trade payables	1,594	1,733
Accrued expenses	459	352
Other	4	—
<b>Total current trade and other payables</b>	<b>2,057</b>	<b>2,085</b>

##### (b) Trust funds and deposits

Fire services levy	—	1
Other refundable deposits	207	241
Funds held on behalf of community groups and third parties	13	40
Overpaid rates and charges	74	78
<b>Total current trust funds and deposits</b>	<b>294</b>	<b>360</b>

##### (c) Unearned income/revenue

Grants received in advance:

Grants received in advance - operating	1,932	1,590
Grants received in advance - capital	4,881	5,749
<b>Total unearned income/revenue</b>	<b>6,813</b>	<b>7,339</b>

Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited. Trust funds that are forfeited, resulting in council gaining control of the funds, are to be recognised as revenue at the time of forfeit.

##### Purpose and nature of items

Funds held on behalf of community groups and third parties - Amounts received as trust deposits to be expended in a specified manner that had not occurred at balance date.

Overpaid rates and charges - This amount represents the amount of rate payments made by rate payers in advance at 30 June 2022.

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

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

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 5. Our financial position

	Employee provisions \$ '000	Landfill restoration \$ '000	Gravel pit restoration \$ '000	Total \$ '000
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#### 5.4 Provisions

##### 2022

Balance at the beginning of the financial year	2,698	185	555	3,438
Additional provisions	872	1,011	–	1,883
Amounts used	(1,140)	(185)	(138)	(1,463)
Balance at the end of the financial year	2,430	1,011	417	3,858

##### 2021

Balance at the beginning of the financial year	2,877	277	459	3,613
Additional provisions	775	(92)	96	779
Amounts used	(956)	–	–	(956)
Balance at the end of the financial year	2,696	185	555	3,436

Disclosure

	2022 \$ '000	2021 \$ '000
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#### (a) Employee provisions

Current provisions expected to be wholly settled within 12 months

Annual leave	793	792
Long service leave	185	194
Accrued Days Off	25	26
	1,003	1,012

Current provisions expected to be wholly settled after 12 months

Long service leave	836	1,149
	836	1,149

Total current employee provisions	1,839	2,161
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Non-Current

Long service leave	201	191
Redundancy	388	344
Total Non-Current Employee Provisions	589	535

Aggregate Carrying Amount of Employee Provisions:

Current	1,839	2,161
Non-current	589	535
Total Aggregate Carrying Amount of Employee Provisions	2,428	2,696

## Buloke Shire Council

2021/2022 Financial Report

## Notes to the Financial Statements

for the year ended 30 June 2022

## Note 5. Our financial position

	2022 \$ '000	2021 \$ '000
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The calculation of employee costs and benefits includes all relevant on-costs and are calculated as follows at reporting date.

*Annual leave*

A liability for annual leave is recognised in the provision for employee benefits as a current liability because the Council does not have an unconditional right to defer settlement of the liability. Liabilities for annual leave are measured at:

- nominal value if the Council expects to wholly settle the liability within 12 months
- present value if the Council does not expect to wholly settle within 12 months.

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

*Long service leave*

Liability for long service leave (LSL) is recognised in the provision for employee benefits. Unconditional LSL is disclosed as a current liability as the Council does not have an unconditional right to defer settlement. Unconditional LSL is measured at nominal value if expected to be settled within 12 months or at present value if not expected to be settled within 12 months. Conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non-current liability and measured at present value.

## Key assumptions:

- discount rate	3.69%	1.49%
- wage inflation rate	3.85%	2.95%

*Redundancy*

Council has acknowledged the potential impact on services provided in aged care following the introduction of the National Disabilities Insurance Scheme (NDIS) and the Commonwealth Government's announcement of ceasing the current funding model for over 65's in 2023. Provision has been updated based on employees in this service area as at 30 June 2022. Actual redundancies incurred may be less than the provision if employees terminate their employment prior.

## Key assumptions:

- discount rate	3.69%	1.49%
- inflation rate	3.85%	2.95%

**(b) Landfill restoration**

Current		
Current	1,012	15
<b>Total current</b>	<b>1,012</b>	<b>15</b>
Non-current		
Non-current	–	170
<b>Total non-current</b>	<b>–</b>	<b>170</b>

## Key assumptions:

- discount rate	0.00%	1.49%
- inflation rate	0.00%	3.80%

## Buloke Shire Council

2021/2022 Financial Report

## Notes to the Financial Statements

for the year ended 30 June 2022

## Note 5. Our financial position

	2022 \$ '000	2021 \$ '000
<b>(c) Gravel pit restoration</b>		
Current	50	50
	50	50
Non-current	368	505
	368	505
Key assumptions:		
- discount rate	3.69%	1.49%
- inflation rate	3.85%	3.80%

Under provisions of the *Mineral Resources (Sustainable Development) Act* (1990), Council is obliged to restore gravel pits currently operated under Work Authority Permits. The forecast life of gravel pits is based on current estimates of remaining suitable gravel availability and unrestored areas of individual sites. The provision for pit restoration has been calculated based on the present value of the expected cost of works to be undertaken.

## 5.5 Financing arrangements

The Council has the following funding arrangements in place as at 30 June 2022.

Treasury Corporation of Victoria facilities	—	—
Other facilities - Bank Guarantee	150	150
Total Facilities	150	150
Used facilities	130	130
Used facilities	130	130
Unused facilities	20	20

Council has no overdraft facility at 30 June 2022.

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 5. Our financial position

	Not later than 1 year \$ '000	Later than 1 year and not later than 2 years \$ '000	Later than 2 years and not later than 5 years \$ '000	Later than 5 years \$ '000	Total \$ '000
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#### 5.6 Commitments

The Council has entered into the following commitments. Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value and presented inclusive of the GST payable.

##### 2022

Operating					
Recycling/Garage Collection	645	645	1,935	1,290	4,515
IT systems and technology	175	–	–	–	175
Building Surveying	202	202	–	–	404
Asset valuation	–	–	–	–	–
Total	1,022	847	1,935	1,290	5,094
Capital					
Roads	1,227	–	–	–	1,227
Other	4,744	–	–	–	4,744
Total	5,971	–	–	–	5,971

##### 2021

Operating					
Recycling/Garage Collection	498	–	–	–	498
IT systems and technology	86	8	15	4	113
Office equipment	42	–	–	–	42
Building Surveying	181	–	–	–	181
Asset valuation	43	–	–	–	43
Public lighting	33	–	–	–	33
Fuel cards	505	–	–	–	505
Total	1,388	8	15	4	1,415
Capital					
Buildings	1,412	–	–	–	1,412
Roads	1,830	–	–	–	1,830
Other	1,445	–	–	–	1,445
Total	4,687	–	–	–	4,687

#### 5.7 Leases

At inception of a contract, all entities would assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To identify whether a contract conveys the right to control the use of an identified asset, it is necessary to assess whether:

- The contract involves the use of an identified asset;
- The customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The customer has the right to direct the use of the asset.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.



## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 5. Our financial position

As a lessee, Council recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date less any lease incentives received; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, an appropriate incremental borrowing rate. Generally, Council uses an appropriate incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that Council is reasonably certain to exercise, lease payments in an optional renewal period if Council is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless Council is reasonably certain not to terminate early.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Council has elected to apply the temporary option available under AASB 16 Leases which allows not-for-profit entities to not measure right-of-use assets at initial recognition at fair value in respect of leases that have significantly below-market terms.

#### (a) Right-of-Use Assets

	Vehicles \$ '000	Total \$ '000
<b>2022</b>		
Balance at 1 July	185	185
Additions	228	228
Amortisation charge	(261)	(261)
<b>Balance at 30 June</b>	<b>152</b>	<b>152</b>
<b>2021</b>		
Balance at 1 July	394	394
Additions	87	87
Amortisation charge	(296)	(296)
<b>Balance at 30 June</b>	<b>185</b>	<b>185</b>



## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 5. Our financial position

	2022 \$ '000	2021 \$ '000
<b>(b) Lease Liabilities</b>		
Maturity analysis - contractual undiscounted cash flows		
Less than one year	97	154
One to five years	75	65
Total undiscounted lease liabilities as at 30 June:	172	219
Lease liabilities included in the Balance Sheet at 30 June:		
Current	91	152
Non-current	70	58
<b>Total lease liabilities</b>	<b>161</b>	<b>210</b>

#### Note 6. Assets we manage

##### 6.1 Current assets classified as "held for sale"

Current		
Fair value of assets	60	20
<b>Total non current assets classified as held for sale</b>	<b>60</b>	<b>20</b>

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 6. Assets we manage

##### 6.2 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment	Carrying amount 30 June 2021 \$ '000	Additions \$ '000	Contributions \$ '000	Revaluation \$ '000	Depreciation \$ '000	Disposal \$ '000	Write-off \$ '000	Transfers \$ '000	Carrying amount 30 June 2022 \$ '000
Property	83,159	7	–	–	(2,155)	–	–	1,661	82,672
Plant and equipment	3,972	1,026	–	–	(1,094)	–	–	–	3,904
Infrastructure	180,426	4	–	–	(5,789)	–	–	11,753	186,394
Work in progress	5,891	13,173	–	–	–	–	(647)	(13,412)	5,005
<b>Total</b>	<b>273,448</b>	<b>14,210</b>	<b>–</b>	<b>–</b>	<b>(9,038)</b>	<b>–</b>	<b>(647)</b>	<b>2</b>	<b>277,975</b>

Summary of Work in Progress	Opening WIP \$ '000	Additions \$ '000	Write-off \$ '000	Transfers \$ '000	Closing WIP \$ '000
Property	1,476	1,380	–	(1,659)	1,197
Infrastructure	4,415	11,793	(647)	(11,753)	3,808
<b>Total</b>	<b>5,891</b>	<b>13,173</b>	<b>(647)</b>	<b>(13,412)</b>	<b>5,005</b>

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 6. Assets we manage

	Land specialised \$ '000	Land non specialised \$ '000	Land improve- ments \$ '000	Land under roads \$ '000	Total land and land improve- ments \$ '000	Buildings non specialised \$ '000	Leasehold improvements \$ '000	Total buildings \$ '000	Work in progress \$ '000	Total property \$ '000
<b>Property</b>										
At fair value 1 July 2021	4,189	74	1,018	22,312	27,593	113,442	534	113,976	1,476	143,045
Accumulated depreciation at 1 July 2021	—	—	—	—	—	(58,398)	(12)	(58,410)	—	(58,410)
<b>Carrying amount - 1 July 2021</b>	<b>4,189</b>	<b>74</b>	<b>1,018</b>	<b>22,312</b>	<b>27,593</b>	<b>55,044</b>	<b>522</b>	<b>55,566</b>	<b>1,476</b>	<b>84,635</b>
Movements in fair value										
Additions	7	—	—	—	7	—	—	—	1,380	1,387
Revaluation	—	—	—	—	—	—	—	—	—	—
Disposal	—	—	—	—	—	—	—	—	—	—
Write-off	—	—	—	—	—	—	—	—	—	—
Transfers	—	—	157	—	157	1,504	—	1,504	(1,659)	2
Transfer land held for resale	—	—	—	—	—	—	—	—	—	—
<b>Total movements in fair value</b>	<b>7</b>	<b>—</b>	<b>157</b>	<b>—</b>	<b>164</b>	<b>1,504</b>	<b>—</b>	<b>1,504</b>	<b>(279)</b>	<b>1,389</b>
Movements in accumulated depreciation										
Depreciation and amortisation	—	—	—	—	—	(2,128)	(27)	(2,155)	—	(2,155)
Transfers	—	—	—	—	—	—	—	—	—	—
<b>Total movements in accumulated depreciation</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(2,128)</b>	<b>(27)</b>	<b>(2,155)</b>	<b>—</b>	<b>(2,155)</b>
At fair value 30 June 2022	4,194	74	1,176	22,312	27,756	114,945	534	115,479	1,196	144,431
Accumulated depreciation at 30 June 2022	—	—	—	—	—	(60,526)	(38)	(60,564)	—	(60,564)
<b>Carrying amount - 30 June 2022</b>	<b>4,194</b>	<b>74</b>	<b>1,176</b>	<b>22,312</b>	<b>27,756</b>	<b>54,419</b>	<b>496</b>	<b>54,915</b>	<b>1,196</b>	<b>83,867</b>

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 6. Assets we manage

	Plant machinery and equipment \$ '000	Fixtures fittings and furniture \$ '000	Computers and telecomms \$ '000	Library books \$ '000	Total plant and equipment \$ '000
<b>Plant and Equipment</b>					
At fair value 1 July 2021	10,263	515	1,995	387	13,160
Accumulated depreciation at 1 July 2021	(6,932)	(467)	(1,675)	(114)	(9,188)
<b>Carrying amount - 1 July 2021</b>	<b>3,331</b>	<b>48</b>	<b>320</b>	<b>273</b>	<b>3,972</b>
Movements in fair value					
Additions	819	70	126	11	1,026
Revaluation	-	-	-	-	-
Disposal	-	-	-	-	-
Transfers	-	-	-	-	-
<b>Total movements in fair value</b>	<b>819</b>	<b>70</b>	<b>126</b>	<b>11</b>	<b>1,026</b>
Movements in accumulated depreciation					
Depreciation and amortisation	(806)	(64)	(219)	(5)	(1,094)
Accumulated depreciation of disposals	-	-	-	-	-
Write-off	-	-	-	-	-
<b>Total movements in accumulated depreciation</b>	<b>(806)</b>	<b>(64)</b>	<b>(219)</b>	<b>(5)</b>	<b>(1,094)</b>
At fair value 30 June 2022	11,082	587	2,122	397	14,188
Accumulated depreciation at 30 June 2022	(7,739)	(531)	(1,895)	(118)	(10,283)
<b>Carrying amount - 30 June 2022</b>	<b>3,343</b>	<b>56</b>	<b>227</b>	<b>279</b>	<b>3,905</b>

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 6. Assets we manage

	Roads \$ '000	Bridges \$ '000	Footpaths and cycleways \$ '000	Drainage \$ '000	Landfill sites \$ '000	Kerb & Channel \$ '000	Other infrastructure \$ '000	Work in progress \$ '000	Total infrastructure \$ '000
<b>Infrastructure</b>									
At fair value 1 July 2021	332,056	10,925	9,783	8,230	733	16,325	471	4,415	382,938
Accumulated depreciation at 1 July 2021	(174,194)	(4,613)	(4,749)	(4,520)	(716)	(8,859)	(446)	–	(198,097)
<b>Carrying amount - 1 July 2021</b>	157,862	6,312	5,034	3,710	17	7,466	25	4,415	184,841
Movements in fair value									
Additions	4	–	–	–	–	–	–	11,793	11,797
Disposal	–	–	–	–	–	–	–	–	–
Transfers	9,974	–	255	1,524	–	–	–	(11,753)	–
Impairment losses recognised in operating result	–	–	–	–	–	–	–	–	–
<b>Total movements in fair value</b>	9,978	–	255	1,524	–	–	–	40	11,797
Movements in accumulated depreciation									
Depreciation and amortisation	(5,275)	(102)	(163)	(71)	(5)	(163)	(10)	–	(5,789)
Transfers	–	–	–	–	–	–	–	–	–
Write-off	–	–	–	–	–	–	–	647	647
<b>Total movements in accumulated depreciation</b>	(5,275)	(102)	(163)	(71)	(5)	(163)	(10)	647	(5,142)
At fair value 30 June 2022	342,030	10,925	10,039	9,756	733	16,325	471	3,810	394,089
Accumulated depreciation at 30 June 2022	(179,469)	(4,714)	(4,913)	(4,592)	(721)	(9,023)	(454)	–	(203,886)
<b>Carrying amount - 30 June 2022</b>	162,561	6,211	5,126	5,164	12	7,302	17	3,810	190,203

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 6. Assets we manage

##### *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 price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date.

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

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

##### Asset recognition thresholds and depreciation periods

	Depreciation Period years	Threshold Limit \$ '000
Buildings		
buildings	30 - 50 years	–
Plant and Equipment		
plant, machinery and equipment	3 - 13 years	5
fixtures, fittings and furniture	4 - 13 years	5
computers and telecommunications equipment	3 - 6 years	5
Infrastructure		
road formation	95 - 105 years	–
sealed road pavements	60 - 90 years	–
unsealed road pavements	15 - 25 years	–
sealed road surfaces	15 - 25 years	–
bridges	80 - 120 years	–
footpaths and cycleways	20 - 70 years	–
drainage	100 years	–
recreational, leisure and community facilities	10 - 50 years	–
waste management	10 - 50 years	–
parks, open space and streetscapes	10 - 50 years	–

##### *Land under roads*

Council recognises land under roads it controls at fair value.

##### *Depreciation and amortisation*

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

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

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

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

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

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 6. Assets we manage

##### *Repairs and maintenance*

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.

##### *Valuation of land and buildings*

Valuation of land and buildings was undertaken by a qualified independent valuer Ben Sawyer, Certified Practising Valuer AAPI Reg. 63163, Director, Preston Rowe Paterson Horsham and Wimmera Pty Ltd in June 2020. The valuation of land and buildings as at 30 June 2020 has been assessed at fair value using the 2020 valuations for existing assets and recognising additions post the revaluation at cost. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

Specialised land is valued at fair value using site values adjusted for englobo (undeveloped and/or 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.

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2022 are as follows:

	Level 1 2022 \$ '000	Level 2 2022 \$ '000	Level 3 2022 \$ '000	Date of valuation
Land - Non specialised	–	74	–	30/06/20
Land - Specialised	–	–	4,195	30/06/20
Land under roads	–	–	22,312	30/06/18
Land improvements	–	–	1,176	30/06/21
Buildings - Non Specialised	–	–	54,915	30/06/20
Total	–	74	82,598	

##### *Valuation of Infrastructure*

Valuation of the road infrastructure has been determined in accordance with valuation undertaken by independent valuer, Peter Moloney, MIE (Aust) Member Institute of Engineers, Dip Civil Engineering (FIT) and Council's Senior Asset Engineer, Naga Sundararajah, FIE (Aust) Fellow Member Institute of Engineers, B Sc (Hons) in Civil Engineering (UK) and M. Engineering in Construction Management (SL).

A valuation of Council's bridge assets was performed by Mr Peter Moloney, Dip Civil Engineering (FIT), Member Institute of Engineers (Aust) MIE.

Valuation of drains has been determined in accordance with a valuation undertaken by independent valuer, Peter Moloney, MIE (Aust) Member Institute of Engineers, Dip Civil Engineering (FIT).

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

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 6. Assets we manage

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2022 are as follows:

	Level 1 2022 \$ '000	Level 2 2022 \$ '000	Level 3 2022 \$ '000	Date of valuation
Roads	—	—	162,561	30/06/19
Bridges	—	—	6,211	30/06/19
Footpaths and cycleways	—	—	5,126	30/06/19
Drainage	—	—	5,164	30/06/19
Landfill sites	—	—	12	30/06/15
Kerb & Channel	—	—	7,302	30/6/2019
Other Infrastructure	—	—	17	30/6/2019
Total	—	—	186,393	

#### Description of significant unobservable inputs into level 3 valuations

**Specialised land and land under roads** is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values of 90%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$1.40 and \$1.50 per square metre.

**Infrastructure assets** are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 10 years to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

#### Reconciliation of specialised land

	2022 \$ '000	2021 \$ '000
Land under roads	22,312	22,312
Community facilities	4,195	4,189
Total specialised land	26,507	26,501

#### (c) Community Asset Committee

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



## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 7. People and relationships

##### 7.1 Council and key management remuneration

###### (a) Related Parties

###### Parent entity

Council is the parent entity.

###### (b) Key Management Personnel \*

Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are:

###### Councillors

Councillor David Pollard  
Councillor Graeme Milne  
Councillor Carolyn Stewart  
Councillor David Vis  
Councillor Daryl Warren, Mayor  
Councillor Bronwyn Simpson  
Councillor Alan Getley

###### Key management personnel

Anthony Judd - Chief Executive Officer (1 July 2021 - 1 October 2021)  
Wayne O'Toole - Acting Chief Executive Officer (2 October 2021 - 12 December 2021)  
Hannah Yu - Acting Chief Executive Officer (13 December 2021 - 23 January 2022)  
Wayne O'Toole - Chief Executive Officer (appointed 24 January 2022)  
Hannah Yu - Director Corporate Services (1 July 2021 - 12 December 2021)  
Aileen Douglas - Director Corporate Services (13 December 2021 - 19 December 2021 & 31 January 2022 to 14 March 2022)  
Zoe Watts - Director Corporate Services (20 December 2021 - 30 January 2022)  
Position Vacant - Director Corporate Services (from 15 March 2022)  
Rosemary Harris - Director Community Development (1 July 2021 - 17 September 2021)  
Travis Fitzgibbon - Director Community Development (appointed 18 September 2021)  
Wayne O'Toole - Director Works and Technical Services (1 July 2021 - 1 October 2021)  
Amber Ricks - Acting Director Works and Technical Services (2 October 2021 - 21 November 2021)  
Aileen Douglas - Acting Director Works and Technical Services (22 November 2021 - 12 December 2021)  
Wayne O'Toole - Director Works and Technical Services (13 December 2021 - 23 January 2022)  
Hannah Yu - Acting Director Works and Technical Services (from 24 January 2022)

	2022 No.	2021 No.
<b>Total Number of Councillors</b>	7	8
<b>Total of Chief Executive Officer and other Key Management Personnel</b>	8	4
<b>Total Number of Key Management Personnel</b>	15	12

(\*) Due to vacancy in the CEO role between 2 October 2021 and 24 January 2022, Acting CEO and Director positions were in place during the financial year. Only the portion of the salary during the Acting Director period is included in the above.

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 7. People and relationships

	2022	2021
	\$ '000	\$ '000

##### (c) Remuneration of Key Management Personnel

Total remuneration of key management personnel was as follows:

Short-term benefits	804	793
Long-term benefits	13	14
Post employment benefits	72	72
Total	889	879

	2022	2021
	No.	No.

The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:

\$1 - \$9,999	2	1
\$10,000 - \$19,999	3	1
\$20,000 - \$29,999	2	4
\$30,000 - \$39,999	—	1
\$40,000 - \$49,999	1	1
\$60,000 - \$69,999	3	—
\$90,000 - \$99,999	1	—
\$110,000 - \$119,999	1	—
\$130,000 - \$139,999	—	1
\$140,000 - \$149,999	1	—
\$150,000 - \$159,999	—	2
\$220,000 - \$229,999	—	1
	14	12

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 7. People and relationships

(d) Senior Officer Remuneration "

A Senior Officer is an officer of Council, other than Key Management Personnel, who:

- a) has management responsibilities and reports directly to the Chief Executive; or
- b) whose total annual remuneration exceeds \$151,000

The number of Senior Officers are shown below in their relevant income bands:

	2022 No.	2021 No.
Income Range:		
<\$151,000	–	1
\$20,000 - \$29,999	1	–
\$30,000 - \$39,999	2	–
\$40,000 - \$49,999	1	–
	<u>4</u>	<u>1</u>

(") Due to vacancy of Director Corporate Services from 15th March 2022, Corporate Service Management report directly to CEO. Only the portion of the Management salaries during this period is reflect above.

	2022 \$ '000	2021 \$ '000
Total Remuneration for the reporting year for Senior Officers included above amounted to:	140	112

#### 7.2 Related party disclosure

(a) Transactions with related parties

During the period Council entered into the following transactions with related parties:

Nil

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 7. People and relationships

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##### (b) Outstanding balances with related parties

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

Nil

##### (c) Loans to/from related parties

The aggregate amount of loans in existence at balance date that have been made, guaranteed or secured by the council to a related party as follows:

Nil

##### (d) Commitments to/from related parties

The aggregate amount of commitments in existence at balance date that have been made, guaranteed or secured by the council to a related party are as follows:

Nil

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 8. Managing uncertainties

##### 8.1 Contingent assets and liabilities

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

(a) Contingent assets

At balance date the Council is not aware of any contingent assets.

(b) Contingent liabilities

Superannuation

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation are outlined below. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists.

Liability Mutual Insurance

Council is (was) a participant of the MAV Liability Mutual Insurance (LMI) Scheme. The LMI scheme provides public liability and professional indemnity insurance cover. The LMI scheme states that each participant will remain liable to make further contributions to the scheme in respect of any insurance year in which it was a participant to the extent of its participant's share of any shortfall in the provision set aside in respect of that insurance year, and such liability will continue whether or not the participant remains a participant in future insurance years.

(c) Guarantees for loans to other entities

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

Financial guarantee contracts are not recognised as a liability in the balance sheet unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probable that the right will be exercised.

##### 8.2 Change in accounting standards

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2022 reporting period. Council assesses the impact of these new standards. As at 30 June 2022 there were no new accounting standards or interpretations issued by the AASB which are applicable for the year ending 30 June 2023 that are expected to impact Council.

##### 8.3 Financial instruments

(a) Objectives and policies

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

(b) Market risk

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

**Interest rate risk**

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes Council to fair value interest rate risk / Council does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 8. Managing uncertainties

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 2020*. Council manages interest rate risk by adopting an investment policy that ensures:

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

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

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

##### (c) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause Council to make a financial loss. Council has exposure to credit risk on some financial assets included in the balance sheet. Particularly significant areas of credit risk exist in relation to outstanding fees and fines as well as loans and receivables from sporting clubs and associations. To help manage this risk:

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

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

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

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when Council provides a guarantee for another party. Details of our contingent liabilities are disclosed in Note 8.1(b).

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

##### (d) Liquidity risk

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

To help reduce these risks Council:

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

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 8.1(c), and is deemed insignificant based on prior periods' data and current assessment of risk.

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

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade.

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 8. Managing uncertainties

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



## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 8. Managing uncertainties

##### (e) Sensitivity disclosure analysis

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

- A parallel shift of + 3 % and - 3 % in market interest rates (AUD) from year-end rates of 1.80 - 3.90%.

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

#### 8.4 Fair value measurement

##### *Fair Value Hierarchy*

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

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, Council has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. In addition, Council determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

##### *Revaluation*

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. 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.



## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 8. Managing uncertainties

##### *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 of disposal 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.

#### 8.5 Events occurring after balance date

The Buloke Shire Council has been impacted by the recent Victorian flood events.

On 16 October 2022, part of the township of Charlton was evacuated, with no other townships requiring evacuation.

The flood event has resulted in damage to a few of Council's infrastructure assets. Several sealed roads, unsealed roads, bridges, and recreational areas in low lying areas will require repair. The Council is unable to assess the damage until the water recedes and is therefore unable to reliably estimate the value of any repairs or other recovery / clean up works at this stage.

Buloke Shire Council has registered for assistance under the Disaster Recovery Funding Arrangements 2018.

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 9. Other matters

	Balance at beginning of reporting period \$ '000	Increment (decrement) \$ '000	Share of incr. (decr) on revaluation of the asset class by an associate \$ '000	Balance at end of reporting period \$ '000
<b>9.1 Reserves</b>				
(a) Asset revaluation reserves				
<b>2022</b>				
Property				
Land and land improvements	2,032	—	—	2,032
Land under roads	22,307	—	—	22,307
Buildings	24,546	—	—	24,546
	48,885	—	—	48,885
Infrastructure				
Roads	105,768	—	—	105,768
Bridges	3,014	—	—	3,014
Footpaths and cycleways	5,123	—	—	5,123
Drainage	2,022	—	—	2,022
Kerb & Channel	6,911	—	—	6,911
Other infrastructure	363	—	—	363
	123,201	—	—	123,201
<b>Total asset revaluation reserves</b>	<b>172,086</b>	<b>—</b>	<b>—</b>	<b>172,086</b>
<b>2021</b>				
Property				
Land and land improvements	2,032	—	—	2,032
Land under roads	22,307	—	—	22,307
Buildings	24,546	—	—	24,546
	48,885	—	—	48,885
Infrastructure				
Roads	105,768	—	—	105,768
Bridges	3,014	—	—	3,014
Footpaths and cycleways	5,123	—	—	5,123
Drainage	2,022	—	—	2,022
Kerb & Channel	6,911	—	—	6,911
Other infrastructure	363	—	—	363
	123,201	—	—	123,201
<b>Total asset revaluation reserves</b>	<b>172,086</b>	<b>—</b>	<b>—</b>	<b>172,086</b>

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

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 9. Other matters

	Balance at beginning of reporting period \$ '000	Transfer from Accumulated Surplus \$ '000	Transfer to Accumulated Surplus \$ '000	Balance at end of reporting period \$ '000
(b) Other reserves				
<b>2022</b>				
Defined Benefits	1,000	—	—	1,000
Sustainability Fund	—	78	—	78
Unspent Grant Funding	—	1,830	—	1,830
Grant Opportunity	—	200	—	200
Capital Project Development	—	200	—	200
<b>Total Other reserves</b>	<b>1,000</b>	<b>2,308</b>	<b>—</b>	<b>3,308</b>
<b>2021</b>				
Defined Benefits	1,000	—	—	1,000
<b>Total Other reserves</b>	<b>1,000</b>	<b>—</b>	<b>—</b>	<b>1,000</b>

**Defined Benefits** - This reserve is used to assist with the funding of any call that may be made on Council as a result of shortfall in the Local Authorities Superannuation Fund Defined Benefits Plan. Refer to note 9.3 for further detail.

**Sustainability Fund** – surplus annual portion of income derived from windfarm operations within the Shire is set aside for specific community project support to promote local sustainability.

**Unspent Grant Funding** - to set aside surplus grant received to be expended according to funding intentions in subsequent financial years. The reserve is only necessary when grant does not meet the requirements to be carried forward as a liability under Australian Accounting Standards.

**Grant Opportunity**- allocation from Council's Accumulated surplus to provide matching funds for unanticipated grant opportunities arising outside of the annual budget scope.

**Capital Project Development** – allocation from Council's Accumulated surplus to facilitate initial development expenditure for unanticipated projects in response to grant opportunities outside of the annual budget scope.

	2022 \$ '000	2021 \$ '000
<b>9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)</b>		
Surplus/(deficit) for the year	9,103	7,464
Depreciation/amortisation	9,296	9,043
(Profit)/loss on disposal of property, infrastructure, plant and equipment	(2)	89
Amounts disclosed in financing activities	10	19
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(2,374)	957
(Increase)/decrease in inventories	(7)	49
(Increase)/decrease in prepayments	16	(88)
Increase/(decrease) in other assets	(3)	5

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 9. Other matters

	2022 \$ '000	2021 \$ '000
Increase/(decrease) in trade and other payables	(28)	990
Increase/(decrease) in provisions	422	(177)
Increase/(Decrease) in employee benefits	—	—
(Decrease)/increase in trust funds and other payables	(66)	157
Increase/(decrease) in Unearned income /revenue	(526)	6,052
Net cash provided by/(used in) operating activities	15,841	24,560

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 9. Other matters

##### 9.3 Superannuation

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

###### Accumulation

The Fund's accumulation category, Vision MySuper/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 2022, this was 10.0% as required under Superannuation Guarantee (SG) legislation (2021: 9.5%)).

###### Defined Benefit

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

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

###### Funding Arrangements

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

As at 30 June 2021, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category.

The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 109.8%. The financial assumptions used to calculate the VBI were:

Net investment returns 4.75% pa  
Salary information 2.75% pa  
Price inflation (CPI) 2.25% pa.

As at 30 June 2022, an interim actuarial investigation is underway as the Fund provides lifetime pensions in the Defined Benefit category. It is expected to be completed by 31 October 2022.

Vision Super has advised that the VBI at 30 June 2022 was 102.2%. Council was notified of the 30 June 2022 VBI during August 2022 (2021: August 2021). The financial assumptions used to calculate this VBI were:

Net investment returns 5.5% pa  
Salary information 2.5% pa to 30 June 2023, and 3.5% pa thereafter  
Price inflation (CPI) 3.00% pa.

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2021 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

###### Employer contributions

###### (a) Regular contributions

On the basis of the results of the 2021 interim actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2022, this rate was 10.0% of members' salaries (9.5% in 2020/21). This rate is expected to increase in line with any increases in the SG contribution rate and was reviewed as part of the 30 June 2020 triennial valuation.

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.

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 9. Other matters

##### *(b) Funding calls*

If the Defined Benefit category is in an unsatisfactory financial position at an actuarial investigation or the Defined Benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the Defined Benefit category has a shortfall for the purposes of SPS 160 and the Fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%.

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Council) are required to make an employer contribution to cover the shortfall.

Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up. If there is a surplus in the Fund, the surplus cannot be returned to the participating employers.

In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

##### **The 2021 interim actuarial investigation surplus amounts**

An actuarial investigation is conducted annually for the Defined Benefit category of which Council is a contributing employer. Generally, a full actuarial investigation is conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2021 and the last full investigation was conducted as at 30 June 2020.

The Fund's actuarial investigations identified the following for the Defined Benefit category of which Council is a contributing employer:

	2021 (Interim)	2020 (Triennial)
	\$m	\$m
- A VBI Surplus	214.7	100.0
- A total service liability surplus	270.3	200.0
- A discounted accrued benefits surplus	285.2	217.8

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2021.

The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2021.

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2021.

Council was notified of the 30 June 2021 VBI during August 2021 (2020: August 2020).

##### **The 2022 interim actuarial investigation**

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2022 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2022. Council was notified of the 30 June 2022 VBI during August 2022 (2021: August 2021).

##### **Superannuation contributions**

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2022 are detailed below:

Vision Super	Defined benefit	13	26
Vision Super	Accumulation fund	473	398

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 10. Changes in accounting policies

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There have been no changes to accounting policies in the 2021-22 year.

There are no pending accounting standards that are likely to have a material impact on council.



## 8.3 FINANCIAL REPORTS

### 8.3.1 FINANCE REPORT AS AT 30 SEPTEMBER 2022

**Author's Title:** Manager Finance

**Department:** Office of the CEO

**File No:** FM/19/01

**Relevance to Council Plan 2021 - 2025**

**Strategic Objective:** Our Council and Community Leadership

#### PURPOSE

To present to the Council the financial statements for the period ending 30 September 2022.

#### SUMMARY

The forecasted year-end surplus in the adopted budget was \$3.4m. The current forecasted year-end surplus remains similar at this early stage of the financial year at \$3.7m anticipating no significant capital project delays impacting capital grant income recognition.

Actual to Approved (Budget) reporting year-to-date includes timing variances which only relate to the months in which the income or expenditure is incurred. Timing differences are anticipated to be resolved throughout the financial year and not expected to impact the Full Year Forecast result. Any non-timing variances that are anticipated to impact the Full Year Forecast are discussed further below.

#### RECOMMENDATION

That Council receives and notes the Financial Performance Report for the month ending 30 September 2022.

- Attachments:**
- 1 [Income Statement](#)
  - 2 [Balance Sheet](#)
  - 3 [Cashflow Statement](#)
  - 4 [Cashflow Forecast](#)
  - 5 [Cashflow Chart](#)
  - 6 [Capital Works Statement](#)

#### DISCUSSION

Report:	Report explanation:	Year to date performance to Budget and Forecast outcome:
Income Statement	<i>The <b>Income Statement</b> provides a summary of the total income and total expenditure relating to Council's annual operations for the reporting period. Capital grant income is included in this statement, but any related expenditure is not reflected as this is</i>	<b>Operating result:</b> <ul style="list-style-type: none"> <li>Positive variance for Rates and charges from supplementary rates processed and Windfarm PILOR higher than budget following prior year output reconciliation process.</li> <li>Positive variance for Grants – operating due to higher than expected FAG and additional non-recurrent grants in Community Development and Roads. Additional grants related to TAC Road Safety,</li> </ul>



Income Statement (Continued)	<p><i>reported as increased assets on the Balance Sheet. To exclude potential distortion of underlying operations in the Income Statement, capital income is reported separately to identify the Operating Net Surplus/(Deficit).</i></p> <p><i>Prescribed expenditure of <b>Capital Income</b> is not included in the Income Statement, and this can distort the analysis of the financial performance which is better reflected by the Operating Net Surplus/(Deficit). Capital expenditure against capital grant income is provided in the Capital Work Program report and as additional assets on the balance sheet.</i></p>	<p>Agricultural Dependent Communities and Capability &amp; Capacity Improvement (Roads Management).</p> <ul style="list-style-type: none"> <li>• Positive variance for Other Income due to Workcover reimbursements and settlement of Native vegetation removal action.</li> <li>• Positive variance for Employee Costs reflecting current underspend due to vacant substantive positions.</li> <li>• Negative variance in Material and services mostly due to expenditure related to additional non-recurrent grant expenditure, contractor back fill of vacant employment positions, director recruitment and engagement of Peter Maloney to fulfill infrastructure valuation requirements post VAGO audit.</li> <li>• Variances in Depreciation will be reviewed and confirmed during year-end processing following conclusion of capital projects.</li> <li>• Negative variation in Other expenses is mostly due to late payment of 2021-22 Recreational Reserve payments to Wycheproof and Sea Lake committees.</li> </ul> <p><b>Capital Income:</b></p> <ul style="list-style-type: none"> <li>• Timing of Capital Income is still to be confirmed in line with the milestone progress of capital projects. At this early stage of the year, all income is reported by default in June 2023. No significant anticipated capital project delays have been advised to date.</li> </ul>
Balance Sheet	<p><i>The <b>Balance Sheet</b> summarises the value of Assets (what Council owns) and our Liabilities (what Council owes), and the difference between assets and liabilities (Net Assets or Equity) reflects Council's net worth as at the end of the month reported.</i></p>	<ul style="list-style-type: none"> <li>• Cash has decreased \$4.2m since 30 June reporting in accordance with our regular cycle pending the bulk of rate payments in February 2023.</li> <li>• The Cash balance includes \$6.2m of unearned grant income that is restricted to specified expenditure for the completion of capital projects.</li> </ul>
Cashflow Statement	<p><i>The <b>Cashflow Statement</b> reflects actual results for the reporting period in line with statutory financial reporting.</i></p>	<ul style="list-style-type: none"> <li>• Approximately \$7.9m of cashflow has been used to support the capital works program year-to-date.</li> </ul>
Cashflow Forecast	<p><i>The <b>Cashflow Forecast</b> is a projection of cashflow for the remainder of the year based on the month-end cash balance, the monthly budgets, specified timing parameters (such when BAS/super are due and</i></p>	<ul style="list-style-type: none"> <li>• Timing assumptions have been made regarding Capital project income and expenditure for 2022-23. While this is still being confirmed in accordance with capital project progression, all income and expenditure is reported in June 2023 by default.</li> </ul>

	<i>quarterly rate receipts) and capital expenditure.</i>	
Cashflow Chart	<i>The <b>Cashflow Chart</b> visually depicts the cashflow forecast and the updated format is illustrated in a dual design, based on best practice reporting.</i>	
Capital Works Program	<i>The <b>Capital Works Statement</b> lists the expenditure for each project incurred to date.</i>	<ul style="list-style-type: none"> <li>• The individual capital project budgets result in both capital assets and annual expenses depending on the nature of the assets acquired through the project under Australian Accounting Standards. The estimated outcome between operational and capital was reflected in the 2022-23 adopted budget.</li> <li>• Approximately one-third of the capital project budgets expenditure has been engaged with suppliers to date.</li> </ul>

#### RELEVANT LAW

This report is consistent with the requirements of the *Local Government Act 2020*.

#### RELATED COUNCIL DECISIONS

The Council adopted its Annual Budget 2022-23 on 29 June 2022.

#### OPTIONS

Not applicable.

#### SUSTAINABILITY IMPLICATIONS

Not applicable.

#### COMMUNITY ENGAGEMENT

Not applicable.

#### INNOVATION AND CONTINUOUS IMPROVEMENT

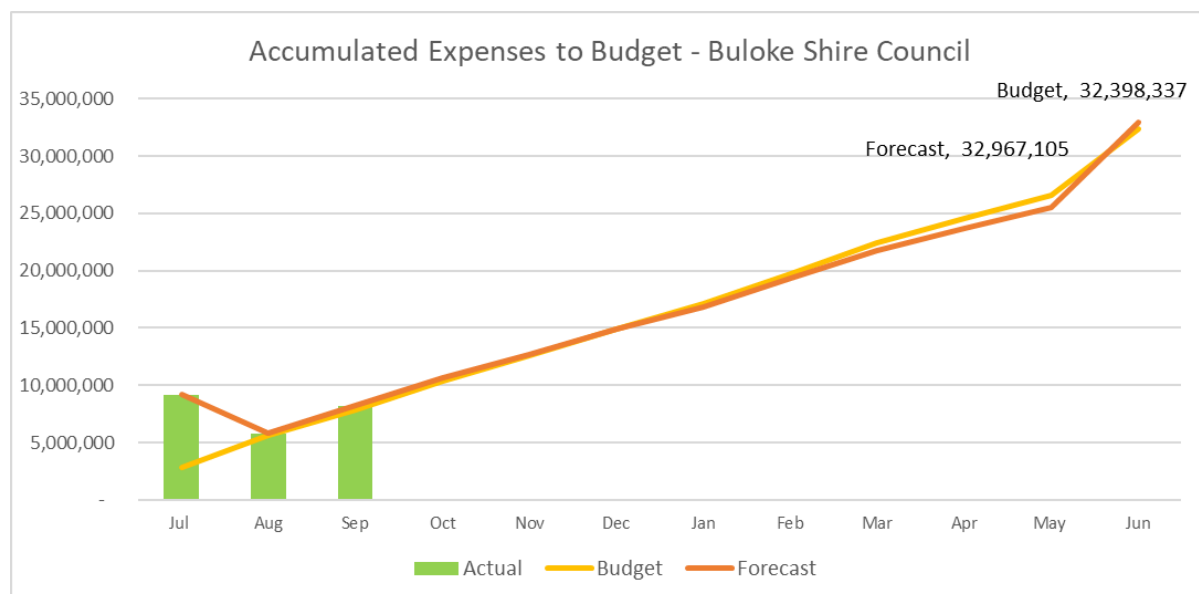
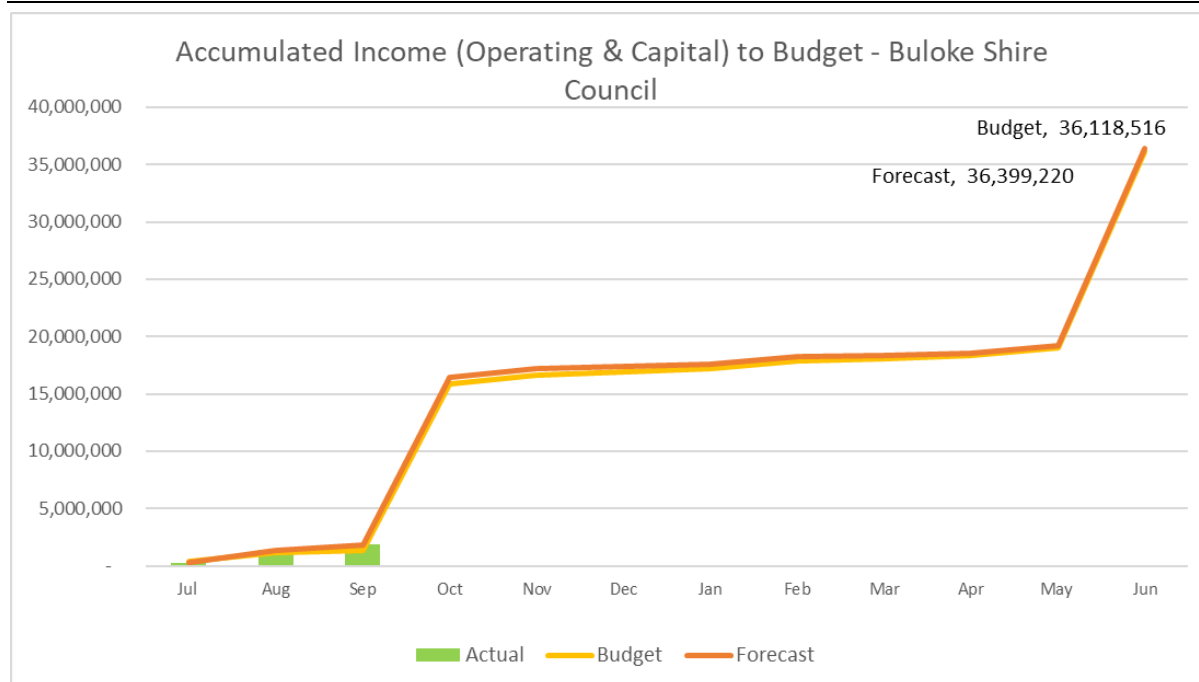
Not applicable.

#### COLLABORATION

Not applicable.

#### FINANCIAL VIABILITY

The tables below provide an overview of Council's financial performance against Adopted budget income and expenses at 30 September 2022.



## REGIONAL, STATE AND NATIONAL PLANS AND POLICIES

Not applicable.

## COUNCIL PLANS AND POLICIES

Council adopted its Annual Budget 2020/21 in July 2020. The Buloke Shire Council Plan 2017-21 outlines Council's commitment to providing clear and concise reporting on a monthly basis to Council meetings.

## TRANSPARENCY OF COUNCIL DECISIONS

Financial reporting ensures the Council and the Buloke community are aware of financial implications of decisions and actions. Reporting Council's financial position allows the Council to monitor and respond to financial risk.

## CONFLICTS OF INTEREST

No officer involved in the preparation of this report had a conflict of interest.

## Income Statement — Buloke Shire Council

MONTH: SEP 2022

	Jul 2022 - Sep 2022			Full Year Budget		
	Actuals	Approved	Variance	Approved	Forecast	Variance
<b>Operating Income</b>						
Rates & Charges	173,562	150,543	23,019	14,529,135	14,552,864	23,729
Statutory fees and fines	23,827	50,228	(26,401)	243,955	244,499	544
User fees	200,967	167,126	33,841	839,073	838,970	(102)
Grants - operating	958,059	894,012	64,047	7,171,389	7,312,872	141,483
Contributions	330	42,565	(42,235)	43,465	43,465	0
Other Income	170,269	48,498	121,770	228,500	347,024	118,524
<b>Total Operating Income</b>	<b>1,527,013</b>	<b>1,352,972</b>	<b>174,041</b>	<b>23,055,516</b>	<b>23,339,694</b>	<b>284,178</b>
<b>Operating Expense</b>						
Employee Costs	2,307,944	2,585,417	277,472	11,703,256	11,385,799	317,457
Materials and services	3,377,374	2,927,489	(449,885)	10,432,426	11,112,892	(680,467)
Depreciation & Amortisation (Leasing)	2,360,693	2,241,462	(119,231)	9,357,029	9,476,260	(119,231)
Bad and doubtful debts	0	0	0	78,000	78,000	0
Borrowing costs	0	0	0	32,991	32,991	0
Other expenses	180,217	121,449	(58,768)	794,635	881,162	(86,527)
<b>Total Operating Expense</b>	<b>8,226,228</b>	<b>7,875,816</b>	<b>(350,412)</b>	<b>32,398,337</b>	<b>32,967,106</b>	<b>(568,768)</b>
<b>Operating Net Surplus/(Deficit)</b>	<b>(6,699,215)</b>	<b>(6,522,844)</b>	<b>(176,371)</b>	<b>(9,342,821)</b>	<b>(9,627,411)</b>	<b>(284,590)</b>
<b>Capital Income</b>						
Grants - capital	309,206	0	309,206	13,009,000	13,009,000	0
Other Capital Income	28,625	0	28,625	54,000	82,625	28,625
Net Profit/(Loss) disposal of PIPE	(32,100)	0	(32,100)	0	(32,100)	(32,100)
<b>Total Capital Income</b>	<b>305,731</b>	<b>0</b>	<b>305,731</b>	<b>13,063,000</b>	<b>13,059,525</b>	<b>(3,475)</b>
<b>Net Surplus/Deficit</b>	<b>(6,393,484)</b>	<b>(6,522,844)</b>	<b>129,361</b>	<b>3,720,179</b>	<b>3,432,114</b>	<b>(288,065)</b>

## Balance Sheet — Buloke Shire Council

SEP 2022

	Sep 2022	Jun 2022	Variance	% Variance
<b>Asset</b>				
<b>Current assets</b>	<b>30,707,542</b>	<b>36,845,776</b>	<b>(6,138,234)</b>	<b>(17%)</b>
Cash and cash equivalents	27,899,462	32,101,117	(4,201,655)	(13%)
Trade and other receivables	2,505,234	3,881,428	(1,376,194)	(35%)
Inventories	138,237	138,552	(315)	0%
Prepayments	5,811	251,607	(245,796)	(98%)
Other assets	59,689	67,724	(8,034)	(12%)
GST	99,109	405,349	(306,240)	(76%)
<b>Non-current assets</b>	<b>283,517,733</b>	<b>277,972,426</b>	<b>5,545,307</b>	<b>2%</b>
Property, infrastructure, plant and equipment	283,517,733	277,972,426	5,545,307	2%
Right of Use Assets	152,468	152,468	0	0%
<b>Total Asset</b>	<b>314,377,743</b>	<b>314,970,670</b>	<b>(592,927)</b>	<b>0%</b>
<b>Liability</b>				
<b>Current liabilities</b>	<b>18,017,003</b>	<b>12,146,361</b>	<b>(5,870,642)</b>	<b>(48%)</b>
Trade and other payables	961,493	2,410,840	1,449,347	60%
Trust funds and deposits	298,377	285,356	(13,020)	(5%)
Unearned Income	6,193,541	6,238,541	45,000	1%
Provisions	2,902,748	2,900,038	(2,710)	0%
Leases	87,771	90,615	2,843	3%
PO Accrual	7,573,073	220,971	(7,352,102)	(3327%)
<b>Non-current liabilities</b>	<b>957,273</b>	<b>1,027,358</b>	<b>70,085</b>	<b>7%</b>
Leases	0	70,085	70,085	100%
Provisions	957,273	957,273	0	0%
<b>Total Liability</b>	<b>18,974,276</b>	<b>13,173,719</b>	<b>(5,800,557)</b>	<b>(44%)</b>
<b>Net Assets</b>	<b>295,403,467</b>	<b>301,796,951</b>	<b>(6,393,484)</b>	<b>(2%)</b>
<b>Equity</b>				

	Sep 2022	Jun 2022	Variance	% Variance
Accumulated Surplus	126,401,374	117,300,192	9,101,181	8%
Reserves	173,086,186	173,086,186	0	0%
Current Earnings	(6,393,484)	9,101,181	(15,494,665)	(170%)
<b>Total Equity</b>	<b>293,094,076</b>	<b>299,487,560</b>	<b>(6,393,484)</b>	<b>(2%)</b>
<b>Unallocated Equity</b>				
General Reserve - Unspent Grants	1,831,018	1,831,018	0	0%
General Reserve - Sustainability Fund	78,373	78,373	0	0%
General Reserve - Grant Opportunities	200,000	200,000	0	0%
General Reserve - Capital Project Initiations	200,000	200,000	0	0%
<b>Total Unallocated Equity</b>	<b>2,309,391</b>	<b>2,309,391</b>	<b>0</b>	<b>0%</b>

# Cashflow Statement — Buloke Shire Council

JUL 2022 - SEP 2022

	Jul 2022 - Sep 2022
	Actuals
<b>Bank at Beginning</b>	<b>32,101,117</b>
<b>Cashflow from Operating Activities:</b>	
<b>Net Profit</b>	<b>(6,393,484)</b>
<b>Adjustments to Net Profit for Non-Cash Activities:</b>	
<b>Non - Cash expenses</b>	<b>2,360,693</b>
Depreciation	2,360,693
<b>Total Adjustments to Net Profit for Non-Cash Activities</b>	<b>2,360,693</b>
<b>Adjustments to Net Profit for Non-Operating Activities:</b>	
<b>Operating Activities</b>	<b>32,100</b>
Cash Inflows - Operational Income	32,100
<b>Total Adjustments to Net Profit for Non-Operating Activities</b>	<b>32,100</b>
<b>Adjustments for Balance Sheet Movement on Operating Activities:</b>	
<b>Current assets</b>	<b>1,936,579</b>
Trade and other receivables	1,376,194
Inventories	315
Prepayments	245,796
Other assets	8,034
GST	306,240
<b>Current liabilities</b>	<b>5,876,142</b>
Trade and other payables	(1,443,847)
Trust funds and deposits	13,020
Unearned Income	(45,000)
Provisions	2,710
Leases	(2,843)





PO Accrual	7,352,102
<b>Non-current liabilities</b>	<b>(70,085)</b>
Leases	(70,085)
<b>Total Adjustments for Balance Sheet Movement on Operating Activities</b>	<b>7,742,636</b>
<b>Net Cashflow from Operating Activities</b>	<b>3,741,945</b>
<b>Cashflow from Investing Activities:</b>	
<b>Operating Activities</b>	<b>(32,100)</b>
Cash Inflows - Operational Income	(32,100)
<b>Non-current assets</b>	<b>(7,906,000)</b>
Property, infrastructure, plant and equipment	(7,906,000)
<b>Net Cashflow from Investing Activities</b>	<b>(7,938,100)</b>
<b>Cashflow from Financing Activities:</b>	
<b>Current liabilities</b>	<b>(5,500)</b>
Trade and other payables	(5,500)
<b>Net Cashflow from Financing Activities</b>	<b>(5,500)</b>
<b>Net Cashflows</b>	<b>(4,201,655)</b>
<b>Bank at End</b>	<b>27,899,462</b>

## Cashflow Forecast — Buloke Shire Council

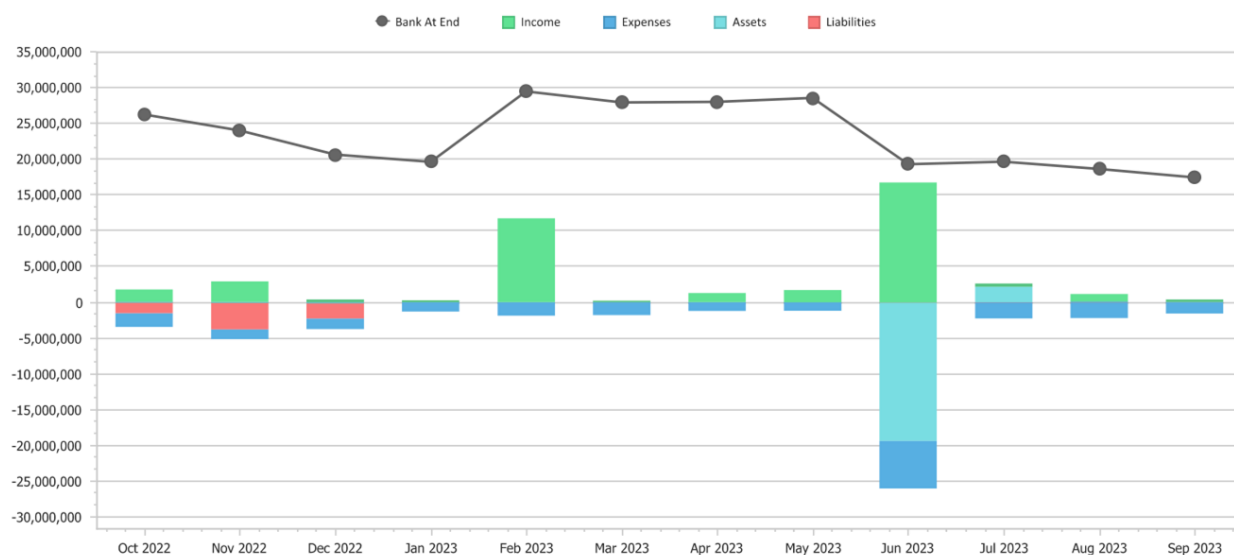
OCT 2022

	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023	Sep 2023	Total
<b>Bank at Beginning</b>	<b>27,899,462</b>	<b>26,259,942</b>	<b>24,007,913</b>	<b>20,645,393</b>	<b>19,631,708</b>	<b>29,480,169</b>	<b>27,930,143</b>	<b>28,018,378</b>	<b>28,572,179</b>	<b>19,299,762</b>	<b>19,650,628</b>	<b>18,622,389</b>	<b>27,899,462</b>
<b>Operating Income</b>													
Rates & Charges	626,609	1,287,398	11,759	158	11,049,719	0	1,089,624	1,089,624	155	9,757	41,378	37,089	15,243,269
Statutory fees and fines	37,014	35,827	12,879	20,126	54,885	23,453	10,750	10,167	10,326	20,614	53,862	26,385	316,287
User fees	460,816	388,178	100,692	39,995	23,700	18,982	20,779	37,957	74,952	107,089	291,790	123,505	1,688,436
Grants - operating	255,763	638,745	116,063	146,850	550,161	86,063	109,993	549,347	3,901,825	251,063	544,545	98,403	7,248,825
Contributions	100	42,365	100	100	100	100	100	100	70	100	42,365	100	85,700
Other Income	316,233	427,393	110,291	14,838	15,933	15,463	26,100	19,553	12,468	19,799	44,698	22,544	1,045,314
<b>Cash Inflows from Operation</b>	<b>1,696,536</b>	<b>2,819,906</b>	<b>351,784</b>	<b>222,066</b>	<b>11,694,498</b>	<b>144,062</b>	<b>1,257,348</b>	<b>1,706,749</b>	<b>3,999,795</b>	<b>408,423</b>	<b>1,018,638</b>	<b>308,026</b>	<b>25,627,832</b>
<b>Operating Expense</b>													
Employee Costs	(867,866)	(920,634)	(920,134)	(920,634)	(920,134)	(1,378,888)	(868,665)	(911,090)	(1,369,012)	(431,069)	(1,291,375)	(862,972)	(11,662,473)
Materials and services	(945,078)	(392,049)	(411,902)	(297,640)	(631,955)	(322,954)	(278,008)	(187,859)	(5,159,321)	(1,756,287)	(850,680)	(609,436)	(11,843,171)
Other expenses	(82,609)	(32,754)	(120,754)	(34,734)	(292,904)	(45,074)	(23,734)	(42,984)	(106,683)	(37,428)	(32,070)	(64,096)	(915,822)
<b>Cash Outflows from Operation</b>	<b>(1,895,553)</b>	<b>(1,345,438)</b>	<b>(1,452,790)</b>	<b>(1,253,008)</b>	<b>(1,844,993)</b>	<b>(1,746,915)</b>	<b>(1,170,407)</b>	<b>(1,141,932)</b>	<b>(6,635,017)</b>	<b>(2,224,784)</b>	<b>(2,174,126)</b>	<b>(1,536,504)</b>	<b>(24,421,466)</b>
<b>Asset</b>													
Works In Progress - Property	0	0	0	0	0	0	0	0	(19,379,100)	0	0	0	(19,379,100)

	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023	Sep 2023	Total
<b>Movement in Assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(19,379,100)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(19,379,100)</b>
<b>Liability</b>													
PO Accrual	(1,510,747)	(3,776,867)	(2,266,120)	0	0	0	0	0	0	0	0	0	(7,553,734)
GST	99,109	79,167	33,403	46,054	27,752	81,624	30,091	17,781	16,908	2,196,025	156,046	71,142	2,855,103
Superannuation Payable	(68)	0	0	0	0	0	0	0	0	0	0	0	(68)
Lease Liability - Current	(28,797)	(28,797)	(28,797)	(28,797)	(28,797)	(28,797)	(28,797)	(28,797)	(28,797)	(28,797)	(28,797)	(28,797)	(345,567)
<b>Movement in Liabilities</b>	<b>(1,440,504)</b>	<b>(3,726,497)</b>	<b>(2,261,514)</b>	<b>17,257</b>	<b>(1,045)</b>	<b>52,827</b>	<b>1,294</b>	<b>(11,016)</b>	<b>(11,889)</b>	<b>2,167,228</b>	<b>127,249</b>	<b>42,345</b>	<b>(5,044,266)</b>
<b>Capital Income</b>													
Grants - capital	0	0	0	0	0	0	0	0	12,699,794	0	0	0	12,699,794
Other Capital Income	0	0	0	0	0	0	0	0	54,000	0	0	0	54,000
<b>Other Inflows</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12,753,794</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12,753,794</b>
<b>Net Movement</b>	<b>(1,639,520)</b>	<b>(2,252,029)</b>	<b>(3,362,520)</b>	<b>(1,013,684)</b>	<b>9,848,461</b>	<b>(1,550,026)</b>	<b>88,235</b>	<b>553,801</b>	<b>(9,272,417)</b>	<b>350,866</b>	<b>(1,028,239)</b>	<b>(1,186,133)</b>	<b>(10,463,206)</b>
<b>Bank at End</b>	<b>26,259,942</b>	<b>24,007,913</b>	<b>20,645,393</b>	<b>19,631,708</b>	<b>29,480,169</b>	<b>27,930,143</b>	<b>28,018,378</b>	<b>28,572,179</b>	<b>19,299,762</b>	<b>19,650,628</b>	<b>18,622,389</b>	<b>17,436,256</b>	<b>17,436,256</b>

## Cashflow Chart — Buloke Shire Council

OCT 2022 — SEP 2023



## BULOKE SHIRE COUNCIL CAPITAL PROJECT REPORT July - September 2022

Decription	Adopted Budget	Committed YTD
<b>Aerodromes</b>	<b>29,960</b>	<b>270</b>
Aerodrome Water Connections	29,960	270
<b>Bridges</b>	<b>160,501</b>	<b>180,492</b>
Scilleys Island Bridge	160,501	180,492
<b>Building improvements</b>	<b>264,853</b>	<b>179,141</b>
Donald Community Precinct Stage 2	178,695	153,866
Litchfield Hall ceiling lining, lighting & solar	65,578	3,000
Watchem Hall Entrance	20,580	22,275
<b>Computers and telecommunications</b>	<b>179,000</b>	<b>99,746</b>
IT Equipment Renewal	179,000	99,746
<b>Drainage</b>	<b>791,683</b>	<b>29,180</b>
Birchip Oval Drainage	59,323	-
Nullawil - West/East drainage (Calder Hwy Pipeworks)	319,200	28,564
Nullawil Drainage	413,160	616
<b>Footh paths and cycleways</b>	<b>831,636</b>	<b>2,788</b>
Crossovers	251,232	1,006
Footpaths	580,404	1,782
<b>Land</b>	<b>437,795</b>	<b>70,086</b>
Sea Lake Housing Development	437,795	70,086
<b>Land improvements</b>	<b>571,618</b>	<b>317,574</b>
Charlton Car park Stage 2	82,744	39,569
Nullawil Silo Art Carpark	146,503	10,653
Wycheproof Saleyards Masterplan Implementation	342,371	267,352
<b>Parks, open space and streetscapes</b>	<b>4,804,728</b>	<b>2,280,325</b>
Birchip Streetscapes	370,000	340,772
Charlton Streetscapes	772,650	487,855
Donald Streetscapes	876,124	56,428
Sea Lake Streetscapes	1,536,296	973,192
Wyche Wetlands	969,658	6,310
Wycheproof Streetscapes	280,000	415,768
<b>Plant machinery and Equipment</b>	<b>864,499</b>	<b>786,283</b>
Inflatable screen	40,000	180,994
Jetmaster	467,515	467,515
Major Plant & Equipment	50,000	6,464
Mobile Stage	98,000	-
Mobile Toilet and Showers	66,184	-
Swimming pool plant vaccums	142,800	131,311

<b>Recreational leisure and communities facilities</b>	<b>5,714,300</b>	<b>1,471,419</b>
LUB Charlton Hockey Club	148,000	32,207
Watchem Oval Water Connection	20,670	6,725
Berriwillock Pool Fence Replacement	22,575	-
Buloke Mounted Machinery Trail (Design stage)	113,390	-
Buloke Playspaces Trail: Berriwillock	450,468	105,768
Buloke Playspaces Trail: Birchip	722,000	6,252
Buloke Playspaces Trail: Charlton	547,664	144,766
Buloke Playspaces Trail: Donald	470,524	133,982
Buloke Playspaces Trail: Wycheproof	426,838	135,450
Charlton Riverfront	95,618	72,144
Culgoa Dump Point (Septic Upgrade)	53,827	315
Donald caravan Park cabins	236,000	158,743
Donald pool Liner replacement	168,000	-
Donald Riverfront	120,000	70,244
Lake Tyrell	75,000	23,362
LUB Birchip Football Oval	418,828	19,602
LUB Charlton Football Club	230,230	41,006
LUB Nullawil Football Club	279,000	51,871
LUB Nullawil Netball Club	68,000	36,210
LUB Wycheproof Narrapoort Football Club	117,000	16,627
LUB Wycheproof Narraport Hockey Club	98,000	77,464
Tchum Lakes Septic Works	8,000	9,700
Tynan Park Septic Upgrade	60,000	47,164
Watchem Toilet lake Reemediation	84,000	107,634
Wooroonook Lakes Camping Ground	247,138	168,897
Wycheproof Caravan Park	433,530	2,954
Lights across Buloke	-	2,334
<b>Roads</b>	<b>6,969,769</b>	<b>2,391,950</b>
Reseal Program (R2R)	1,200,000	-
Berriwillock Birchip Rd Rehab and Final Seal	835,766	760,822
Boundary Street Birchip Seal	17,598	-
Jeffcott Road Rehabilitation	350,000	317,597
Major Patch Program	100,000	-
Marlbed Curyo Rehab Ch0 to 1.075km	465,750	1,940
McLoughlan Road (Ch 7.350 to Ch 9 kms)	699,000	442,592
McLoughlan Road Rehabilitation Ch9.000km to Ch10.730km	670,000	4,398
Nullawil-Birchip Final Seal	164,530	375,033
Nullawil-Birchip Road Rehab Ch21.910 to 23.760 1.85km	754,800	-
Resheet Program	649,203	173,520
Sea Lake - Lascelles Road Final Seal (Ch 4.98 to Ch 8.52 kms)	104,437	290,501
Sea Lake-Lascelles Road Final Seal Ch9.915 - Ch11.32	68,000	-
Traynors Lagoon Rd Rehab Ch1.855 to 2.950km 1.095km	23,199	-
Watchem-Corack Rd Rehab Ch3.560 to 4.785km 1.225km	27,526	-
Wedderburn Buckrabanyule Road Design	34,960	-
Wilkur Watchupga Road Ch29.26km - Ch31.06km	805,000	25,547
Wilkur Watchupga Road Ch6.55km - Ch8.41km 1.860km	-	-

<b>WIP</b>	-	<b>23,569</b>
Wyche Wetlands / Mt Wyche	-	23,569
<b>Closed</b>	-	<b>70,657</b>
21 C/F Birchip Town Centr	-	31,564
21 C/F Kayes St Charlton Drainage (PM-119)	-	39,093
<b>FY_2024</b>	-	<b>19,673</b>
Cabins Charlton Travelers Rest	-	2,967
Cabins Green Lake	-	2,760
Cabins Sea Lake	-	3,057
Cabins Tchum	-	2,273
Cabins Watchem	-	2,179
Cabins Wooroonook	-	2,113
Cabins Wycheproof	-	3,138
Night Art Activation	-	1,186
<b>Not allocated to projects</b>		<b>11,694</b>
Donald Rec Reserve (pressure pump)		11,694
<b>Grand Total</b>	<b>21,620,342</b>	<b>7,934,847</b>

**Adopted Budget Reconciliation:**

Reported as Capital budget	20,163,715
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Reported as part of Operational budget	1,456,627
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<b>Total Project Budget</b>	<b>21,620,342</b>
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**8.4 ORGANISATIONAL REPORTS**

Nil

**8.5 REPORTS FROM COUNCILLORS**

Nil



**9. OTHER BUSINESS****9.1 NOTICES OF MOTION****9.1.1 THANK THE WYCHEPROOF COMMUNITY FOR THEIR SUPPORT OF THE EMERGENCY RELIEF CENTRE**

**Author's Title:** Community Development Officer

**Department:** Community Development

**File No:** CR/13/01

**Relevance to Council Plan 2021 - 2025**

**Strategic Objective:** Our Community Wellbeing

**PURPOSE**

That Council recognise the generosity of the Wycheproof community with their support of the Wycheproof Emergency Relief Centre (ERC), and particularly show our appreciation to the Wycheproof P-12 College community for the use of their stadium complex over this time.

**SUMMARY**

As a result of the October flooding events that affected many of our towns, Council, under the direction of the Incident Controller, opened an Emergency Relief Centre (ERC) in the stadium and multi-purpose rooms at the Wycheproof P-12 College for twelve days.

Throughout the period of the ERC being open, the Wycheproof community was incredibly generous in their support through various donations including bedding, blankets, board-games, and supply of food for all the residents and support staff at the ERC.

Council would like to thank all of the businesses and community groups that have supported the ERC during this time, with a special mention to the Wycheproof P-12 College, Wycheproof Op-Shop, Wycheproof Lions Club, Wycheproof Bakery, Terminus Hotel, The Royal Mail Hotel, the Mount Wycheproof Motor Inn, Wycheproof IGA, Swan Hill Vinnies, Wycheproof Hardware Store and the many others who provided assistance and support.

**RECOMMENDATION**

That Council write a letter of appreciation to the listed groups and businesses thanking them for their support of the Emergency Relief Centre.

**Attachments:** Nil

## 9.1.2 ADVOCATING FOR REALISTIC FUNDING FOR FLOOD REPAIR FOR LOCAL ROADS

**Author's Title:** Councillor Warren

**Department:** Office of the CEO

**File No:** GR/05/01

### PURPOSE

That Council advocates to the Federal Government for a more realistic funding model for the reinstatement of local roads and related infrastructure damaged by floods.

### SUMMARY

As a result of the October 2022 flooding event there has been significant damage to Council's road network.

Current Federal Government funding models mean that damaged roads can only been reinstated to the level of service they were at at the time of the damage.

The 'No betterment' approach taken by the Federal Government's National Recovery and Resilience Agency is not fit for purpose.

This poses a narrow view and is not the best use of tax payer money as often an upgrade at the point of damage would negate or significantly decrease future flood related damage if upgrades to the network were made instead of just reinstatement works.

Council has a road network of some 5,300 kilometres with a further 747 kilometres of State Government controlled road within Buloke Shire Council.

As Victoria's agricultural heartland, our road network is life. Rural communities are often left with inferior assets or assets way beyond intervention level. It is unacceptable that road works would be carried out on any road and there not be an approach to achieve the best outcome for all road users to drive safety and economic benefits.

With the size of transport vehicles increasing and reliance on road freight as opposed to rail in many parts of the state, anything less would be in contradiction of Council's Long Term Financial Planning and Road Management Planning.

### RECOMMENDATION

That the Council advocate to the Federal Government for 'Betterment' works to be included in the Disaster Recovery Funding Arrangements funding scheme to enable Council to reconstruct assets to a more disaster resilient standard than that of its pre-disaster function.

**Attachments:** Nil

### DISCUSSION

Natural Disaster Financial Assistance for local councils is provided to assist in the recovery process and to alleviate some of the financial burden that may be experienced following a natural disaster.

The Disaster Recovery Funding Arrangements (DRFA) - Category B allows for Emergency Works, Immediate Works and Essential Public Assets Reconstruction Works however, the funding model only allows for the reconstruction of affected assets to its pre-disaster function. To restore affected assets to a higher standard/more disaster resilient standard than that of its pre-disaster function is called 'Betterment'. 'Betterment' works are not funded under Category B – Restoration of Essential Public Assets of the DRFA.

### **CHARLTON 2022 FLOODING EVENT**

River catchments including the Avoca River peaked at Charlton Town on Monday 17 October 2022 at a level of 7.87 metres, which caused over the floor flooding to occur over 3 properties in the tow of Charlton. The Richardson River at Donald peaked at 3.76 metres and remained within the levees. Other waterways including the Tyrrell, Cooroopajerup, and Lalbert creeks, caused flooding in Culgoa and surrounding areas.

As a result of the October Flood Emergency 2022 the road network has been severely impacted by flooding and detours, with over 80 council managed (sealed and gravel) roads currently closed within Buloke Shire and a major detour off the Calder Hwy with large vehicles being diverted throughout local road networks.

The Buloke Shire Road Management Plan prepared in accordance with, Division 5 of the *Road Management Act 2004*, and in accordance with Ministerial Code of Practice – Road Management Plans is a key document in detailing the strategic guidelines and identifying maintenance, renewal, and upgrade improvements for the road network.

Council believes that by not allowing the assets affected by the October Flood Emergency 2022 to be reconstructed to a more disaster resilient standard Council will fail to meet the objectives outlined in the plan which are to:

- Measure quality and cost standards;
- Respond to the needs of its community;
- Provide accessibility to those members of the community for whom the service is intended;
- Be subject to continuous improvement;
- Link to a program of regular community consultation; and
- Report regularly to the community

To examples example of 'Betterment' or continuous improvement would be:

1. the installation of new culverts to roads that experienced water over roads; and
2. the increase to the width of roads that provide key agricultural linkages as indicated in the Road Management Plan

### 9.1.3 ACKNOWLEDGEMENT OF COUNCIL STAFF'S EFFORTS DURING THE 2022 FLOOD EVENT

**Author's Title:** Councillor Warren

**Department:** Office of the CEO

**File No:** CR/13/01

#### PURPOSE

To acknowledge the significant effort of Council staff during the 2022 flood event.

#### SUMMARY

In the days prior to the October 2022 flooding event that was forecast for the northern and western parts of Victoria, Buloke Shire Council staff in preparation for a significant rain and possible flooding event under the direction of the response control agency VicSES and other support agencies including the Northern Central Catchment Authority undertook substantial flood mitigation work.

These mitigation works also included a high level of community engagement and input.

In response to the flooding event, Council participated in five community meetings in Charlton, Donald, Wycheproof, Culgoa and Sea Lake.

Council staff opened and operated an Emergency Relief Centre for a period of 11 Days at the Wycheproof P-12 College and had an average attendance of 18 people requiring accommodation and support.

There has been significant impact on Council's road network with Council's roads team surveying and opening and closing roads as required.

Staff also opened and operated a Municipal Operations Coordination Centre to coordinate Council's resources and liaise with the incident controller and response agencies.

At the height of the response stage many staff had based themselves in Wycheproof, away from their families for several days at a time owing to the inaccessibility to the area, to ensure the safety and best outcomes for the Buloke community.

#### RECOMMENDATION

That Council:

1. Acknowledge the efforts of Council staff during the flood event and congratulate them on their dedication and care for the Buloke community; and
2. When appropriate the Chief Executive Officer schedules a gathering for all staff to thank them for their efforts.

**Attachments:** Nil

**DISCUSSION**

With Council still in both a response and recovery stage, the Municipal Operations Coordination Centre remains open whilst we continue to manage the ongoing flood emergency to the north of our Shire and coordinate recovery in the south.

Council is continuing to support our communities in early recovery. At the time of writing this report Council has:

- Launched our Sandbag Collection Strategy in Charlton, Culgoa, Donald and Wycheproof;
- Initiated the Secondary Impact Assessments where businesses, private and public assets are assessed for damage; and
- Developing a safe roads strategy to ensure all roads are formally assessed prior to opening.

We know the floods caused significant damage and road closures to the Buloke Shire and VicRoads Road assets, including minor and major roads, road reserves and supporting road infrastructure. Council is currently working on a strategy to formally assess roads prior to opening roads to ensure the safety of our community.

Significant damage from flood waters has and will continue to have a major impact to the agricultural community. This includes the loss of crops throughout the shire that will cause financial and mental health concerns within the community.

Council is working with Agriculture Victoria to ensure our farming communities are supported.

### 9.1.4 BIRCHIP COMMUNITY HOUSING INCORPORATED - GUARANTOR FOR LOAN

**Author's Title:** Councillor Milne

**Department:** Office of the CEO

**File No:** FM/04/17

#### PURPOSE

To restate the Council's support for the activities of the Birchip Community Housing Group and its long-term objective to alleviate the current housing crisis within Birchip and surrounding areas.

#### SUMMARY

Birchip Community Housing (BCH) has been operating successfully as a separately incorporated Asset Management Committee of Buloke Shire Council and formerly as a Section 86 Committee. Using a community not-for-profit enterprise approach to manage rental housing, through Birchip Community Housing (BCH), has had demonstrable success in maximising local benefits via a structure in which the housing assets and land are ultimately owned by Buloke Shire Council and operated and managed by BCH

BCH have a 'shovel ready' project which will enable the delivery of 5 new housing units for older aged residents. The proposed project will meet the dual objectives of retaining ageing residents in the town and freeing-up existing larger dwellings for rental or sale to new residents (employees of expanding local businesses). The business plan and financial projections for the project confirm that it is feasible and will contribute to the further building of a sound community housing enterprise with a suitable number of dwellings to enable it to further expand using its rental income base and commercial funding.

BCH have applied for 2 separate rounds of state government funding in the past 12 months to support the above projects. On both occasions, the application was unsuccessful, and feedback received from the funding body has advised the programs were heavily subscribed due to housing crisis issues within the whole of regional and rural Victoria.

This Notice of Motion reinforces the ongoing commitment of the Council to continue to advocate for the BCH in the funding and delivery of the project, as well as providing localised Council support by whatever means are available at the time in the event funding for the BCH's project becomes available.

#### RECOMMENDATION

That Council:

1. Commit to ongoing advocacy to other tiers of government, in conjunction with the Birchip Community Housing Group, to attract and secure funding to address Birchip's Rental Housing Crisis and its Economic Development Impact; and
2. In the event funding is secured for the Birchip Community Housing Group funded, consider opportunities within its Policy framework, and adopted Budget to support project delivery.

**Attachments:** Nil

**DISCUSSION****Buloke Shire Council Housing and Economic Development**

Buloke Shire has history of population decline, a trend which had extended for a few decades until the 2020s. However, the region is poised for growth through known developments in leveraging natural assets in agribusiness and food product value-adding, renewable energies, new tourism recognition, and mineral sands mining, as recognised in the Mallee REDS Strategic Directions. This growth trajectory has commenced and is confirmed by the recent 2021 Census of Population and Housing results. However, as the Buloke Shire Economic Development & Tourism Strategy 2022-23 emphatically notes, there is a risk that shortages of sale and rental housing could jeopardise the ability to realise this economic diversification. Providing smaller more fit-for-purpose housing for ageing residents is part of the solution. It will free up larger houses for new and relocating worker households.

Buloke Shire's Economic Development Strategy reports "in the next 2 years (and probably beyond) the (Shire's) challenge has shifted from attracting population to a 'housing challenge' with the risk of population stabilisation in jeopardy from lack of sale and rental housing". The Strategy goes on to remind stakeholders that moving towards population stability in Buloke will generate new housing demand. Reducing household sizes create demand for additional residential dwellings, offsetting the effect of slightly declining populations. During the 5 years between 2016 and 2021, Buloke's residential housing stock increased by 90 dwellings even though there was a small drop in population. Buloke towns have surplus reticulated infrastructure and affordable properties (compared with metropolitan and provincial city markets), but with limited choice and poor return-on-investment incentives to develop new houses.

The Shire's Economic Development Strategy states that "there is a shortage of quality housing for employees (especially in professional and technical service sectors) and retirees or semi-retirees looking to locate in the Shire". The proposed Addressing Birchip's Rental Housing Crisis and its Impact on Local Economic Development project will assist in both these areas: Directly providing additional rental housing for retirees and freeing up larger dwellings for new employees. Buloke Shire's Economic Development Strategy has nominated "meeting the housing challenge" as one of its explicit strategies.

**Birchip and the Birchip Community Housing Group Project**

Birchip specifically had a population loss of just 8 people between 2016 and 2021, while the number of occupied dwellings increased by 11 (ABS Census of Population and Housing 2021). Wimmera Development Association population projections for Buloke suggests that, with known economic development opportunities, the town will reverse its population decline and will grow at an average annual rate of 0.5% between 2021 and 2026. This will more than double the demand for housing in Birchip.

The project will add new rental dwelling stock to the town's vastly under-supplied rental housing and will enable some larger existing dwellings to be made available to relocating staff of local businesses. The project will deliver critical rental housing infrastructure to enable Birchip to retain ageing residents in independent living arrangements and to contribute to the ongoing viability of many town businesses and services. The construction of 5 new dwellings will enable some of the residents on the current waiting list to remain in the area and will deliver up to 5 existing 3+ bedroom dwellings for new workers and their households to move to Birchip. The project will increase the number of dwellings managed by Birchip Community Housing to 15, which is considered a healthy stock to run the not-for profit enterprise, supporting annual rental income of around \$140,000 and providing a base for further investment in additional dwellings over time.

The proposed project will increase BCH managed housing units to 15 and this will be an adequate base level stock to enable Council and BCH to progressively add further housing units, potentially to a stock of 30+ dwellings, using loan finance. This level of rental stock will make a substantial impact on available

housing for both older residents and (through releasing existing larger homes) newly arriving employees.

**Support for the Project**

It is noted that the Council has provided support to the BCH in previous projects, including through acting as Guarantor for a BCH loan.

Council's current policy framework may provide support to the BCH once funding for the project can be achieved, through means such as:

- Considering an application to the Council under its Loan Guarantee Policy;
- Identifying opportunities through fund re-direction following any sale of land under the Sale of Land Policy; and
- Activating support options provided for under the Community Support Policy.

In addition, the Council will continue to actively advocate to the State and Federal Government in support of the project.



**9.2 QUESTIONS FROM COUNCILLORS**

Nil

**9.3 URGENT BUSINESS**

Nil

**9.4 ANY OTHER BUSINESS**

**9.5 MATTERS WHICH MAY EXCLUDE THE PUBLIC**

Nil

**10. MEETING CLOSE**