



BULOKE
SHIRE COUNCIL

Annual Report



2008-2009





Children playing at Green Lake

BULOKE SHIRE COUNCIL PROFILE

Buloke Shire is located in north-western Victoria, between **210 and 360 kilometres north-west of Melbourne** with an estimated population of 7,051 (ABS).

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

Buloke is a predominantly **rural area**. The main townships are Birchip, Charlton, Donald, Sea Lake and Wycheproof. Smaller townships include Berriwillock, Culgoa, Nandaly, Nullawil and Watchem.

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

Two main highways, the **Calder Highway** and the **Sunraysia Highway**, run north and south through the Shire.

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

Buloke is named after the 'buloke' or 'bulloak tree', 'Allocasuarina Luehmannii', which is common in the area.

We know that Buloke doesn't exist in a vacuum – that individuals, organisations, communities, and government agencies are all interconnected and interdependent. None of us can create significant impact on our own; our potential is greatest when we work together.

CEO Warwick Heine

SHIRE LOCATION



OUR VISION

A GREAT PLACE TO LIVE AND WORK WITH GREAT PEOPLE FOR NEIGHBOURS AND FRIENDS

... With **vibrant townships and communities** where everyone is respected; where all generations have opportunities to express themselves; where diversity is welcomed and encouraged. Where local networks are supported, encouraged and used as the foundation stone of community engagement and involvement.

... With **strong, safe communities** that are welcoming and familiar, where people and friendships are valued. Community spirit is strong; underpinned by security and safety. There is mutual trust between local people and the organisations that exist to help support and serve them.

... With **access and communication** which makes it easy to access all of the townships and localities that make up the Shire for work and play. Communication is dealt with in flexible and innovative ways.

... With **good health and wellbeing** where people enjoy life, work and leisure at their own pace. Freed from stress, they take care of themselves and others.

... With **landscapes and environment** made up of a cherished mixture of towns, localities, natural features and rural landscapes. It is a peaceful sanctuary, not crowded or polluted.

... With **developing opportunities** where everyone in Buloke is involved in and can influence planning for the future; the places where they live and work; increasing opportunities to meet, work and have fun.

OUR MISSION

TO ACHIEVE THE VISION FOR THE BULOKE SHIRE THROUGH EFFECTIVE LEADERSHIP, GOOD GOVERNANCE AND THE DELIVERY OF HIGH QUALITY SERVICES.

- Focusing the Shire's efforts on what is important to you;
- Clearly identifying what it is important the Shire delivers to you;
- Guiding service plans to ensure the services delivered by council, government, the not-for-profit sector and other providers are what you need;
- Highlighting the things you can do to make living in Buloke better; and;
- Regularly engaging with you to report progress and identify new opportunities;

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MAYOR'S REPORT

Welcome to the Buloke Shire Council 2008/09 Annual Report. As in the past several years, I take great pleasure in presenting this report on the past 12 months' operations of Council. I hope you will find it informative and interesting.

I wish to start my message for the 2008/09 Annual Report where I finished in 2007/08, making comment about weather conditions and water.

The Buloke community continues to "do it tough". Despite some promising signs, a good harvest for 2009/10 is certainly not guaranteed. Indeed, as each month has gone by the outlook has changed. Things were looking reasonable in autumn, but a lack of strong winter rains and the threat of a hot spring and summer does not engender a strong positive outlook. World grain prices also threaten to dampen spirits even if there is a good harvest.

I make these comments not because I do not have strong hopes for the year and the future, but because I think it is a backdrop to the many of the things happening in our lives and in the life of our Shire.

Buloke is known for its resilience and the strength of its community spirit. Our capacity to "look after our families and our mates", irrespective of circumstances, is widely recognised and respected. Council plays an integral part of this process. Looking out for our mates and families is part of what we do.

We demonstrate this through our governance practices and the services we provide. At Buloke, Councillors and staff work as a team. A team dedicated to making the best possible decisions for the Buloke community, providing the best possible services and advocating to other levels of Government for resources and services to make this an even better place to live than it already is.

Much was achieved in 2008/09 and you will find details of some of these achievements as you read through this report. However, there are some achievements and events in the Shire which I would like to highlight as being particularly important.

2008/09 was an election year and I am proud to report that Buloke had one of the highest levels of voter turnout in the State. At more than 85% voter turnout, we were well within the top ten municipalities in the State.

Seven Councillors were elected at the November 2008 elections. Four of the seven, Harold Flett, Leo Tellefson, Stuart McLean and I were Councillors from the previous Council fortunate enough to be re-elected; three are new Councillors, Gail Sharp, Ellen White and David Pollard.

I would like to recognise the contributions made by former Councillors Peter Watts, Jan Corrie, Robyn Ferrier, Bernadette Hogan and Lloyd Paterson. All were major contributors to the success of the former Council and will be missed.

The new Council quickly slipped into work mode and have been busy addressing the many tasks set by the State Government that must be addressed in the twelve months immediately following an election. This is the first time many of these requirements have been stipulated and it has proven to be a formidable task.

Election of the new Council also marked the beginning of a range of new governance arrangements resulting from changes made to the

Local Government Act in 2008. Councillors and staff are now bound by new requirements for the declaration of interests and there are new requirements to ensure the community are more informed of matters discussed by Councillors and senior staff outside of Ordinary Meetings of Council.

The new Council has also spent some time looking at means in which we can further improve our community consultation practices. Council already prides itself on the level of involvement of the community in Council affairs but, as with all things we do, we can make further improvements. Some new approaches will be initiated in 2009/10.

One of the most important tasks for the new Council has been the preparation of a Council Plan for the next four years. As detailed elsewhere in this report, the new Council has determined to approach this task in a slightly different manner than it has in the past. The Council Plan 2009-13 is therefore a more dynamic Plan than what we have developed in the past. Consistent with my earlier statements concerning improved community consultation, there will also be enhanced opportunities for the community to make comment on and influence the ongoing development of the Plan.

A key part of the Council Plan 2009-13 is a financial plan for the four year period it covers.

Preparing a financial plan for the next four years may not seem a difficult task. However, it is far from an easy task as it involves making decisions about future expenditure patterns and how these can be funded. Commonwealth and State Governments have the luxury of developing forward financial plans based upon an expectation of both population and economic growth. Buloke does not have this advantage. Our forward financial plans must be based on the assumption that local population and economic growth is



likely at best to be slight, or to be static. This means that as the cost of providing services increases due to international and national influences outside of our control, we either need more financial support from other levels of Government, or for local ratepayers to pay more. The difficulty of planning confidently in this environment should be obvious. The outcome is a financial plan which seeks to maintain services at current levels, to maximise income from other sources and projects ongoing annual rate increases above prevailing levels of inflation.

Fortunately, being a Councillor is not just about dealing with future plans and financial realities. As Councillors we also get the opportunity to participate in a wide range of community celebrations.

Celebration is an important part of community life. Celebration recognises local achievement and has a lasting impact on community spirit. Whether a debutante ball, art exhibition, school performance, sporting achievement, recognition of academic excellence, change over dinner, combined meeting of local clubs or announcement of a new initiative, local celebrations are always good news. In Buleke there is much to celebrate and much for everyone in the community to be proud of.

In this context it is also important that I recognise the contribution volunteers have again made to our community in the last twelve months. Volunteers are at the heart of nearly everything that happens in Buleke, including the provision of some Council services. The majority of people who work as a volunteer do so without expecting, or asking for recognition. This is a pity, as I think recognition of volunteers is something we should celebrate as a community. It is something that Council will look at in 2009/10.

One of the most significant challenges facing Council and the Buleke community is climate change. Whether we are individually a

believer or a non-believer in the many and varying predictions associated with the climate change debate we all recognise that change is taking place. Many changes have already taken place that we now regard as everyday, more will occur in the future, probably at an even faster pace.

Council's role in addressing these challenges is complex. It is essential Council develop and implement an Environmental Management System that addresses all aspects of our activities.

At a micro level we need to ensure our work practices and approaches are sustainable and reflect the 3 R's, reduce, re-use and recycle. At a macro level we need to ensure that what we do, propose and advocate for are sustainable and reduce our impact on the environment. Council has a number of adopted environmental strategies and policies, all of these will be reviewed in 2009/10 to ensure they reflect current best practice. There will be opportunities for community input into these review activities.

Roads are always a huge talking point with Buleke residents, particularly the farming community. Each year Council tries to increase the amount of money it can allocate to road maintenance and upgrade. In 2008/09 Council completed an upgrade of its road making and maintenance plant. The upgrade will result in better work practices and outcomes. Buleke was also fortunate to receive additional funding for road construction and upgrade from both the Commonwealth and State Government in 2008/09. The results of this will be seen in 2009/10 as the projects are completed.

Commonwealth Government economic stimulus grant funding was received in 2008/09. All of the funds received, plus some specific purpose grant funds from the State Government, were allocated to upgrade works on Council's swimming pool infrastructure.



Cr Reid Mather Mayor

These works were commenced in 2008/09 and will be completed in time for the 2009/10 swim season.

I also wish to acknowledge the continuing support Buleke received in 2008/09 from its Alliance Council, the City of Hobson's Bay. Hobson's Bay Councillors, staff and the community have been wonderful in their support to Buleke and its community. Support has included help with improvements to Council's administrative systems and extensive financial support to local community activities from service clubs, Chambers of Commerce and a wide range of other organisations based in Hobson's Bay. A highlight of the year was the 'Port to Paddock' photographic exhibition which toured Hobson's Bay and Buleke. The success of the Hobson's Bay/Buleke Alliance continues to be a talking point within the Local Government sector with many other municipalities moving to emulate it. Thank you to all in Hobson's bay who have been so generous with their time, advice and financial generosity.

All the things we achieved in 2009/10 would not have been possible without the hard work and dedication of my fellow Councillors and our staff. I would like to thank them all for their work during the year.

In conclusion, as I said at the same time last year, the thing that Buleke still needs most is rain. If Councillors could make this happen by passing a resolution we would meet every time it was needed. We need the intervention of a much higher power than Council to achieve this, but we do need it.

Cr Reid Mather
Mayor

CHIEF EXECUTIVE OFFICER'S REPORT

This report provides information to the Buloke community and key stakeholder bodies with regard to the performance and achievements of the Shire over the last twelve months. The report contains audited financial statements, the audited performance statement, and other information required under the Local Government Act 1989 and other legislation.

Buloke is one of the least populous municipalities in Victoria with an estimated 7,051 people living in the 8,001 square kilometres that make up the Shire. At 0.86 persons per square kilometre it has the lowest population density in the State. The Shire's population has been slowly diminishing for more than three decades as a direct result of farm consolidation, improved farming techniques and changes to ancillary and support industries such as grain storage and transport. The rate of decline has slowed over the last five years to -0.3% per annum and is likely to continue at this slow rate

for some time into the future. The principal reason for this is the age structure of Shire's population which is ageing at a more rapid rate than the Australian average. The median age of a Buloke Shire resident in 2006 was 45 years, compared with the Australian average of 37 years.

Dry land agriculture is the largest industrial sector in Buloke, employing 38.2% of the employed workforce. Other major employment sectors in Buloke are retail trade (10.98% of jobs), health and community services (9.65%) and education (7.36%). The local economy is dominated by agriculture, manufacturing, retail trade and construction.

I mention these facts because they are germane to the environment in which the council works.

Sustainability, in the broadest meaning of the word, is the single largest challenge facing the Shire.

At a whole of Shire level, the severe

strain placed on the agricultural and business economy because of the impact of prolonged drought continues to have an effect on all parts of life in the Shire. A series of high yield seasons and a 'bullish' world grain market would 'kick start' the local economy, but there will still be a need for action to adapt the Shire's economy to the likely medium to long term impacts of climate change.

Partnerships will be the key to the development of an adaption strategy and the delivery of tangible and practical assistance to farmers and ancillary agricultural industries. The creation and success of these partnering arrangements will be dependant on the capacity of sometimes competing interests to work together. Council has a role to play in this process, to foster the required partnerships and to facilitate their operation. Council's limitation in this regard is that it does not have financial resources to commit to the process.

Adaption to climate change will also be a direct challenge to Council. Many of Council's policies, service delivery and work practices will need to be reviewed and restructured to reflect the new paradigms of environmental design rather than environmental management which has largely characterised our approach to date. This will have a profound impact on Council's land use policies and asset management practices.

While Council has recognised the need to commence discussion and deliberation on some of these matters it was only in 2008/09, when directly confronted by proposals that challenged current thinking, that attention was focused on the need for urgent action. Action to address this situation will continue in 2009/10 and result in proposed amendments to land use planning policies, roadside vegetation management and road



maintenance practices. Strategies to improve the environmental performance of council buildings and facilities will also come from these actions. All of the outcomes from these reviews and deliberations will be subject to community consultation and involvement in 2009/10.

In 2008/09 Council was successful in delivering a wide range of services to the Buloke community within available budgets. As shown in the audited financial statements, Council finished the year in a reasonably strong financial position. A financial position better than predicted due to the decision by the Commonwealth Government to pre-pay part of the 2009/10 Grants Commission allocation.

Review of the financial statements shows that the Shire's financial position is dependant upon the continued receipt of support from the Commonwealth and State Government through the Victorian Grants Commission and other tied and untied grants. The financial statements also show that Council's capacity to raise revenue through means other than rates and charges is severely restricted.

This means that without increases in the level of Government support there will continue to be pressure on Council to either reduce services, or annually raise rates at levels higher than inflation for the foreseeable future.

It is important the Buloke community understands this position and works with Council to ensure expenditures are targeted to essential services and maintenance of essential infrastructure. Additional services will only be possible if supported by revenue from other sources.

The Council Plan 2005-09 shaped Council activities in 2008/09. As detailed elsewhere in this report, a new Plan has been developed to guide the Shire forward for the next four year period.

Achievement against the Key Result Areas (KSA's) set out in the 2005-09 Plan is reported later in this report.

A key component of the KSA's adopted for 2008/09 were the results from the Annual local Government Satisfaction Survey administered on behalf of Council's across the State by Local Government Victoria. Buloke's survey results for 2008/09 were very pleasing, particularly when looked at in comparison with State wide results and results for similar sized municipalities. There has been criticism of the use of these results as KSA's from some sections of the State Government but Council regards them as a useful tool in assessing how the Buloke community rates its performance across a range of corporate and specific service measures. Council will continue to use results from this survey as KSA's in future years.



Warwick Heine CEO

As you read through this report you will learn much about the activities and achievements of Council in 2008/09. The staff who have prepared the various sections of the report dealing with their particular activities are rightly proud of what they have achieved. As a staff we acknowledge there are many areas in which we can improve and it is our intent to do this in 2009/10 and beyond.

In conclusion, I would like to thank the Mayor and Councillors for their role as the elected representatives of the community and the personal support they have shown to me and all staff. I also gratefully acknowledge the support and commitment of the Senior Management Team, staff and contractors.

Warwick Heine
Chief Executive Officer



BULOKA SHIRE COUNCILLORS

MALLEE WARD

**Councillor Reid Mather (Mayor)**

Mobile: 0438 306 259

Email: crmather@buloke.vic.gov.au**Councillor Ellen White**

Mobile: 0417 560 706

Email: crwhite@buloke.vic.gov.au

LOWER AVOCA WARD

**Councillor David Pollard**

Mobile: 0458 918 638

Email: crpollard@buloke.vic.gov.au**Councillor Stuart McLean**

Mobile: 0439 327 839

Email: crmclean@buloke.vic.gov.au

MT JEFFCOTT WARD

**Councillor Leo Tellefson (Dep Mayor)**

Mobile: 0427 320 166

Email: crtellefson@buloke.vic.gov.au**Councillor Harold Flett**

Mobile: 0408 128 247

Email: crflett@buloke.vic.gov.au**Councillor Gail Sharp**

Mobile: 0437 090 172

Email: crsharp@buloke.vic.gov.au

PERFORMANCE STATEMENT

The Victorian Government is of the view that it is reasonable to expect all Councils to collect and publish performance information. The Government amended the Local Government Act 1989 (section 153) to ensure that Local Government develops performance accountability mechanisms which allow for a consistent approach to the collection and reporting of information regarding financial performance, operating costs and community satisfaction.

The Key Strategic Activities that follow allow a comparison to be made between projected targets and actual figures in line with the Council Plan.

For a full copy of the Buloke Shire Council's Council Plan please visit our website at www.buloke.vic.gov.au and look in the Council section.

ANNUAL MEASURES AND TARGETS

Listed on the following pages are Council's strategic objectives, strategic statements, indicators & activities for 2008-2009

How we have measured our indicators:

Scale Results	Indexed Score
Excellent – outstanding performance	100
Good – a high standard	80
Adequate – an acceptable standard	60
Needs some improvement	40
Needs a lot of improvement	20



PERFORMANCE STATEMENT

PERFORMANCE INDICATORS					
Performance Indicators	Measure	How Data is Reported	Performance Target	Actual Result	Commentary
1: Overall Performance of Council	Community satisfaction rating with overall performance of the Council	Local Government Victoria Annual Community Satisfaction Survey (Survey Results)	64	70	Target met/achieved
2: Local Roads and Footpaths	Community satisfaction rating with local roads and footpaths	Local Government Victoria Annual Community Satisfaction Survey (Survey Results)	50	56	Target met/achieved
3: Health and Human Services	Community satisfaction rating with health and human services	Local Government Victoria Annual Community Satisfaction Survey (Survey Results)	75	77	Target met/achieved
4: Recreation Facilities	Community satisfaction rating with recreation facilities	Local Government Victoria Annual Community Satisfaction Survey (Survey Results)	72	71	Target not met, due largely to drought affecting condition of playing surfaces.
5: Appearance of Public Areas	Community satisfaction rating with the appearance of public areas	Local Government Victoria Annual Community Satisfaction Survey (Survey Results)	70	73	Target met/achieved
6: Traffic Management & Parking	Community satisfaction with rating traffic management and parking	Local Government Victoria Annual Community Satisfaction Survey (Survey Results)	70	71	Target met/achieved
7: Waste Management	Community satisfaction rating with of waste management services	Local Government Victoria Annual Community Satisfaction Survey (Survey Results)	75	76	Target met/achieved
8: Enforcement of By Laws	Community satisfaction with the enforcement of By Laws	Local Government Victoria Annual Community Satisfaction Survey (Survey Results)	Greater than or equal to 66	68	Target met/achieved
9: Economic Development	Community satisfaction rating with economic development activities	Local Government Victoria Annual Community Satisfaction Survey (Survey Results)	Greater than or equal to 60	62	Target met/achieved
10: Planning Policy and Approvals	Number of planning applications approved by Delegated Authority	Local Government Victoria Annual Community Satisfaction Survey (Survey Results)	Greater than or equal to 70	62	Target not met, due to lower number of applications.

PERFORMANCE INDICATORS					
Performance Indicators	Measure	How Data is Reported	Performance Target	Actual Result	Commentary
11: Customer Service Experience	Community satisfaction with customer contact	Local Government Victoria Annual Community Satisfaction Survey (Survey Results)	Greater than or equal to 75	78	Target met/achieved
12: Strengthening Advocacy Processes	Community satisfaction rating for advocacy and representation on key local issues	Local Government Victoria Annual Community Satisfaction Survey (Survey Results)	Greater than or equal to 70	72	Target met/achieved
13: Community Engagement	Community satisfaction Council's engagement of the community in decision making	Local Government Victoria Annual Community Satisfaction Survey (Survey Results)	Greater than or equal to 70	70	Target met/achieved
14: Average Rates & Charges per Assessment \$	Comparison of actual financial outcome to Budget plan	Annual audited Financial Statements at time of preparation	\$1,273	\$1,332	Target met/achieved
15: Average Rates & Charges per Residential Assessment \$	Comparison of actual financial outcome to Budget plan	Annual audited Financial Statements at time of preparation	\$811	\$857	Target met/achieved
16: Average Rates & Charges per Farm Assessment \$	Comparison of actual financial outcome to Budget plan	Annual audited Financial Statements at time of preparation	\$1,727	\$1,715	Target met/achieved
17: Average Liabilities per Assessment \$	Comparison of actual financial outcome to Budget plan	Annual audited Financial Statements at time of preparation	\$819	\$758	Target met/achieved
18: Operating Result per Assessment (\$)	Comparison of actual financial outcome to Budget plan	Annual audited Financial Statements at time of preparation	\$ (141)	\$ (171)	Target met/achieved
19: Average Operating Expenditure per Assessment (\$)	Comparison of actual financial outcome to Budget plan	Annual audited Financial Statements at time of preparation	\$3,470	\$3,432	Target met/achieved
20: Average Capital Expenditure per Assessment (\$)	Comparison of actual financial outcome to Budget plan	Annual audited Financial Statements at time of preparation	\$1,179	\$1,049	Target not met, due to incomplete capital projects. Remainder carried over to 2009/2010.
21: Working Capital Ratio	Comparison of actual financial outcome to Budget plan	Annual audited Financial Statements at time of preparation	1.17:1	1.44:1	Target met/achieved
22: Percentage Debtors 60 Days and Overdue	Comparison of actual financial outcome to Budget plan	Annual audited Financial Statements at time of preparation	25.0%	24.1%	Target met/achieved
23: Total Indebtedness to Rate Revenue	Comparison of actual financial outcome to Budget plan	Annual audited Financial Statements at time of preparation	64.4%	1.9%	Target met/achieved

COMMUNITY SATISFACTION

Community Satisfaction Survey

The Office of Local Government undertakes an annual state-wide survey of 30,000 Victorians (350 per municipality).

The purpose of these telephone surveys is to measure community satisfaction with Council services.

The main focus of the survey was on Council performance and the respondent's assessment of the importance of Council representation as well as an overall perception of performance, its trends and any issues which may have impacted the perception.

The Buloke Shire Council performed well in the survey, particularly in the Community Engagement and Customer Contact areas.

LOCAL GOVERNMENT INDICATORS	2007	2008	2009	Change
Overall Performance	57	64	70	▲ 6
Advocacy	61	68	72	▲ 4
Community Engagement	54	67	70	▲ 3
Customer Contact	74	80	78	▼ 2
SPECIFIC PERFORMANCE AREAS	2007	2008	2009	Change
Local Roads and Footpaths	52	51	56	▲ 5
Health and Human Services	75	75	77	▲ 2
Recreational Facilities	71	72	71	▲ 1
Appearance of Public Areas	71	72	73	▲ 1
Traffic Management and Parking	68	71	71	-
Waste Management	73	73	76	▲ 3
Enforcement of Local Laws	64	66	68	▲ 2
Economic Development	57	59	62	▲ 3
Town Planning Policy and Approvals	65	68	67	▼ 1



CERTIFICATION OF THE PERFORMANCE STATEMENT

Certification of Performance Statement

In our opinion the accompanying performance statement of the Buleke Shire Council in respect of the 2008/2009 financial year, is presented fairly and in accordance with the Local Government Act 1989.

The statement outlines the performance targets and measures set out in relation to the achievement of the business plan, in respect of that year described in Council's corporate plan and describes the extent to which the business plan was met in that year, having regard to those targets and measures.

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



William Andrew Ryan (B. Bus.)
Principal Accounting Officer

Date: 23 September 2009
Birchip



Reid Mather
Mayor

Date: 23 September 2009
Birchip



Leo Tellefson
Councillor

Date: 23 September 2009
Birchip



Warwick Heine
Chief Executive Officer

Date: 23 September 2009
Birchip

INDEPENDENT AUDITOR'S REPORT

VAGO

Victorian Auditor-General's Office

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Buloke Shire Council

The Performance Statement

The accompanying performance statement for the year ended 30 June 2009 of the Buloke Shire Council which comprises the statement, the related notes and the certification of performance statement has been audited.

The Councillors' Responsibility for the Performance Statement

The Councillors of the Buloke Shire Council are responsible for the preparation and fair presentation of the performance statement in accordance with the *Local Government Act 1989*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the performance statement that is free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Matters Relating to the Electronic Presentation of the Audited Performance Statement

This auditor's report relates to the performance statement published in both the annual report and on the website of the Buloke Shire Council for the year ended 30 June 2009. The Councillors are responsible for the integrity of the website. I have not been engaged to report on the integrity of the website. The auditor's report refers only to the statements named above. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited performance statement to confirm the information included in the audited performance statement presented on the Council's website.

CERTIFICATION OF THE PERFORMANCE STATEMENT & INDEPENDENT AUDITOR'S REPORT CONTINUED

VAGO

Victorian Auditor-General's Office

Independent Auditor's Report (continued)

Independence

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

Auditor's Opinion

In my opinion, the performance statement of the Buloke Shire Council in respect of the 30 June 2009 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

MELBOURNE
30 September 2009

D R Pearson
D R Pearson
Auditor-General

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Level 24, 35 Collins Street, Melbourne Vic. 3000
Telephone 61 3 8601 7000 Facsimile 61 3 8601 7010 Email comments@audit.vic.gov.au Website www.audit.vic.gov.au

CORPORATE GOVERNANCE

The Buloke Shire Council is committed to good corporate governance.

Councillor's Role

The seven Councillors are elected representatives of all residents and ratepayers within the Shire. Their key responsibilities include:

- Establishing the strategic direction of the Shire,
- Advocating a broad range of issues,
- Management of the community's assets,
- Ensuring the delivery of quality services,
- Providing fair and equitable representation of constituents,
- Enforcement of by laws.

The Chief Executive Officer (CEO) is appointed by Council for the purposes of managing the daily business of the organisation. The CEO may delegate to other Council officers to enable the functions of the Council to be undertaken in an accountable, efficient and effective manner.

Council Meetings

Council conducts its business in open and publicly advertised meetings. In 2008/2009 there were 11 ordinary and 3 special meetings. Meetings are held on a rotating basis in each major town of the Buloke Shire.

Councillor Code of Conduct

The code sets out guidelines within which Councillors, Council staff and Council representatives must operate. A revised Code of Conduct was adopted at the June 2008 Council meeting and outlines behaviours and actions, which will reduce the risk of

corruption or misuse of council assets, including information. The Code of Conduct is a key component of the Buloke Shire Council's commitment to open and accountable government.

Councillor Remuneration

The mayoral annual allowance for 2008/2009 was \$36,000 and the use of a mobile phone and a fully maintained vehicle. The councillor annual allowance for 2008/2009 was \$12,000.

Representation

Councillors have been appointed as representatives of organisation/committees that assist the council and the community in the provision of services to the people of the Buloke Shire.

COUNCILLORS REPRESENTING COMMITTEES *Former Councillors

COMMITTEE	COUNCILLOR
Audit Committee	Cr Mather
Australian Local Government Women's Association	*Cr Corrie (until November 2008)
Biomass Working Party (formed April 2009)	Cr Sharp (from December 2008)
Buloke Network	Cr White
	Cr Tellefson
	Cr McLean
Business Excellence Awards Steering Committee	Cr Sharp (from December 2008)
	Cr Tellefson
	*Cr Hogan (until November 2008)
	Cr McLean (from December 2008)
	Cr White (from December 2008)
	Cr Tellefson
Calder Highway Improvement Committee	*Cr Watts (until November 2008)
	Cr Pollard (from December 2008)
Central Murray Waste Management Group	Cr Tellefson
Central Victorian Greenhouse Alliance	Cr Tellefson
Charlton Stadium Committee	*Cr Watts (until November 2008)
	Cr Pollard (from December 2008)

CORPORATE GOVERNANCE

CONTINUED

COMMITTEE	COUNCILLOR
Donald Community Information Centre Joint Working Party	Cr Flett
	Cr Tellefson
	*Cr Corrie (until November 2008)
Electric Line Clearance Consultative Committee	Cr McLean
Great Murray & Outback Touring Route	Cr McLean
Heritage Committee	*Cr Hogan (until November 2008) *Cr Watts (until November 2008) Cr White (from December 2008) Cr Pollard (from December 2008) Cr Sharp (from December 2008)
Livestock Saleyards Association Victoria (rep Mallee Region)	Cr McLean
Mid Murray Higher Education Working Party	Cr McLean (until December 2008) Cr White (from December 2008)
Municipal Association of Victoria	*Cr Watts (until November 2008) Cr Mather (from December 2008)
Municipal Fire Prevention Committee	Cr Mather (from December 2008)
Murray Mallee Rural Counselling Service	*Cr Ferrier (until November 2008) Cr Tellefson (until December 2008) Cr White (from December 2008)
North Central Local Learning & Employment Network	*Cr Corrie (until November 2008) Cr Sharp (from December 2008)
North West Municipalities Association	*Cr Ferrier (until November 2008) Cr Mather Cr Tellefson
Sea Lake Community Complex Committee	Cr Mather (until December 2008) Cr White (from December 2008)
Sunraysia Highway Improvement Committee	Cr Mather (until December 2008) Cr Flett (from December 2008)
Victorian Local Sustainability Advisory Committee	Cr Tellefson
Wimmera Development Association	Cr Sharp (from December 2008) Cr McLean (until December 2008)
Wimmera Mallee Pipeline Project	Manager Works & Construction Warren Hemopo
Wimmera Regional Library Corporation	Cr White (from December 2008) *Cr Corrie (until November 2008) Cr Mather (until December 2008)
Wimmera Regional Transport Group	Cr Mather (until December 2008) Cr Flett
Workspace Australia (formerly Regional Enterprise Network)	Cr McLean (until December 2008) Cr Tellefson (from December 2008)

AUDIT ADVISORY COMMITTEE

Members:

Mr Ian Cuthbertson – Chairman

Cr Reid Mather – Mayor

Mr John Chu

Mr Eugene Sibelle



The audit committee met on 6 occasions during the 2008/2009 financial year. Audit activities commenced or completed in 2008/2009 included:

- **2007/2008 Annual Financial Statements**
- **2008/2009 Budget documents**
- **Risk Register and Risk Management Review**
- **Insurance Program**
- **Progress on the recommendations contained Audit Management letter for 2007/2008**
- **Tendering Process**
- **Delegations**

WHISTLEBLOWER PROTECTION ACT

The Whistleblower Protection Act 2001 came into effect on 1 January 2002.

Its purpose is to encourage and facilitate the disclosure of improper conduct by councillors and council officers. The Act also provides protection for a person making disclosures who may suffer reprisals as a result of their actions.

The Buloke Shire Council recognises the value of transparency and accountability in its administrative and management practices and supports the making of disclosures.

Coordinator - Warwick Heine – Chief Executive Officer

Protected Disclosure Officer – Gaynor Doreian – Manager Administration and Process Improvement

Number & types of disclosures made to public bodie	
Number & types of disclosures made to public bodies	0
Number of disclosures referred to the Ombudsman for determination as to whether they were public interest disclosures	0
Number & types of disclosed matters referred by the public body to the Ombudsman for investigation	0
Number & types of investigations taken over from the public body by the Ombudsman	0
Number of requests made by a whistleblower to the Ombudsman to take over an investigation by the public body	0
Number & types of disclosed matters that the public body has declined to investigate	0
Number & types of disclosed matters that were substantiated upon investigation, and the action taken on completion of the investigation	0
Recommendations	0

FREEDOM OF INFORMATION

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

Material Prepared by Council

The public may inspect free of charge, all the information prescribed under Part 10 of the Local Government Regulations 1990, including Council agendas and minutes, planning schemes, local laws, pecuniary interest register, town planning register, annual reports, corporate plan, yearly financial statements and Council budget.

Procedures in Requesting Access to a Document:

The first approach to Council would be a simple request by telephone, in person or in writing. Unless reasons exist for not doing so, Council will make documents readily available. If an applicant wishes to make a formal application under the Freedom of Information legislation, a written application must be made on the prescribed form available from Council's Freedom of Information Officer.

The Act establishes a legally enforceable right for the community to access information in document form held by Council. Under Section 65AA "Report by Council".

	2006/2007	2007/2008	2009/2010
Total number of requests	4	0	1
Access granted in full	1	0	0
Access granted in part	3	0	0
Other	0	0	0
Access denied in full	0	0	0
Requests still under consideration	0	0	0
Number of internal reviews sought	0	0	0
Number of appeals lodged with the Administrative Appeals tribunal	1	0	0
Total charges collected	\$21.50	\$0.00	\$22.00

Information Available for Inspection

- Details current salaries and allowances fixed for the Councillors.
- Details of senior officers gross salaries, allowances and other benefits for the current financial year and two previous financial years.
- Details of overseas or interstate travel (with the exception of interstate travel to a neighbouring municipality undertaken in an official capacity) for Councillors or any member of Council staff in the previous 12 months.
- Names of Council officers who were required to submit a return of interest during the financial year and the dates the returns were submitted.

- Agenda for and minutes of ordinary and special Council meetings kept under Section 93 of the Local Government Act 1989 except where such minutes relate to parts of meetings that have been closed to members of the public under Section 90 of the Act.
- A list of all major committees established by the Council and the purpose for which each committee was established.
- A list of all major committees established by the Council which were abolished or ceased to function during the financial year.
- Minutes of meeting of special Council committees established under Section 86 of the Local Government Act 1989 except where such minutes relate to parts of meetings that have been closed to members of the public under Section 89 of the Act.
- Application for enrolment on the voters' roll under Section 12 and 13 of the Local Government Act 1989 for the immediate past roll and the next roll being prepared.
- Register of delegations kept under Section 87, Section 88 and Section 98 of the Local Government Act.
- Submissions received under Section 223 of the Local Government Act 1989 during the previous 12 months.
- Agreement to establish regional corporations under Section 197 of the Local Government Act 1989.
- Register of authorised officers appointed under Section 224 of the Local Government Act 1989.

RISK MANAGEMENT

Buloke Shire Council has an established Risk Management Policy, Strategy and Implementation Plan, which clearly outlines Council's commitment, and moral, financial and legal responsibility to effectively manage risk in all facets of the organisation. Achievements in 2008/2009 included:

- Staff development and training;
- Completion of insurance audits;
- Continual development of the risk register;
- The continued evolution of the Occupational Health and Safety Committee; and
- Liaisons with WorkSafe throughout the audit process and compliance with notices.

Risk Management Insurance Audits

It is a requirement of Buloke Shire Council's insurers that appropriate risk management processes and practices are implemented throughout the organisation to minimise its exposure to asset and public liability insurance claims. Council is audited annually to determine compliance with the standards set by its insurers.

Results of the audit undertaken for 2008 shows an improvement from previous years though identifies the need for further improvements to record keeping and the need to create documented procedures in some activity areas. An action plan to address these has been developed and is being implemented.

MUNICIPAL EMERGENCY MANAGEMENT

The Council has a statutory obligation, under the Emergency Management Act 1986, to plan for the best use of municipal resources in the prevention of, response to, and recovery from municipal emergencies. Typical emergencies may include storms and localised flooding, motor vehicle accidents, toxic spills, bush fire and fire damage to private and commercial properties.

The Council has a Municipal Emergency Management Plan that documents the requirements and procedures for emergency operations within the municipality. The aim of the plan is to ensure an effective and coordinated response to minimise the effects of an emergency situation and to enable the community to recover from that emergency.

The Buloke Shire Council Municipal Emergency Management Plan was reviewed and audited in February 2009.

NATIONAL COMPETITION POLICY COMPLIANCE

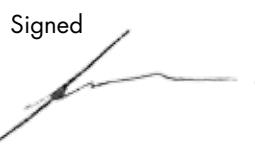
Certification by Chief Executive Officer

Buloke Shire Council has complied with the requirements of the National Competition Policy (NCP) for the period 1 July 2008 to 30 June 2009, in accordance with the requirements outlined in National Competition Policy and Local Government – A Revised Statement of Victorian Government Policy, December 2008 (2008 Statement) as set out below:

A. TRADE PRACTICES COMPLIANCE State Whether The Council Is compliant or non-compliant. If non-compliant, justify or cite actions to redress.	Buloke Shire Council is Compliant
B. LOCAL LAWS COMPLIANCE State whether the Council is compliant or non-compliant. List all local laws made or remade during 2008-09 which impose a restriction on competition:	Buloke Shire Council is Compliant
C. COMPETITIVE NEUTRALITY COMPLIANCE State whether the Council is compliant or non-compliant for all significant businesses. List any significant businesses that are non-compliant:	Buloke Shire Council is Compliant

I certify that:

- a) this statement has been prepared in accordance with the 2008-2009 National Competition Policy reporting guidelines, which is pursuant to the 2008 Statement; and
- b) this statement presents fairly the Council's implementation of the National Competition Policy.

Signed

 Warwick Heine
 Chief Executive Officer

COMMUNITY GRANTS AND DONATIONS

Community grants and donations are provided for programs, projects and activities that enrich and promote the community both personally and economically. The following grants and donations were provided during the 2008/2009 financial year.

Description	Receiver	Amount
08/09 Subsidy & Contribution	Birchip SES	10,780.00
08/09 Subsidy & Contribution	Wycheproof SES	10,780.00
Business Incentive	BodyBiz Health & Fitness	250.00
Business Incentive	RJA Plumbing	250.00
Business Incentive	Nicole Rose-Fitness Trainer	250.00
Awards Night Donation	Birchip P-12 College	100.00
Awards Night Donation	Donald Secondary School	100.00
Awards Night Donation	Sea Lake-Tyrell College	100.00
Awards Night Donation	Wycheproof P-12 College	100.00
Awards Night Donation	Charlton P-12 College	100.00
Council Contribution	CORES Program Contribution	1,000.00
Council Contribution	Red Cross-Bushfire Appeal	5,000.00
Council Contribution	Cricket Club	250.00
Council Contribution	Birchip Community Forum-Bus Sale	250.00
Council Contribution	Birchip P-12 College-Chinese Cultural Event	200.00
Council Contribution	St Arnaud Secondary College-Dance Spectacular	250.00
Council Contribution	Friends of Mt Wycheproof	2,000.00
Council Contribution	Steaming Up Broadway Event	3,000.00
Council Contribution	Advance Sea Lake NUTS Event	500.00
Council Contribution	Williamstown Maritime Association	2,500.00
Council Contribution	Active World Development	500.00
Council Contribution	Nullawil Historical Society-Drop Log House Project	1,000.00
Council Contribution	Donald Historical Society-Old Police Camp Project	2,000.00
Council Contribution	Judy Fitcher-Wycheproof Races Book Publication	500.00
Building Resilient Communities	Culgoa Development Group	500.00
Building Resilient Communities	Sea Lake Senior Citizens-Regional Festival Day	1,000.00
Building Resilient Communities	Wycheproof 2010 Committee	1,000.00
Building Resilient Communities	Donald 2000 Committee	1,000.00
Building Resilient Communities	Charlton Forum	1,000.00
Building Resilient Communities	Advance Sea Lake	1,000.00
Building Resilient Communities	Birchip Community Forum	1,000.00
Building Resilient Communities	Birchip Community Forum	300.00
Building Resilient Communities	Charlton Chamber of Commerce	300.00
Building Resilient Communities	Advance Sea Lake	300.00
Building Resilient Communities	Wycheproof Chamber of Commerce	300.00

COMMUNITY GRANTS AND DONATIONS

CONTINUED

Description	Receiver	Amount
Building Resilient Communities	Donald Chamber of Commerce	300.00
Sponsorship	Donald A&P Society	100.00
Sponsorship	Charlton A&P Society	100.00
Sponsorship	Birchip Friends of the Library-Art Exhibition	500.00
Sponsorship	Charlton Rotary Club-Art Show	150.00
Sponsorship	North Central Football League	1,500.00
Sponsorship	Birchip Cropping Group	5,000.00
Sponsorship	Wycheeproof & District Racing Club	500.00
Helen McPherson Smith Grant	Wycheeproof 2010 Inc - Golden Grains Festival	5,000.00
Helen McPherson Smith Grant	Wycheeproof Resource Centre - Men's Shed	7,500.00
Recreation Reserve Contribution	Charlton Parks Committee	36,400.00
Recreation Reserve Contribution	Donald Recreation Reserve	43,700.00
Recreation Reserve Contribution	Birchip Recreation Reserve	32,100.00
Recreation Reserve Contribution	Berriwillock Recreation Reserve	6,500.00
Recreation Reserve Contribution	Nullawil Recreation Reserve	22,000.00
Recreation Reserve Contribution	Sea Lake Recreation Reserve	39,000.00
Recreation Reserve Contribution	Wycheeproof Recreation Reserve	33,100.00
Recreation Reserve Contribution	Culgoa Recreation Reserve	6,500.00
Recreation Reserve Contribution	Nandaly Hall & Recreation Reserve	5,000.00
Christmas Party	Birchip Senior Citizens	500.00
Christmas Party	Culgoa Senior Citizens	523.00
Christmas Party	Sea Lake Senior Citizens	500.00
Christmas Party	Wycheeproof Senior Citizens	500.00
Christmas Party	Charlton Senior Citizens	500.00
Christmas Party	Donald Senior Citizens	500.00
Christmas Party	Nullawil Senior Citizens	500.00
Freight Development Alliance	Mildura Rural Council	2,000.00
Wimmera Mallee Regional Tourism Association	Hindmarsh Shire Council	5,000.00
Wimmera Development Association	Year 1 2008-2010 Funding Agreement	17,548.30
Tourism Alliance Victoria	Local Government Membership	700.00



OUR ORGANISATION

EQUAL OPPORTUNITY

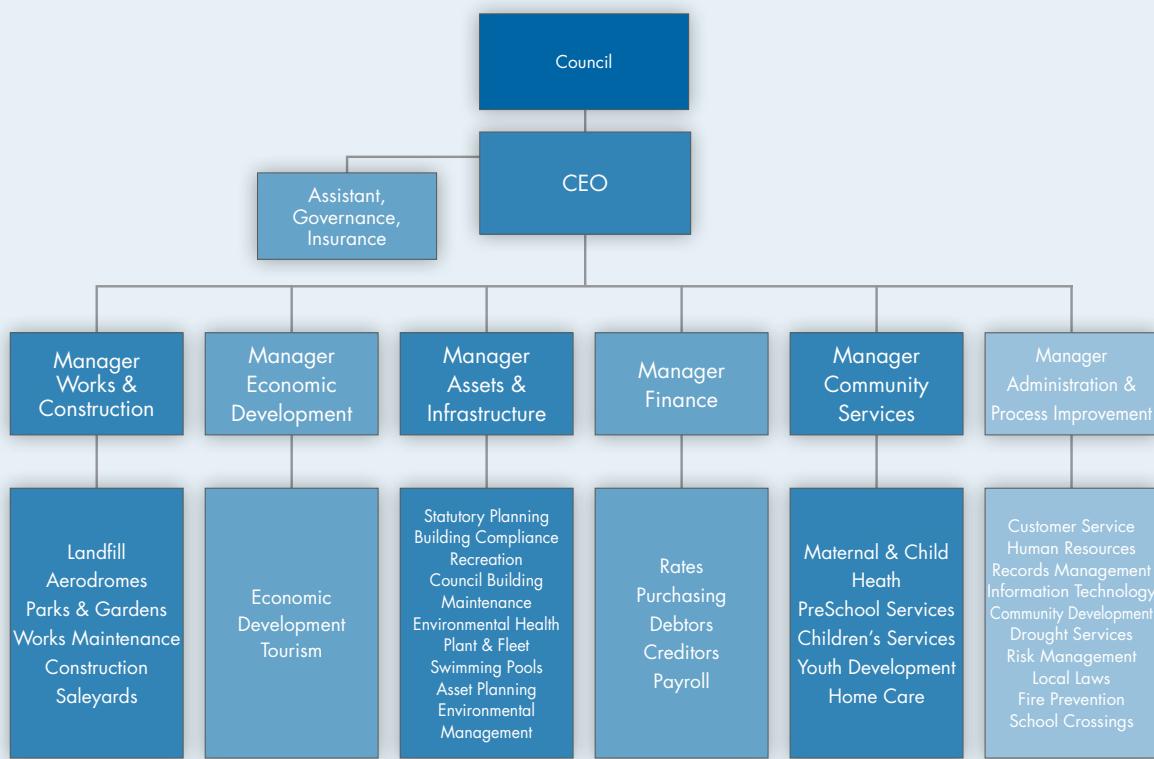
The Buleoke Shire Council is committed to providing workplace harmony and refuses to tolerate workplace harassment or any form of discrimination or offensive behaviour. To help staff identify what their rights are and how they can recognise problems in the workplace and community we have recently provided training to all Buleoke Shire Council employees on Human Rights Charter Awareness from the Victorian Equal Opportunity & Human Rights Commission. In addition to this training all staff last year attended Bullying and Harassment training.

Council recognises the value of staff and will select or promote individuals for employment, training and career advancement on the basis of personal merit in fair and open competition according to skills, qualifications, knowledge and efficiency relevant to the position involved.

All staff are required to treat colleagues and members of the public with the courtesy and sensitivity to their rights, duties and aspirations.

The Human Resource Officer is the Equal Opportunity contact who is able to assist with resolving problems to create workplace harmony, positive morale and a productive environment for all.

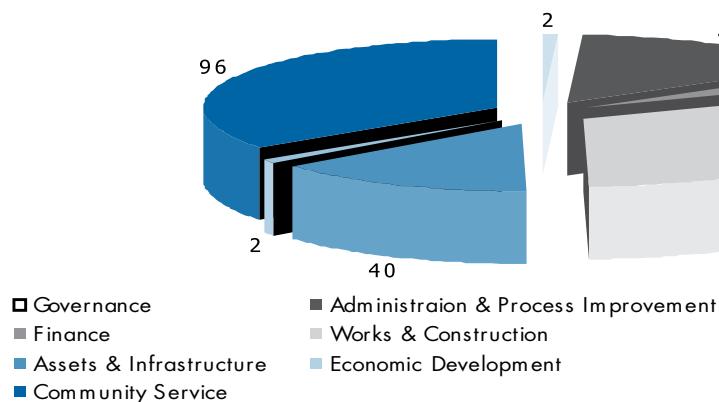
BULEOKE SHIRE COUNCIL'S ORGANISATIONAL CHART



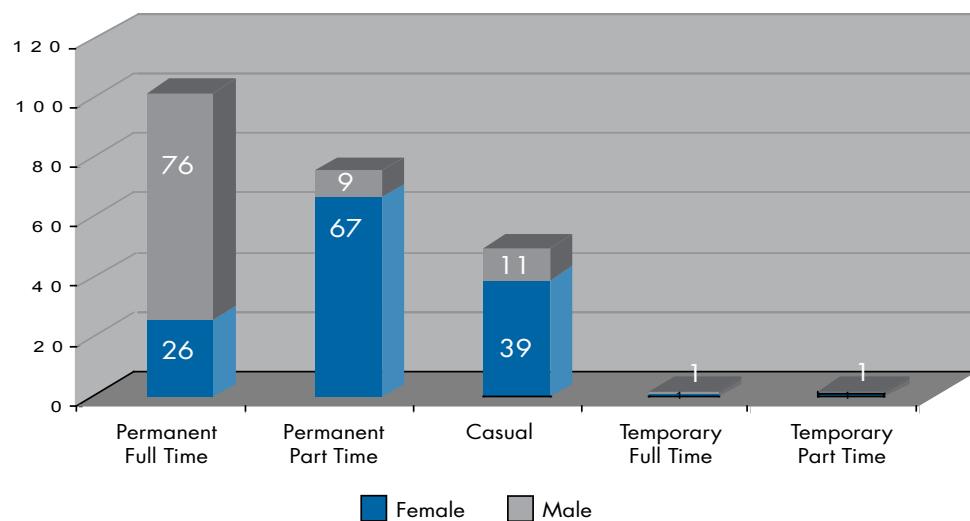
Employee Statistics

Employee numbers by department:

(Includes permanent, part time and casual employees)



Employees by gender and working hours:



* Please note figures may vary slightly dependant upon employees carrying out multiple positions within the organisation.



BEST VALUE STATEMENT

Council undertook a number of activities and initiatives in 2008/09 which contributed to ensuring services continued to be delivered to the Buloke community in an effective and efficient manner. Some of the more significant of these activities and initiatives are reported below.

1. Kerbside Waste Collection, Kerbside Recyclables Collection and Recyclables Processing and Disposal

The provision of these services was subject to tender during 2008/09. Preparation of the tender documents involved consultation with sections of the Buloke community, the Central Murray Regional Waste Management Group and Sustainability Victoria.

As part of the review process current service levels, collection practices and the technologies available for processing and disposal of recyclables were reviewed.

The service specifications set out in the tender documents reflected the outcomes of these activities.

The tender process resulted in a new contractor being appointed to provide the services required for a three year period. The cost of the service to ratepayers for the next three years was maintained at current year levels.

2. Internal Audit

On advice from the Audit Advisory Committee, Council appointed an external contractor to undertake Internal Audit activities.

The Audit Advisory Committee provided risk based advice on the structure of the proposed Internal Audit program. The initial focus was on assessing the adequacy of Council's response to matters raised in the Auditor General's Management Letter resulting from the 2007/08 Audit.

The Internal Audit program also tested new monthly reporting practices

developed by Finance staff to better inform Councillors and the Buloke community of Council's monthly financial position.

Full monthly financial reports are published by Council and made available to the Buloke community as part of the minutes of Ordinary Meetings of Council.

This initiative has resulted in improved transparency and governance practices.

3. Road Maintenance Practices and Procedures

An internal review of sealed roads, gravel roads and dirt formed roads commenced in 2007/08 and was completed in 2008/09.

The review focused on the ability of Council's road maintenance resources to meet amended service standards adopted by Council in August 2007.

The review examined resource allocation, plant usage, staff capability and works practices. Limited consultation was undertaken with sections of the farming community.

Private sector road maintenance contractors were involved in the review and provided advice on resource requirements and work practices.

Staff were consulted as part of the review.

The review resulted in decisions to rationalise and renew Council's heavy plant road making and maintenance resources, restructure of the road maintenance program and improved works programming.

The review also identified weaknesses in training programs and succession planning for heavy plant operators.

A restructure of staff resources has commenced as a result of the review and will be completed in 2009/10. The restructure will assist in better

identifying training needs and aid in succession planning.

As a result of the review and the restructure new cost structures for road maintenance activities will be established in 2009/10. This will enable opportunities for benchmarking against similar activities in other municipalities and the private sector road maintenance sector.

4. Customer Service

An internal review of 'front-of-house' service capabilities initiated in 2007/08 continued through 2008/09.

The review identified significant variation in 'front-of-house' service capabilities across Council's five district offices. Key deficiencies identified included procedural variation, poor version control over documents, training needs, continuing use of out-of-date service manuals and equipment deficiencies.

Action taken as a result of the review has included the physical restructure of two of the five district office service areas, an ergonomic assessment of all customer service work areas, consultation with VicRoads and CentreLink in relation to resolving agency arrangements, review of forms, upgrade of equipment, improved display of community information, improved staff training and review of staff roster arrangements.

Community response to the changes has been overwhelmingly positive.

There was no community involvement in this review.

Customer Service Officers have been actively involved in the review and subsequent change process.

BEST VALUE STATEMENT

CONTINUED

An action plan setting out future directions for customer service, including improvements to Council's website has been prepared and will continue to be a focus of action in 2009/10. Part of the action plan includes the collection of service data that can be used for productivity review and benchmarking purposes.

5. Integrated Information Technology and Telephone System

Council's commitment to improving its information technology capabilities in order to improve the quality and extent of services available to the community continued in 2008/09.

A single integrated telephone system has been installed across all ten (10) of Council's District Offices and Works Depots. This is the first time since establishment of the Shire of Buloke in 1995 a telephone call from a community member can now be seamlessly transferred across all of Council's work places.

Voice over Internet Protocol (VoIP) technology has been utilised to achieve this outcome. Use of this technology was only possible as a result of work undertaken in 2007/08 and continued in 2008/09 to better integrate the Council's information technology platform.

Additional resources were allocated in 2008/09 to continue improvement in Council's Records Management policies, practices and procedures. This has resulted in improved services to the community through better tracking of correspondence and documents. This work is still far from complete and will continue in 2009/10.

No consultation was undertaken with the community as part of this review.

Staff have been consulted and are part of the review process.

6. Business Planning

Resource constraints have continued to limit progress with the 'best practice' Business Planning project commenced in 2007/08.

Training in the use of the Business Planning software purchased by Council in 2007/08 continued in 2008/09 but progress made in integrating this process into organisational practice has been minimal.

The importance of this project is recognised by Senior Management and review of the project and development of a revised Action Plan is a high priority for 2009/10.

7. Drought Response

Council received funding in 2008/09 for the employment of a Drought Response Coordinator as part of the Victorian Government's response to the long term severe drought conditions being experienced in North West Victoria.

The Drought Response Coordinator, in partnership with Council's Community Development Officer and local drought support providers, initiated a farm gate visitation program with the objective of visiting every rural property in the Shire within 12 months to talk about the effects of drought and possible service and information needs.

These farm gate visits were supplemented by a series of 'Fire Shed' community meetings attended by representatives from Council, the CFA and drought support providers. The 'Fire Shed' meetings provided an opportunity for local communities to get together to share information and experiences.

Both of these activities were supported financially by service clubs from outside of the Shire who saw it as

an opportunity to provide tangible support to rural communities during a period of significant hardship and stress.

More than 1,000 rural properties were visited by the Farm Gate team in 2008/09 and 10 'Fire Shed' meetings facilitated.

The success of the program has led to it being duplicated in a number of other municipalities across the State.

8. Buloke Planning Scheme Review

Review of the Buloke Planning Scheme continued in 2008/09.

The review process included opportunities for community input, and community consultation.

Activities undertaken in 2008/09 included:

- Completion of citations for the townships of Donald and Birchip as part of the Heritage Study.
- Review of future residential land requirements.
- Review of future rural living zone requirements.
- Review of future industrial land requirements.
- Review of township structures.

A Full review of the Scheme will be completed in 2009/10.

The Buloke Municipal Strategic Statement will be reviewed in 2009/10.

Further community consultation will be undertaken as the component parts of the review move towards completion.

9. Community Planning

As reported in 2007/08, with assistance from the Victorian Government through its Community Building Initiative, Council

commenced a major community planning exercise in 2006/07. This work continued through 2007/08 and 2008/09.

In 2008/09, community plans developed from the ten (10) community opportunity workshops held in townships and localities across the Shire in 2006/07 and 2007/08 were further developed by their respective communities. Councillors and Council staff assisted this process through active participation in, and in some instances active facilitation of, follow-up meetings with Township Forum and Progress Associations.

Council also provided support for this continuing process through the initiation of an email based grants resource service to communities. This service identifies grant opportunities as they became available from Government and other sources, including the philanthropic sector. Council also provides ongoing support to community organisations with the preparation of grant submissions.

As a result of these actions, a number of the community plans are now in a second generation form. Second generation plans are those where local communities have revisited initial action plan proposals, assessed what has been achieved, reaffirmed what is still important and identified any new challenges that have arisen. It is anticipated that all 10 of the plans will be at this stage by the end of 2009/10. Some will have progressed through a third or even fourth review process.

Communities are also beginning to better understand the need for proposals in their Plan to have moved from being a 'spark of an idea' to being 'project ready'. This is an exciting development which will deliver many benefits to the Buleke community.

10. Home and Community Care (HACC)

As previously reported Council's HACC program was subject to an external quality accreditation audit during 2007/08.

The audit identified a number of deficiencies, the most serious of which was a lack of up-to-date procedural documentation. Resources were allocated in 2008/09 to address this situation.

Council continues to work with relevant funding agencies to ensure services are provided at the required standard.

HACC clients were consulted as part of the process.

HACC staff were directly involved in all stages of the project.

11. Governance

Council reviewed and adopted an update of the Code of Conduct for Councillors and Staff in early 2008/09.

The review incorporated into the Code changes to the Local Government Act; including reference to Caretaker provisions, use of Council resources during election periods and restrictions on the production of electoral material by Council.

Council staff and the community were consulted during the review process and preparation the revised Code. Consultation included distributing a draft copy of the Code to a number of community organisations and all staff for comment and feedback.

Submissions were called for in accord with the provisions of the Local Government Act. No submissions were received.

A published copy of the Code was distributed to all staff and made available to the community.

12. Storm Water Re-Use

Access to water for the maintenance of recreation facilities continues to be an important element of community planning in Buleke. Storm water retention and re-use, water conservation, water budgeting and water planning have all become an increasingly important Council activity.

In 2007/08 Council initiated a program to develop a water plan for each of the towns within the Shire. This work continued in 2008/09.

Numerous meetings were held with Recreation Reserve Committees of Management, representatives of sporting clubs and representatives of regional sporting associations. In some instances, turf specialists and engineering consultants were engaged to provide advice on specific problems, challenges and opportunities.

A combination of Council resources and community action enabled all recreation facilities in the Shire to function in 2008/09. There was a need for some activities to be relocated from specific grounds for short periods of time to allow rehabilitation works to be completed, but this was achieved with minimal disruption.

Engineering studies undertaken in 2008/09 identified opportunities to improve the efficiency of stormwater collection systems in two of the Shire's larger towns. Two further township reviews are scheduled for completion in 2009/10.

An engineering consultant was also engaged to identify opportunities for stormwater harvesting and re-use in a number of the small settlement areas spread across the Shire. This work has included consultation with key informants and local community

organisations. The work will be completed in 2009/10.

Community involvement in this program has been high with meetings well attended and many positive suggestions put forward for action.

Community organisations, including sporting clubs, schools and service clubs have also been involved in water conservation activities including the replanting of areas with more drought tolerant plant species, mulching of garden beds, cleaning out of storm water storage areas, installation of tanks and installation of new infrastructure to carry water to where it is most needed.

The level of community commitment and support for these activities reinforces the importance of storm water management to all communities across the Shire.

13. Five Year Forward Capital Program

Action commenced in 2007/08 to develop a best practice five year forward capital works program and continued in 2008/09.

In 2008/09, Council called on the community to nominate projects for consideration as part of the five year forward program.

The response to this request was high with more than one hundred project nominations being received. All nominations received were acknowledged in writing and entered into a database for investigation. Council staff are yet to complete all of the investigations.

This project will continue in 2009/10. Actions proposed in 2009/10 include publication of the full list of project nominations and an invitation for community input into priority setting. A combination of web-based and facilitated discussion is proposed as part of this process.

14. Youth Engagement

In 2008/09, Council, in partnership with the Donald Uniting Church and the Buloke Youth Forum commenced a series of youth consultations across the Shire.

The purpose of the consultations was to engage young people in discussion about current and future service needs, their aspirations, how to best communicate with them and how to best engage them in the governance of the Shire.

Results of the consultations will be presented to young people, Council and the community in 2009/10 and will assist in shaping future planning and resource allocation.

15. Council Plan 2009-13

In the first half of 2008/09 Council devoted time to considering how best to develop the Council Plan 2009-13.

Council is required by the Local Government Act to develop a four year Plan. The Act calls for the Plan to be developed in consultation with the community. The Plan must also set targets for the Council to achieve over its life and against which progress can be measured on an annual basis.

In its deliberations Council recognised that planning is a vital component of good governance and a soundly developed and widely understood Plan an important foundation for much of the decision making that will need to be made over the next four years. However, Council was also concerned that the Plan should be reflective of what it expects to be a rapidly changing environment over the same period.

Council, therefore, determined to approach development of the 2009-13 Plan in a different manner than in previous years. Rather than develop and publish a Plan that was

relatively static over the four years of its life, Council determined to attempt to prepare a more dynamic document. A Plan which poses questions about the future and encourages ongoing community input rather than the traditional model of vision, mission, values, strategic objectives and measures of achievement.

Many months of discussion, both within the Council organisation and with the community, went into this process.

The result was to prepare a draft Plan for consideration by the community that incorporated the expectations set out in the Act and from State Government agencies but also incorporated some new directions and thinking.

The result of this process will be published in 2009/10 and form the basis of ongoing discussions between Council and the community.



Battle of the Bands

SERVICE HIGHLIGHTS

WORKS AND CONSTRUCTION SERVICES

The Works and Construction Services team is responsible for management of road maintenance, drainage maintenance, townscape maintenance, parks and gardens maintenance, cleanliness of public facilities, waste management, saleyards co-ordination and aerodrome operations. The Works and Construction team also undertakes some capital works projects.

Achievements

- Repairs to footpaths in township areas continued to be a high priority. In addition to replacing small sections of footpaths damaged by trees or heavy vehicles 1,209 square metres of footpaths were replaced as part of capital works improvements. Grinding of uneven surfaces to remove trip hazards also continued throughout the year.
- Parks and Gardens completed improvements to a large number of garden beds and streetscapes across the five (5) main towns.
- Approximately 577 metres of kerb & channel were replaced as part of capital works improvements.
- Approximately 7 kilometres of local roads were rehabilitated and sealed.
- Construction of 3.2kms of Donald South Road was commenced with 40% of the work being completed by the end of the financial year.
- Approximately 41kms of local roads were sealed through the use of contractors.
- Approximately 22kms of local gravel roads were reconstructed.

- Approximately 11kms of gravel shoulders on sealed roads were reconstructed.
- Approximately 7kms of sealed road pavement widening was completed.
- Approximately 415kms of sealed road shoulder maintenance grading was completed.
- Approximately 555kms of gravel road maintenance grading was completed.
- Approximately 761kms of earth road maintenance grading was completed.
- Approximately 372kms of paddock access road maintenance grading was completed.

Work continued on the 'Buloke Shire Council Closed Landfill Rehabilitation Plan' with the former Watchem landfill site being rehabilitated to the stage where it can be revegetated in the forthcoming year.

Work continued with the progressive restoration of gravel pits in accord with the Department Primary Industries Work Authority permit requirements of the following pits:

- McEwan's Pit (Granite Flat)
- Spicer's Pit (Wilkur)
- Coffey's Pit (Birchip)
- Todd's Pit (Towaninny)
- Woollen Rise's Pit (Narrewillock).

Tenders were called for the provision of waste collection and disposal services (household waste and recyclables) from the expiry of the current contract on 30 June 2009. A number of tenders were received and assessed. A new contractor commenced on 1 July 2009.

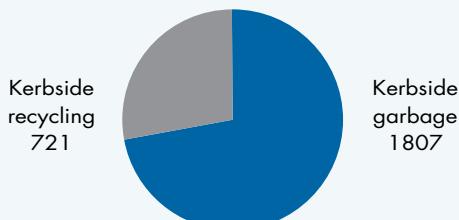
Challenges

The most significant challenge facing the Works and Construction team is how to do more with the same or less. The cost of materials for many of the asset maintenance activities the team is involved in are increasingly being influenced by global trends and often increasing at rates beyond Council's capacity to match through its own revenue raising activities. Examples of this include diesel fuel, road making materials, construction materials and specialist services. Without some 'break' in this cycle advice will need to be sought from Council and the community in regard to reducing some maintenance standards.

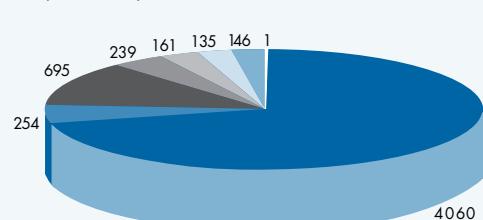
Council also faces challenges in terms of changes in farming practices and transport technology. Larger and more efficient farm machinery and road transport vehicles create obvious economic advantages to the Shire but create significant problems for the maintenance of road infrastructure. Many of the roads and associated road infrastructure (culverts, bridges, etc.) in the Shire were not constructed to carry the axle weights that are a characteristic of new transport and farm machinery technology. Council will need to assess its medium to long term road and infrastructure strategies as a result of these changes.

Small rural councils such as Buloke also face challenges as a result of the implementation of government and community expectations in relation to bio-diversity, waste management, weed and pest control, emergency management and a number of matters. As important as these matters may be, the capacity of small communities to meet the sometimes significant costs associated with changes to asset maintenance practices are going to be difficult. This is another matter on which advice is required from the community.

Kerbside garbage collection (tonnes) 2008/09



Waste generated by Buloke (tonnes) 2008/09



- waste to landfill
- recycled metals
- greenwaste
- paper
- cardboard
- glass
- plastics
- waste oil

SERVICE HIGHLIGHTS

CONTINUED

COMMUNITY SERVICES

AGED AND DISABILITY SERVICES

Council's Aged & Disability Services team provides a range of services to frail aged residents and younger people with a disability living within the Shire. These include general home care, meals on wheels, respite care, personal care, home maintenance, and volunteer transport services.

Achievements

Shire staff, contractors and volunteers provided the following hours of service under the Home and Community Care (HACC) program:

Service	Hours of Service
General Home Care	12,337
Personal Care	470
Respite	335
Property Maintenance	1,162
Volunteer Transport	613 trips
Meals on Wheels	15,079 meals

During the last twelve months, 67 quality activities were undertaken across the (7) HACC objectives:

- Access to Services
- Information and Consultation
- Efficient and Effective Management
- Coordinated , Planned and Reliable Service Delivery
- Privacy, Confidentiality and Access to Personal Information
- Complaints & Disputes
- Advocacy

Other highlights included:

- Implementation of more regular meetings with all HACC staff.
- Implementation of HACC specific education programs to maintain the skills needed to provide the most appropriate services to clients. These have included Dementia Essentials, Active Clients – Active HACC, Falls Prevention, Elder Abuse, and Certificate 3 in Home & Community Care.
- A shift in education of staff regarding OH&S matters with an action plan being developed to ensure that all staff received the best information available to deal with the complex issues surrounding OH&S in the HACC sector.
- Implementation of an approved chemical list and utilising non hazardous cleaning agents, workers. Material Safety Data Sheets were also provided to all direct care workers for their information should an incident occur.

Future Directions

Over the coming twelve months and beyond, HACC staff and HACC clients will be progressively educated on and be exposed to the Active HACC philosophy and the benefits of fostering a less dependant model of HACC service provision.

YOUTH SERVICES

The Youth Services Program continues to provide support, assistance, guidance and entertainment opportunities for young people in the Shire.

The program regularly engages with young people to ensure their needs are known and barriers removed to ensure all can actively participate in their community.

Partnerships have been formed with key stakeholders involved with youth affairs in the Shire and wider region, including the Office for Youth, the North Central Local Learning & Employment Network, the Uniting Church in Australia and a wide range of other agencies and groups.

Specific youth focused events held in the Shire in 2008/09 included:

- **Kool Skools Program**

(FReeZA) - 7 FReeZA events were held during 2008/09 including dance parties, concerts, festivals, talent competitions, cultural events and an album launch. Over 1,000 young people participated in Buloke's FReeZA program during this period.

- **Active Youth in Buloke**

- encourages the active participation of young people in the delivery of youth services within the Shire. As part of this program youth action groups operate in the five largest towns in the Shire, Charlton, Donald, Birchip, Wycheeproof and Sea Lake.

- **Buloke Family Fun Day** -

held on 27th February 2009 at the Donald Showgrounds. The event included a strong youth component with members of the Donald Youth Group assisting to organise and deliver the event, while a 'battle of the bands' competition showcased the considerable musical talent that exists among Buloke's younger generation.

- **Buloke Youth Health Expo**

- This biennial event was held in partnership with local Secondary Colleges. Approximately 200 Year 9 and 10 students from throughout the Shire participated in the event which is designed to reinforce and compliment the existing health education programs that exist within our schools.

- **Buloke Music Equipment**

Grant – grant funds allowed for the purchase of a quality PA system, drum kit, disco lights and a trailer to transport the equipment. This equipment will be used to compliment the FReeZA program by reducing hiring costs.

MATERNAL & CHILD HEALTH

Council's Maternal and Child Health Service is a universal primary care service for families with children from birth to school age.

During the 2008/2009 year the number of birth notifications in Buloke decreased significantly to just forty-five (45) births.

KINDERGARTENS

Five kindergarten programs are currently operating within the Shire.

The Ballarat YMCA is the Licensee of the Birchip and Donald Kindergartens and Council itself is the Licensee of the Sea Lake, Wycheeproof, and Charlton Kindergartens.

During 2008/09, at the three kindergartens for which Council is the licensee, staff provided forty-one (41) eligible children with the opportunity to participate in a kindergarten program.

Future Directions

The State Government has flagged in its Early Years Learning and Development Framework that it is committed to ensuring that from 2013, all eligible four year old children will have access to 15 hours of kindergarten per week instead of the current 10 hours per week. Council will work closely with staff from the Department of Education and Early Childhood Development, neighbouring Councils, and our local communities to identify the relevant issues and propose service delivery models that will enable us to provide this expansion of our kindergarten programs.



Battle of the Bands

SERVICE HIGHLIGHTS

CONTINUED

ECONOMIC DEVELOPMENT

Council's Economic Development team supports the development and growth of businesses, events and tourism opportunities in the Shire and surrounding region.

Achievements

- Wimmera Mallee Pipeline Expo – an event held in partnership with GWM Water to highlight business opportunities from completion of the Wimmera Mallee Pipeline, including the different options available for building internal pipeline systems to connect to the pipeline.
- Steaming Up Broadway – an event facilitated by Wycheproof Vision to mark the 125th anniversary of rail through Wycheproof. The weekend event included the inaugural 'Music on the Mount' concert and attracted a large amount of sponsorship and interest.
- Trade Mission to Argentina – sponsored by the Victorian Department of Innovation Industry and Regional Development, led by Cr Stuart McLean, and including four representatives from local agricultural machinery businesses, this Trade Mission has opened the door for the potential import and assembly of Argentinean designed agricultural equipment into Australia, specifically to Buleke.
- 'Business Speed Dating by Candlelight' – a successful networking opportunity for local businesses. Local business introduced themselves to each other and spoke about the services they can offer and need now and into the future. An event we will hold again in the forthcoming year.
- Regional Development Victoria Rural Skills Cadetship Program - the program provides tertiary level students with 6 weeks of employment per year for a 2 year

period. Council was awarded 14 cadetships, 8 of which were employed within the Council itself.

- Activation of Recreational Lakes – the provision of water to Tchum Lake and Green Lake has led to reactivation of plans to develop these facilities as local recreational and tourism destinations. Assistance has been provided to the respective Lake Committees to seek grant funds and plan facilities.
- Buleke Tourism Board – establishment of a new community based organisation to encourage tourism opportunities within the Shire through improved product knowledge, marketing activities, training of local operators and improved coordination with surrounding tourism planning agencies.

Challenges

- The ongoing impact of the drought conditions that have been experienced over the last nearly 10 years continues to have an impact on business confidence and investment. Continued support for businesses across the Shire through initiatives such as the 'Buy Local' campaign are essential.
- While the commissioning of the Wimmera Mallee Pipeline potentially creates new farming and intensive agricultural opportunities in the Shire uncertainty around the price of water is hampering investment. Certainty, education and support to new industries will be essential if this potential is to be realised.
- The lack of availability of contemporary good quality rental housing continues to be a problem across the Shire. Communities will require assistance to identify opportunities to address this problem.
- The adaption of agricultural practices in the Shire to the likely impacts of climate change is likely to have an impact on all aspects

of life in the Shire. Innovative approaches to the retention of people in small towns through the development and nurturing of new business opportunities will be essential if the economic well being of the Shire is to be retained.

Buleke Events

The following events were held in Buleke in 2008/09:

- Australian Off Road Racing Association Meet in Donald
- 'Steaming up Broadway' in Wycheproof
- 'Baby Boomers Festival' in Donald
- Quarter Horse Races in Birchip
- 'Music on the Mount' in Wycheproof
- 'Night Under the Stars' in Sea Lake
- 'The Mallee Root Roundup' B&S Ball in Birchip
- Agricultural and Pastoral Society Shows in Charlton, Donald and Wycheproof
- Labour Day Tennis Tournaments in Donald and Wycheproof
- Sea Lake Mallee Rally in Sea Lake
- Charlton Harness Racing Cup in Charlton
- Mt Wycheproof Thoroughbred Cup in Wycheproof
- Donald Thoroughbred Cup in Donald



Snapshot of the 'Business Speed Dating by Candlelight' evening

ASSETS AND INFRASTRUCTURE

Assets and Infrastructure encompasses the areas of Building Control, Recreation Planning, Swimming Pools, Environmental Health, Maintenance of Council Built Assets, Road Asset Management Planning, Engineering Design, Project Management, Land Use Planning, Plant Management and Environmental Compliance.

BUILDING CONTROL

The Building Control team issues building permits, inspects building works and maintains enforcement of the Building Act 1993, Building Regulations 2006 and ensures compliance with the BCA (Building Code Australia) 2009 Edition.

Achievements

The level of building activity has remained much the same as in previous years with only a small drop in new houses.

Building Permits Issued

• New dwellings	10
• Extensions and alterations to dwellings	16
• New commercial/industrial/public buildings	22
• Extensions and alterations to commercial/industrial/public buildings	16
• Demolitions	3
• Re erection of Dwellings	9
• Swimming Pools	7
• Other (eg. Sheds etc)	28
Total Permits Issued	111
Value of Building Permits Issued	\$4,514,527

ENVIRONMENTAL COMPLIANCE

This function is responsible for the development of policy and practice relating to environmental management

and improvement. The function also oversees Council's compliance with a wide range of environmental legislation.

Achievements

Reaching for Renewables – a research project to source information and contacts that may assist Council facilitate the development of local renewable energy opportunities. The principal focus of the study was on solar and wind as the primary energy inputs and it provided examples of how towns within the region could be powered by renewable energy. The report is available on Council's website and provides links to solar and wind energy resources mapped on behalf of Sustainability Victoria.

ECO-Buy - Council was again recognised for its achievements in green purchasing at the 2009 ECO-Buy Awards at the National Gallery of Victoria in Melbourne on 20 May 2009. Council won the Excellence in Greenhouse Friendly Purchasing Award for 2007/2008. During 2008/2009 Council spent \$265,438 or 4% of its annual budget on environmentally preferred products.

Roadside Rabbit Control - Council received funding from the Department of Primary Industries to eradicate rabbits from the northern part of the shire. The target area was 560km of Council managed roadside that had an identified rabbit problem. The project was successful and many surrounding landholders in the vicinity are also taking up their own eradication of rabbits on their own properties.

Maintenance of Council Buildings

Council owns and manages a wide range of built facilities across the Shire. The Building Maintenance team is responsible for the annual assessment of these buildings and



the development of maintenance and upgrade programs. The inspection, maintenance and development of playgrounds are also managed by this team.

Achievements

- 60 buildings were inspected and future maintenance requirements identified.
- Year three of the 10 year playground upgrade and replacement program was completed.
- Major upgrades of the Charlton and Wycheeproof District Offices to address a range of OH&S and working condition problems were completed.
- Two ageing asbestos clad sheds at the Wycheeproof Depot were replaced with a single modern portable facility.
- Solar hot water systems were installed at the Sea Lake, Wycheeproof and Charlton depots to provide staff with access to hot water for safety and hygiene reasons.
- Major upgrade works were carried out at several Pre Schools and Infant Welfare Centres which included: new carpets, kitchen upgrades, carport, synthetic grass, blinds, shade sails and air-conditioning.
- Sea Lake Senior Citizens Centres had new air-conditioning installed.

SERVICE HIGHLIGHTS

CONTINUED

- Asbestos was removed from the stage area of the Donald Memorial Hall and major renovations to the projector room and stairs completed.
- Air-conditioning was installed at the Wycheepoof Hall.
- Playground replacement was carried out at Sea Lake Apex Park and Pre School, Birchip Memorial Park, Culgoa Child Minding Centre and Charlton Pre School.

ENVIRONMENTAL HEALTH

Council is responsible for a range of public health matters including public health planning, registration of food premises, food sampling, inspection of food premises, immunisation programs, the installation and management of septic tanks, the management of grey water systems, sale of cigarettes to minors and enforcement of smoking bans in eating establishments.

Achievements

Food Safety - All food premises in the Shire are required to be registered and to have a current food safety plan. Food premises are subject to regular inspection for compliance with food safety and food handling standards. Inspections include audit of food safety plans and sampling and analysis of food prepared or produced on the premises.

Tobacco Education and Enforcement - All premises selling tobacco products in the Shire have been contacted and

reminded of their responsibilities to restrict the sale of tobacco products to minors. Council did not engage in any enforcement activities in this area in 2008/09, preferring to continue to educate businesses as to their legal responsibilities.

As part of the food premises inspection program Council also inspected premises for compliance with Tobacco Act laws relating to smoking in eating establishments. Inspections focused on correct signage, proper ventilation, dedicated smoke areas within licensed hotels and clubs, the location of vending machine and retail sales displays. No complaints were received in 2008/09 in relation to these laws.

Influenza Pandemic Planning - Action was taken in 2008/09 to initiate a Pandemic Flu Plan. The Plan will be completed in 2009/10.

Immunisation - Immunisation targets were met in 2008/09. Action was also commenced to transfer immunisation records to computer for easier access and better tracking of immunisation history.

RECREATION PLANNING

The Recreation Planning team is responsible for the operations and management of Council's swimming pool assets, liaison with sporting clubs and associations across the Shire and the planning and redevelopment of sports and recreation facilities.

Swimming Pools

The first stage of implementation of Council's Ten Year Swimming Pool Upgrade Strategy was completed in June 2008. Projects completed during the year were:

- Replacement of pipes at the Watchem Swimming Pool.
- Upgrade of plant and safety equipment across all 7 swimming pools.
- Installation of non-slip surfaces

throughout pool change rooms.

- Upgrade of lighting poles at all 7 swimming pools.
- Development of new shade structures at Berriwillock, Sea Lake and Watchem Swimming Pools.

Recreation Reserves

The implementation of stormwater harvesting and water saving projects has continued to be a focus across the Shire. This year we have provided an alternative water source for sporting fields and green spaces which are an integral part of Buleke Shire's way of life. Some of these projects included:

- Sea Lake and District Community Complex Water Harvesting Project.
- Re-seeding Birchip Golf Club with drought tolerant grass and installation of meters across the stormwater system.
- Stormwater re-use projects at the Charlton Croquet Club, Charlton Bowls Club and the Donald Tennis Club.

Other developments based around recreation facilities include:

- Renewal of change facilities at the Charlton Park,
- Key upgrades at Sea Lake and District Community Complex and Birchip Community Leisure Centre,
- Construction of a new netball court at the Nullawil Recreation Reserve,
- Development of new multi-use court at the Wycheepoof P-12 College.

Community Education

Council facilitated a Liquor Licensing Seminar held at Wycheepoof in November 2008, which was exceptionally well attended by representatives of sport and community clubs across the Shire. This seminar educated clubs about their responsibilities as licensees and the



Wycheepoof's Depot office being installed

common mistakes that see many clubs in breach of their licence.

Council held two Grant Information Seminars at Wycheepoof and Donald, which were designed to assist the five pools and clubs to become more aware of funding programs and more effective in submitting successful funding applications. With presentations from Council staff as well as representatives from the Mallee Sports Assembly and the Department of Planning and Community Development, many of those who attended have already been successful in gaining external funding for their club's projects.

ROAD ASSET MANAGEMENT PLANNING

Road Management Plan

The Road Management Plan was revised and adopted by Council in June 2009.

Australian Level Crossing Asset Management (ALCAM)

Council completed a detailed Road Safety Audit on the 112 railway crossings in the Shire. As a result of the audit work has commenced with V-Line and Vic Roads to address signage, line marking and vegetation clearance issues at 52 railway crossings on the Mildura line.

Regional Road Planning

In conjunction with the Wimmera Regional Transport Group (WRTG), Council has continued to identify and prioritise safety and road capacity needs of major arterials and connector roads in the region.

Council also sponsored the re-establishment of the Sunraysia Highway Improvement Committee (SHIC) to identify priorities for improvements on this important arterial. The Sunraysia Highway is an important transport link in the region, particularly in terms of tourism and other economic activities.

Statutory Planning

The Statutory Planning team continued to focus on completion of a number of strategic land use planning reviews.

The Buloke Shire Residential Land Use Review was completed in January 2009 and recommended various strategies for anticipated residential land requirements for the next 5 years and 15 years. Council has endorsed the Report and sought State Government authorisation to initiate an Amendment to the Buloke Planning Scheme.

Slow progress has continued to be made with Stage Two of the Heritage Study. Stage Two includes Individual Heritage Place Citations. Citations for Donald and Birchip have been completed and those for Charlton and Wycheepoof are well on the way. State Government authorisation for an Amendment to include Donald Individual Heritage Places in the Planning Scheme is currently being sought.

Permits Received and Issued during 2008/2009:

Number of permits received	68
Number of permits issued	68
Permits still processing@ 30/06/09	10
Number of Subdivisions certified	13

PLANT

The Plant team is responsible for the management and maintenance of all Council's heavy plant and equipment. Operating from the Donald Depot, the Plant Coordinator and the team of



Karen Fazzani Executive Officer of the CMRWMG (Central Murray Regional Waste Management Group) presents the award to Buloke Shire Council staff members Gaynor Doreian, Adele Allcock and Ian Palmer.

two mechanics and two apprentices inspect, service and repair a wide range of equipment from large graders and heavy haulage trucks to tractor mounted mowers and lashers. The team's target is ensuring required plant is always available when required.

Plant purchases for the 2008/2009 year included the replacement of a prime mover, four water trucks, two patrol trucks and two town trucks.

Three passenger diesel sedans and one replacement road construction tractor were also purchased.



Berriwillock Swimming Pool



Sea Lake Swimming Pool

SERVICE HIGHLIGHTS

CONTINUED

ADMINISTRATION AND PROCESS IMPROVEMENT

The Administration and Process Improvement Services team has responsibility for Council's Human Resources, Customer Service, Local Laws & Fire Prevention, Records Management, Information Technology, Risk Management, School Crossings, Community Building and Drought Services activities.

HUMAN RESOURCES

The Human Resources team provides a range of services and programs in relation to organisational development, industrial/employee relations, recruitment/retention/termination, occupational health and safety and equal employment opportunities.

Achievements

- The following policies were reviewed to ensure compliance with the Victorian Human Rights Charter:
 - Recruitment and Selection Policy
 - Equal Opportunity Policy
 - Employment Resignation and Exit Policy
 - Work Experience Policy
- Negotiations for Council's Enterprise Bargaining Agreement were successfully completed and the Agreement registered as required by Commonwealth.
- Development of a staff induction program for employees entering the organisation.
- Development of a Corporate Training Calendar to ensure training is provided in a manner relevant to the organisation's needs.
- Completion of Ergonomic Assessments for all office based staff and key depot staff.
- Human Rights Charter Awareness training (161 staff attended).

- Successful elections for Health and Safety Representatives for the following areas:
 - Maternal and Child Health Nurses
 - Donald District Office
 - Charlton District Office

Challenges

Resources available to complete the following in a short timeframe:

- Comprehensive review of all Human Resource Policies.
- Comprehensive review of all Occupational Health and Safety Policies.
- Position and staff skills audits.

Future Directions

- Review of all position descriptions.
- Ongoing review of Human Resource policies and procedures.
- Ongoing review of Occupational Health and Safety policies and procedures.
- Skills and position audits conducted for all staff and positions.

CUSTOMER SERVICE

Customer Service is the first point of contact for Buleke Shire Council customers. The team's role is to make sure that all requests for assistance and information are dealt with as efficiently and effectively as possible.

Achievements

- Appointment of a Customer Service Coordinator.
- All customer requests entered directly into Council's Customer Request System.
- Vic Roads Agency Training provided to all Customer Service staff.
- Commencement of a project to rationalise and improve Shire developed forms.

- Improved money handling procedures implemented across Council's five District offices.
- Introduction of Key Performance Indicators, including all calls answered within (15 seconds).

Challenges

- Availability of relief staff during times of need.
- Lack of consistency in service delivery across Council's five District Offices due to minimal changes at the time of amalgamation of the four former Shires.
- Organisational wide commitment to improved service arrangements.

Future Directions

- 95% of calls responded to at the first point of contact.
- Continued upgrade and streamlining of customer service procedures.
- Published Customer Service Guide to assist all staff in a consistent approach to service delivery.
- Audit of all processes undertaken at each office to ensure consistency.
- Upgrade of Council's website to provide residents with access to on-line services.
- Introduction of State Government 'Easybiz' forms on Council's website and upgrade of all Council's forms.
- Development of Corporate Service Charter.

LOCAL LAWS & FIRE PREVENTION

The Local Laws and Fire Prevention unit provides services to improve the environment for the Buleke community through a combination of education and enforcement services. Services include animal control, unsightly and dangerous properties, fire hazards, noise, advertising signs, street furniture and burning off.

Achievements

- Buloke Shire Council was selected as a Pilot Municipality for the "Integrated Fire Management Project" along with Greater Bendigo Rural City Council and Macedon Ranges Shire.
- Introduction of a rehousing scheme for unwanted dogs and cats that assists new owners with meeting the costs relating to de-sexing and micro-chipping.
- Reuniting lost pets with their owners. Nineteen (19) out of twenty seven (27) dogs impounded were reunited with their owners. This is a significant increase on last year. Three (3) of the dogs impounded were rehoused through Council's new rehousing scheme. Eight (8) of the cats impounded were not claimed by their owners. Four were rehoused locally. The remainder were rehoused through an animal shelter.
- The Feral Cat Trapping programme has proved to be a success with sixty-one (61) cats being trapped. Seven (7) of these cats were not feral and released.

Challenges

- Continued amendments and additions to legislation places increased responsibilities on Council. There has been a large increase in the number of offences that may now be dealt with by the issue of an infringement notice under the "Domestic (Feral & Nuisance) Animals Act" and the "Impounding of Livestock Act" enabling some matters to be dealt with more expediently than instigating court action.
- Geographical area of the Shire can affect staff ability to deliver desirable response times. Council does try to attend to all situations as soon as possible.
- Staff availability to provide the breadth of services required; particularly in the area of animal management.

Future Directions

- Continual promotion of responsible animal ownership and a reduction in the number of unwanted stray animals.
- Enhanced cat trapping program.
- Review of Council's Environmental Local Law, Alcohol Consumption Local Law and Roadside Grazing Local Law.
- Implementation of strategies encouraging compliance with State and Local Laws by maximising available printed information throughout the community. Emphasis will be on the ease of doing the "Right Thing" and as a result increased improvement for the entire community.
- Continual improvement in response times and dealing with requests for services including follow-up with customers.

RECORDS MANAGEMENT

The Records Management team is responsible for managing correspondence and maintaining records on behalf of Council.

Achievements

- Implementation of an improved hard copy filing system to enable documents to be stored effectively and be immediately accessible.
- Implementation of a function based filing system to ensure Council complies with recent changes to record keeping legislation.
- Implementation of a mail delivery system across Council's five district offices to improve correspondence turn around times.
- 20% of records from former Shires of Charlton, Birchip, Donald and Wycheeproof reviewed and recorded – 50% of project completed.
- Relocated three (3) unused compactus to Council's Central Records storage facility at Wycheeproof.

Challenges

- Records from pre amalgamation dispersed across five (5) locations.
- Decentralised office system.
- Ability to access and retrieve documents regardless of location.

Future Directions

- Establishment of a secondary records storage facility.
- Continued development of central records including electronic document management.
- Development of policies and procedures in line with the Public Records Office.
- Upgrade of current software to enable 'image on demand' to all staff.
- Continued implementation of archiving procedures.
- Implementation of a property file system.

INFORMATION TECHNOLOGY

Information Technology provides technology services and network administration across the whole of the Council organisation. This includes maintenance of Council's data and telephone network, network administration, computer system platforms, information systems and software applications. Network administration activities include management of the IT Help desk.

Achievements

- Implementation of a Voice Over Internet Protocol (VoIP) telephone system to enable Council's five (5) district offices, five (5) depot sites and two (2) Maternal & Child Health Centres to be connected as a single integrated telecommunication system for the first time since amalgamation.
- Successfully reviewed and upgraded Council's two (2) way radio fleet.

SERVICE HIGHLIGHTS

CONTINUED

- Upgrades to key corporate software.
- Wireless network installation providing internet and phone connection to Council's five (5) Depots.
- Implementation of an IT service request system to ensure IT issues are dealt with in a timely manner.
- File replication servers installed at Charlton, Donald, and Sea Lake District Offices. The replicator at Birchip was also upgraded.
- Upgrade of printing services and associated administration across Council's offices and depot sites.

Challenges

- Integration and compatibility of existing corporate systems.
- Keeping abreast of change.
- Coordination and management of external service providers.

Future Directions

- Improvements to Council's Customer Request Management System.
- Alignment of existing network drives to ensure consistency between offices and depots.
- Review of Council's Geographic Information System (GIS) functions and usage.
- Review of Council's property data base functions.

COMMUNITY DEVELOPMENT AND DROUGHT SERVICES

The Community Development and Drought team works with the community to assist in addressing the challenges facing people and businesses as a result of the changing climatic and economic environment.

Achievements

The team continued to work with township Forum and Progress Associations to refine and further develop their respective Community Plans. The need for a community plan is recognised in all of the townships

and settlements across the Shire and some innovative and constructive progress has been made across the board.

Through the "Farm Gate" program:

- Provided information to farming families in dealing with climate and environmental related hardship.
- Captured the effects of drought "On the ground."
- Engaged farming families together with service providers to assess urgent requirements.
- Identified the depth of the economic, social and health impacts of prolonged drought on the Buloke community.

Additional achieves included:

- Developed and implemented the "Managing Now Planning Ahead" (MNPA) project which has brought families together and given them a chance to further engage with a greater range of important service providers at a local level.
- Worked in partnership with organisations such as the CFA, Wimmera Uniting Care, Rotary Club of Rosebud, Wycheeproof Community Resource Centre, Loddon Shire Council, Rural Financial Counselling Service, Centrelink, Wimmera Development Association and DPI to ensure farming and business families have had access to all possible support services and information in hard times as they have struggled with drought conditions.
- Provided support to community organisations in planning for and developing concepts for new or redeveloped community facilities.

The team also provided support and assistance to community organisations that were applying to Government, philanthropic trusts and other sources for financial assistance.

An internal Grants Team was established with the objective of improving the support available to community based organisations in accessing grant monies.

The team worked with other Administration and Process Improvement staff to develop a new community information page for publication in local newspapers, "Buloke Community Matters".

Challenges

- To develop effective planning and risk management tools to ensure the Buloke community continues to be a successful community in the face of changing climatic, social and economic conditions.
- To further empower communities to be active participants in planning and shaping the future of Buloke. The community planning and MNPA initiatives have been very successful in engaging communities in dialogue about current and future challenges but this needs to be translated into action plans shaped and managed by individual communities.

Future Directions

- Continue to address community priorities in changing ways to better promote a happy and healthy lifestyle for the Buloke community.
- Work with communities to develop ideas over time. Communities may move in ways that we do not expect or prepare for, however a well developed community plan will provide important tools to ensuring that Buloke remains an amazing place to live.

FINANCE

Finance encompasses the areas of rates, payroll, purchasing, debtors and creditors and is responsible for the efficient management and delivery of Council's financial services.

Achievements

- Monthly financial reports updated to align with end of financial year reporting including Standard Statements. This provides greater reporting integrity and more timely and accurate reporting to Council.
- A new payroll system was installed to allow for improved reporting for plant usage and for better integration with the Sun general ledger system. This project is ongoing with enhancements still being undertaken to allow the system to better meet Council's needs.
- The Council's general ledger system has been updated after last year's review of the general ledger and further improvements have been made to reduce the number of manual spreadsheets required to produce a number of recurring reports.
- Council's Audit Advisory Committee has continued to provide valuable input to Council and has reviewed a number of key documents providing valuable input to the ongoing improvement of Council's systems, controls and operating procedures.
- McLean Delmo Hall Chadwick internal auditors, has assisted in upgrading accounting policies, verifying the financial statements to the general ledger and improving automatic financial data integration.

Challenges

The finance area has experienced a number of challenges over the past few years due to the inability of existing systems to readily meet the needs of both the department and its internal customers and external customers.

The redesigning of existing systems and implementation of new systems should alleviate a number of problems while saving time for staff and money for Council and ratepayers alike. While we have made some significant steps forward there is still a myriad of opportunities ahead to further improve financial services to Council and the community.

Future Directions

- Upgrade the asset management systems to better report and control Council assets.
- Improvements to procurement practices following adoption of a new procurement policy by Council. This will involve continued support for local businesses providing a 5% competitive advantage for local quotes and tenders.
- Improved management reporting to enhance Council's decision making ability.

The progress made in 2008/2009 has been a further step forward. The new policies and procedures and enhanced reporting abilities will ensure that the standard of financial accountability and reporting quality will continue to improve over the next few years.

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INCOME STATEMENT

FOR THE YEAR ENDING JUNE 30 2009

	Note	2009 \$'000	2008 \$'000
Revenue			
Rates and charges	2	8,013	7,690
Statutory fees and fines	3	24	32
User fees	4	644	676
Grants - Recurrent	5	4,820	3,913
Grants - Non-recurrent	5	3,438	3,024
Contributions - Cash	6	129	61
Reimbursements	7	10	25
Other revenue	8	3,031	2,979
Total revenue		<u>20,109</u>	<u>18,400</u>
Expenses			
Employee Benefits	9	(8,624)	(7,885)
Materials and services	10	(6,107)	(5,953)
Bad and doubtful debts	11	(32)	-
Depreciation and amortisation	12	(6,174)	(5,293)
Finance costs	13	(13)	(10)
Other expenses	14	(452)	(553)
Total expenses		<u>(21,402)</u>	<u>(19,694)</u>
		<u>(1,293)</u>	<u>(1,294)</u>
Net gain(loss) on disposal of property, plant and equipment, infrastructure		223	(47)
Surplus(deficit) for the year		<u>(1,070)</u>	<u>(1,341)</u>

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

BALANCE SHEET

FOR THE YEAR ENDING JUNE 30 2009

	Note	2009	2008
		\$'000	\$'000
Assets			
Current assets			
Cash and cash equivalents	16	3,581	4,782
Trade and other receivables	17	962	1,221
Inventories	18	165	127
Other assets	19	729	665
Total current assets		<u>5,437</u>	<u>6,795</u>
Non-current assets			
Investments in associates accounted for using the equity method	15	140	127
Property, plant and equipment infrastructure	20	<u>175,478</u>	<u>174,997</u>
Total Non-current assets		<u>175,618</u>	<u>175,124</u>
Total assets		<u>181,055</u>	<u>181,919</u>
Liabilities			
Current liabilities			
Trade and other payables	21	1,592	1,855
Trust funds and deposits	22	32	73
Provisions	23	2,032	1,584
Interest-bearing loans and borrowings	24	119	184
Total current liabilities		<u>3,775</u>	<u>3,696</u>
Non-current liabilities			
Provisions	23	932	907
Interest-bearing loans and borrowings	24	15	122
Total non-current liabilities		<u>947</u>	<u>1,029</u>
Net Assets		<u>176,333</u>	<u>177,194</u>
Equity			
Accumulated surplus		49,697	50,767
Reserves	25	126,636	126,427
Total Equity		<u>176,333</u>	<u>177,194</u>

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDING JUNE 30 2009

	Note	Total 2009 \$'000	Asset		
			Accumulated Surplus 2009 \$'000	Revaluation Reserve 2009 \$'000	Other Reserves 2009 \$'000
2009					
Balance at beginning of the financial year		177,194	50,767	125,334	1,093
Adjustment on change in accounting policy	26				
- Land under roads		5	0	5	0
Surplus(deficit) for the year		(1,070)	(1,070)	0	0
Net asset revaluation increment(decrement)	25(a)	204	0	204	0
Transfers to other reserves	25(b)	0	0	0	0
Balance at end of the financial year		176,333	49,697	125,543	1,093

	Note	Total 2008 \$'000	Asset		
			Accumulated Surplus 2008 \$'000	Revaluation Reserve 2008 \$'000	Other Reserves 2008 \$'000
2008					
Balance at beginning of the financial year		163,594	53,196	110,393	5
Surplus(deficit) for the year		(1,341)	(1,341)	0	0
Net asset revaluation increment(decrement)	25(a)	14,941	0	14,941	0
Transfers to other reserves	25(b)	0	(1,088)	0	1088
Balance at end of the financial year		177,194	50,767	125,334	1,093

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

CASH FLOW STATEMENT

FOR THE YEAR ENDING JUNE 30 2009

	Note	2009 Inflows/ (Outflows)	2008 Inflows/ (Outflows)
		\$'000	\$'000
Cash flows from operating activities			
Rates		7,138	7,173
Statutory fees and fines		24	61
User charges and other fines (inclusive of GST)		1,595	978
Grants (inclusive of GST)		8,258	6,817
Contributions (inclusive of GST)		129	61
Reimbursements (inclusive of GST)		10	25
Interest		182	271
Rents (inclusive of GST)		25	25
Other receipts (inclusive of GST)	20,185	2,824	726
Finance costs		(13)	(10)
Net GST refund/payment		158	(120)
Payments to suppliers (Inclusive of GST)		(5,810)	(4,102)
Payments to Employees (Including redundancies)		(9,020)	(6,659)
Other payments		(452)	(229)
Net cash provided by (used in) operating activities	27	5,048	5,017
Cash flows from investing activities			
Payments for property, plant and equipment, infrastructure		(5,305)	(4,666)
Proceeds from sale of property, plant and equipment, infrastructure		280	60
Loans and advances to community organisations		10	17
Net cash provided by (used in) investing activities		(5,015)	(4,589)
Cash flows from financing activities			
Trust funds and deposits		(41)	37
Repayment of interest bearing loans and borrowings		(172)	(193)
Net cash provided by (used in) financing activities		(213)	(156)
Net increase (decrease) in cash and cash equivalents		(180)	272
Cash and cash equivalents at the beginning of the financial year		4,782	4,510
Cash and cash equivalents at the end of the financial year	28	4,602	4,782
Financing arrangements	29	600	600
Restrictions on cash assets	30	1,871	1,112

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

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING JUNE 30 2009

Introduction

The Buleke 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, Wycheeproof, Victoria 3527.

The purpose of the Council is to:

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

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

Note 1

Significant accounting policies

(a) Basis of accounting

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

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

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

All entities controlled by Council that have material assets or liabilities, such as Special Committees of Management, have been included in this financial report. All transactions between these entities and the Council have been eliminated in full. Details of entities not included in this financial report based on their materiality are detailed in note 42.

(b) Change in accounting policies

There have been no changes in the accounting period to policies that would significantly impact on the Financial Statements.

Council has elected to bring to account Land under roads aquired after 30 June 2008 using the cost basis. Council elected not to recognise land under roads that it controlled prior to that period in its financial report.

The change is not expected to have a significant affect on the financial statements, as the value of land under roads is not material.

(c) Revenue recognition

Rates, grants and contributions

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

Note 1 Significant accounting policies (cont.)

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

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

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

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

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

User fees and fines

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

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

Sale of property, plant and equipment, infrastructure

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

Interest and rents

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

Dividends

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

(d) Inventories

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

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

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

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

Road earthworks are not depreciated.

Artworks are not depreciated.

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

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

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING JUNE 30 2009

Note 1 Significant accounting policies (cont.)

	Period
Property	
Buildings	
buildings	50 years
fittings	10 years
Plant and Equipment	
Plant	
plant, machinery and equipment	6 - 10 years
fixtures, fittings and furniture	4 - 15 years
Infrastructure	
Roads	
formation	100 years
pavement	80 years
seal	15 years
footpaths and cycleways	13 - 80 years
kerb and channel	50 years
drainage	100 years
bridges	50 years
landfill	10 years
other structures	50 years
other fittings	6 - 10 years

(f) Repairs and maintenance

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

(g) Borrowing costs

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

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

(h) Recognition and measurement of assets

Acquisition

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

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

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

	Threshold \$000
Property	
Land	All
land	All
land under roads	All
land improvements	All
Buildings	
buildings	All
building improvements	All
leasehold building improvements	All

Note 1 Significant accounting policies (cont.)

Plant and Equipment		
plant, machinery and equipment		1
fixtures, fittings and furniture		1
computers and telecommunications		1
leased plant and equipment		1
Infrastructure		
Roads		
road pavements and seals		All
road substructure		All
road formation and earthworks		All
road kerb, channel and minor culverts		All
Bridges		
bridges deck		All
bridges substructure		All
footpaths and cycleways		All
drainage		All
recreational, leisure and community facilities		All
waste management		All
parks, open space and streetscapes		All
aerodromes		All
off street car parks		All
landfills		All
Intangible assets		
intangible assets		1

(h) Revaluation

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

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

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

Land under roads

Land under roads acquired after 30 June 2008 is brought to account using the cost basis. Council does not recognise land under roads that it controlled prior to that period in its financial report.

(i) Cash and cash equivalents

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

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING JUNE 30 2009

Note 1 Significant accounting policies (cont.)

(j) Other financial assets

Managed funds are valued at fair value, being market value, at balance date. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.

(k) Investments

Investments, other than investments in associates, are measured at cost.

(l) Accounting for investments in associates

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

(m) Tender deposits

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

(n) Employee benefits

Wages and salaries

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

Annual leave

Annual leave entitlements are accrued on a pro rata basis in respect of services provided by employees up to balance date. Annual leave expected to be paid within 12 months is measured at nominal value based on the amount, including appropriate oncosts, expected to be paid when settled. Annual leave expected to be paid later than one year has been measured at the present value of the estimated future cash outflows to be made for these accrued entitlements. Commonwealth bond rates are used for discounting future cash flows.

Long service leave

Long service leave entitlements payable are assessed at balance date having regard to expected employee remuneration rates on settlement, employment related oncosts and other factors including accumulated years of employment, on settlement, and experience of employee departure per year of service. Long service leave expected to be paid within 12 months is measured at nominal value based on the amount expected to be paid when settled. Long service leave expected to be paid later than one year has been measured at the present value of the estimated future cash outflows to be made for these accrued entitlements. Commonwealth bond rates are used for discounting future cash flows.

Classification of employee benefits

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

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

A liability is recognised in respect of Council's present obligation to meet the unfunded obligations of defined benefit superannuation schemes to which its employees are members. The liability is defined as the Council's share of the scheme's unfunded position, being the difference between the present value of employees' accrued benefits and the net market value of the scheme's assets at balance date. The liability also includes applicable contributions tax of 17.65 %.

The superannuation expense for the reporting year is the amount of the statutory contribution the Council makes to the superannuation plan which provides benefits to its employees together with any movements (favourable/unfavourable) in the position of any defined benefits schemes. Details of these arrangements are recorded in note 31.

Retirement gratuities

There are no retirement gratuity benefits payable to employees.

(o) Leases*Finance leases*

Leases of assets where substantially all the risks and benefits incidental to ownership of the asset, but not the legal ownership, are transferred to the Council are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Lease payments are allocated between the reduction of the lease liability and the interest expense. Leased assets are amortised on a straight line basis over their estimated useful lives to the Council where it is likely that the Council will obtain ownership of the asset or over the term of the lease, whichever is the shorter. Leased assets are currently being amortised over a 5 year period.

Operating leases

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

Leasehold improvements

Leasehold improvements are recognised at cost and are amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter. At balance date, leasehold improvements are amortised over a 5 year period.

(p) Allocation between current and non-current

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

(q) Agreements equally proportionately unperformed

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

(r) Web site costs

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

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING JUNE 30 2009

Note 1 Significant accounting policies (cont.)

(s) Goods and Services Tax (GST)

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

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

(t) Impairment of assets

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

(u) Rounding

Unless otherwise stated, amounts in the financial report have been rounded to the nearest thousand dollars.

(v) Financial guarantees

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

Note 1 (Cont'd)**(w) Pending Accounting Standards**

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

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

AASB amendment	Standards Affected	Outline of amendment	App. date of Std	App. date for Council
AASB 2008 - 11	AASB 3 Business Combinations	Amends an earlier version of AASB 3 issued in July 2004. However, before the mandatory application of this Standard the Australian Accounting Standards Board will consider the suitability of this Standard for combinations in the not for profit sector. This may result in further amendments to this Standard or an additional scope exclusion. Consequently, it is not possible to assess the likely impact of this Standard on Council.	1-Jul-09	1-Jul-09
AASB 2007 - 06	AASB 101 Presentation of Financial Statements	Amends an earlier version of AASB 101 issued in July 2006. This Standard introduces the concept of a "complete set of financial statements" and amends the title of some statements in the accounts. The other change of some relevance to Council relates to reporting owner changes in equity and comprehensive income. No significant impacts are expected to arise from this Standard.	1-Jan-09	1-Jan-09
AASB 2007 - 08	AASB 123 Borrowing Costs	Amends an earlier version of AASB 123 issued in July 2004. This Standard requires borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset to be capitalised. Previously, entities had the option of expensing such costs. Subject to the existence of borrowings for the purpose of funding capital expenditure, this standard will require related borrowing costs to be capitalised rather than expensed. It is not expected that this will have a material impact on the reported financial performance or position of Council.	1-Jan-09	1-Jan-09
AASB 2008 - 5	AASB 127 Consolidated and Separate Financial Statements	Amends an earlier version of AASB 127 issued in July 2004. This standard makes various relatively minor changes. This Standard is not expected to have any impact on Council.	1-Jul-09	1-Jul-09
AASB 2008-1, AASB 2008-2, AASB 2008-3, AASB 2008-5, AASB 2008-6 AASB 2008-7	Various	These standards make revisions, which are generally minor, to a range of other accounting standards. It is not expected that these Standards will have any significant impact on Council.	1-Jan-09	1-Jan-09

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING JUNE 30 2009

	2009 \$'000	2008 \$'000
Note 2 Rates and charges		
Council uses Capital Improved Value as the basis of valuation of all properties within the municipal district. The Capital Improved Value of a property is its estimated value including improvements at the date of valuation.		
The valuation base used to calculate general rates for 2008/2009 was \$1,040.00 million (2007-2008 \$948.45 million). The 2008/2009 rate in the CIV dollar was 0.6886 cents and the Farm Rate was 0.6610. (2007-2008, rate in CIV dollar was 0.7245 cents and the Farm Rate was 0.6956 cents).		
Residential	1,645	1,551
Commercial	414	402
Farm/Rural	4,891	4,728
Municipal charge	230	231
Garbage charge	759	700
Interest on Rates	74	78
	<hr/> 8,013	<hr/> 7,690

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2008, and the valuation will be first applied in the rating year commencing 1 July 2008.

The date of the previous general revaluation of land for rating purposes within the municipal district was 1 January 2006, and the valuation first applied to the rating period commencing 1 July 2006.

Note 3 Statutory fees and fines		
Infringements and costs	0	8
Election fines	1	0
Planning Permits	17	18
Land information certificates	6	6
	<hr/> 24	<hr/> 32

Note 4 User fees		
Recreation fees	56	69
Saleyard fees	40	61
Aged services fees	393	363
	35	37
Building services fees	22	27
Truck wash fees	2	2
Waste disposal fees	45	56
Other fees and charges	51	61
	<hr/> 644	<hr/> 676

	2009 \$'000	2008 \$'000
Note 5 Grants		
Grants were received in respect of the following		
Summary of grants		
Federally funded grants	6,590	4,976
State funded grants	1,668	1,961
Total	<u>8,258</u>	<u>6,937</u>
Recurrent		
Victoria Grants Commission - unallocated	3186	2,327
School crossing supervisors	8	12
Youth development	52	40
Maternal and child health	122	126
Family and children	139	184
Food services	21	30
Home help / linkages	383	379
Senior citizen centres	44	42
Assessment / welfare support	97	73
Libraries	88	75
Local Government Improvement Incentives (Operating)	222	285
Diesel Fuel Grant	81	36
Volunteer Co ordination Grant SES	11	0
Drought Community Development Grant	0	10
Community Contributions	58	128
Other	308	166
Total recurrent	<u>4,820</u>	<u>3,913</u>
Non-recurrent		
Commonwealth Government - Roads to Recovery	619	970
Victoria Grants commission - local roads	2200	1643
Community Health	22	4
Recreation	38	138
Community Drought Projects	126	149
Buloke Water Bore Project	0	58
Other	433	62
Total non-recurrent	<u>3,438</u>	<u>3,024</u>
<i>Conditions on Grants</i>		
Grants recognised as revenue during the year that were obtained on condition that they be expended in a specified manner that had not occurred at balance date were:		
Roadworks	516	126
Community	619	4
Recreation	69	340
	<u>1,204</u>	<u>470</u>
Grants which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were:		
Community	(5)	(8)
Recreation	(326)	(145)
Roadworks	0	(45)
	<u>(331)</u>	<u>(198)</u>
Net increase (decrease) in restricted assets resulting from grant revenues for the year:	<u>873</u>	<u>272</u>

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING JUNE 30 2009

		2009 \$'000	2008 \$'000
Note 6	Contributions		
	Cash		
	Recreational,leisure and community facilities	67	58
	Valuation	62	3
		<u>129</u>	<u>61</u>
Note 7	Reimbursements		
	Immunisation Reimbursements	2	2
	Other	<u>8</u>	<u>23</u>
		<u>10</u>	<u>25</u>
Note 8	Other revenue		
	Interest	182	271
	Waste Sales	29	42
	Other Rent	25	25
	Works	66	41
	Workcover	27	22
	Insurance	0	8
	Labour Oncosts	1,054	1,462
	Plant Hire	1,503	1,005
	Other	<u>145</u>	<u>103</u>
		<u>3,031</u>	<u>2,979</u>
Note 9	Employee benefits		
	Wages and salaries	7,514	6,340
	Annual leave and long service leave	293	678
	Superannuation	613	561
	Fringe benefits tax and work cover	<u>204</u>	<u>306</u>
		<u>8,624</u>	<u>7,885</u>
Note 10	Materials and services		
	Contract payments		
	Cleaning	4	4
	Contracts	404	0
	Handyman	2	18
	Consultants	445	369
	Feasibility Studies	2	0
	Plant hire external	24	29
	Meals on Wheels	0	153
	Recycling	119	112
	Revaluation	14	61
	Information Technology	267	227
	Waste Management	283	264
	Other	(10)	134
	Materials		
	Electricity	184	181
	Fuel	751	925
	Water and Sewage	92	110
	Garbage Charge	48	39
	Grants and Contributions	560	517
	Insurance	212	261
	Materials	1,072	1,032
	Legal Fees	17	12
	Printing and Stationery	101	43
	Repairs and Maintenance	522	548
	Telephone	101	146
	Vehicle Registrations	97	84
	Other	<u>796</u>	<u>684</u>
		<u>6,107</u>	<u>5,953</u>

		2009 \$'000	2008 \$'000
Note 11	Bad and doubtful debts		
	Other debtors	32	0
		<hr/> 32	<hr/> 0
Note 12	Depreciation and amortisation		
	<i>Buildings</i>		
	Buildings	812	733
	<i>Plant and Equipment</i>		
	Plant, machinery and equipment	501	618
	Fixtures, fittings and furniture	244	158
	<i>Infrastructure</i>		
	Roads	3,665	3,059
	Bridges	86	83
	Footpaths and Cycleways	241	227
	Drainage	83	78
	Kerb and channel	245	241
	Landfills	160	79
	Other infrastructure	137	17
		<hr/> 6,174	<hr/> 5,293
Note 13	Finance costs		
	Interest - Borrowings	13	10
		<hr/> 13	<hr/> 10
	Rate used to capitalise finance costs	6.06%	6.06%
Note 14	Other expenses		
	Auditors' remuneration	43	31
	Councillors' allowances	131	132
	Operating lease rentals	218	267
	(Increase)/Decrease in carrying value of interest in associated entities	(13)	16
	Business incentives	60	54
	Photocopier Software Licence	13	53
		<hr/> 452	<hr/> 553

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING JUNE 30 2009

	2009 \$'000	2008 \$'000
Note 15 Investment in associates		
Investments in associates accounted for by the equity method are:		
- Wimmera Regional Library Corporation	140	127
	<u>140</u>	<u>127</u>
Wimmera Regional Library Corporation		
<i>Background</i>		
Buloke Shire Council is one of six participating Councils with equity in the Wimmera Regional Library Corporation. The Shire currently holds a 7.08% share in the equity of this corporation.		
<i>Council's share of accumulated surplus(deficit)</i>		
Council's share of accumulated surplus(deficit) at start of year	35	61
Reported surplus(deficit) for year	9	(23)
Transfers (to) from reserves	0	(3)
Variation - Change in Equity	0	0
Council's share of accumulated surplus(deficit) at end of year	<u>44</u>	<u>35</u>
<i>Council's share of reserves</i>		
Council's share of reserves at start of year	92	82
Transfers (to) from reserves	0	6
Share of asset revaluation	0	(2)
Variation - Change in Equity	4	6
Council's share of reserves at end of year	<u>96</u>	<u>92</u>
<i>Movement in carrying value of specific investment</i>		
Carrying value of investment at start of year	127	143
Share of surplus(deficit) for year	9	(23)
Share of asset revaluation	0	2
Variation - Change in Equity	4	5
Carrying value of investment at end of year	<u>140</u>	<u>127</u>
Note 16 Cash and cash equivalents		
Cash on hand	2	2
Cash at bank	869	480
Term deposits	2,710	4,300
	<u>3,581</u>	<u>4,782</u>
Users of the financial report should refer to Note 30 for details of restrictions on cash assets and note 32 for details of existing Council commitments		
Note 17 Trade and other receivables		
<i>Current</i>		
Rates debtors	514	398
Loans and advances to community organisations	0	10
Bad and doubtful debts	(15)	0
Other debtors	469	661
Net GST receivable	(6)	152
	<u>962</u>	<u>1,221</u>
<i>Non-current</i>		
Loans and advances to community organisations	0	0
	<u>0</u>	<u>0</u>
Total	<u>962</u>	<u>1,221</u>
Note 18 Inventories		
Inventories held for distribution	165	127
	<u>165</u>	<u>127</u>
Note 19 Other assets		
<i>Current</i>		
Prepayments	425	508
Accrued income	304	157
	<u>729</u>	<u>665</u>

Note 20 Property, plant and equipment, infrastructure

	2009 \$'000	2008 \$'000
Summary		
at cost	17,018	11,648
Less accumulated depreciation	5,946	5,329
	<u>11,072</u>	<u>6,319</u>
at fair value as at 30 June 2007	1,796	411
Less accumulated depreciation	588	76
at Council valuation as at 30 June 2008	250,994	251,031
Less accumulated depreciation	87,796	82,688
	<u>164,406</u>	<u>168,678</u>
Total	<u>175,478</u>	<u>174,997</u>
Property		
Land		
at fair value as at 30 June 2008	2,207	2,244
	<u>2,207</u>	<u>2,244</u>
Land Other Controlled		
at valuation as at 30 June 2008	1,011	1,011
	<u>1,011</u>	<u>1,011</u>
Land Under Roads		
at cost	5	0
	<u>5</u>	<u>0</u>
Total Land	<u>3,223</u>	<u>3,255</u>
Buildings - Freehold		
at cost	1,372	669
Less accumulated depreciation	22	4
	<u>1,350</u>	<u>665</u>
at Council valuation as at 30 June 2008	31,272	31,272
Less Accumulated depreciation	18,442	17,822
	<u>12,830</u>	<u>13,450</u>
Buildings - Controlled		
at cost	483	246
Less accumulated depreciation	9	0
	<u>474</u>	<u>246</u>
at fair value as at 30 June 2008	9,878	9,878
Less accumulated depreciation	6,883	6,721
	<u>2,995</u>	<u>3,157</u>
Total Buildings	<u>17,649</u>	<u>17,518</u>
	<u>20,872</u>	<u>20,773</u>
Total Property		
Valuation of land and buildings were undertaken by a qualified independent valuer Mr Alan Harvey (Fellow Australian Institute of Valuers).The valuation of buildings is at fair value based on current replacement cost less accumulated depreciation at the date of valuation. The valuation of land is at fair value, being market value based on highest and best use permitted by relevant land planning		
Land under roads is valued at deemed cost. Deemed cost is based on Council valuations at 30 June 2008 for land under roads in existence at that date and at the date acquired for subsequent acquisitions using site values adjusted for englubo (undeveloped and/or unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and		
Plant and Equipment		
Plant, machinery and equipment		
at cost	7,973	6,929
Less accumulated depreciation	3,929	3,741
	<u>4,044</u>	<u>3,188</u>
Fixtures, fittings and furniture		
at cost	2,427	2,013
Less accumulated depreciation	1,494	1,250
	<u>933</u>	<u>763</u>
Total Plant and Equipment	<u>4,977</u>	<u>3,951</u>

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING JUNE 30 2009

Note 20	Property, plant and equipment, infrastructure (cont.)	2009 \$'000	2008 \$'000
Infrastructure			
Road Formation			
at Council valuation as at 30 June 2008		39,669	39,669
Less accumulated depreciation		9,538	9,102
		<u>30,131</u>	<u>30,567</u>
Road Pavement			
at cost		2,707	0
Less accumulated depreciation		0	0
		<u>2,707</u>	<u>0</u>
at Council valuation as at 30 June 2008		106,692	106,692
Less accumulated depreciation		26,693	25,353
		<u>79,999</u>	<u>81,339</u>
Road Seal			
at cost		570	0
Less accumulated depreciation		0	0
		<u>570</u>	<u>0</u>
at Council valuation as at 30 June 2008		28,238	28,238
Less accumulated depreciation		10,796	8,906
		<u>17,442</u>	<u>19,332</u>
Bridges			
at cost		152	107
Less accumulated depreciation		0	0
		<u>152</u>	<u>107</u>
at Council valuation as at 30 June 2008		3,927	3,927
Less accumulated depreciation		2,342	2,256
		<u>1,585</u>	<u>1,671</u>
Footpaths			
at cost		79	0
Less accumulated depreciation		0	0
		<u>79</u>	<u>0</u>
at Council valuation as at 30 June 2008		7,831	7,831
Less accumulated depreciation		3,831	3,590
		<u>4,000</u>	<u>4,241</u>
Kerb and Channel			
at cost		142	43
Less accumulated depreciation		0	0
		<u>142</u>	<u>43</u>
at Council valuation as at 30 June 2008		12,057	12,057
Less accumulated depreciation		4,892	4,641
		<u>7,165</u>	<u>7,416</u>
Drainage			
at cost		36	0
Less accumulated depreciation		0	0
		<u>36</u>	<u>0</u>
at Council valuation as at 30 June 2008		8,212	8,212
Less accumulated depreciation		4,379	4,297
		<u>3,833</u>	<u>3,915</u>
Landfill			
at cost		994	972
Less accumulated depreciation		492	332
		<u>502</u>	<u>640</u>
Other			
at valuation 30 June 2009		1,796	411
Less Accumulated Depreciation		588	76
		<u>1,208</u>	<u>335</u>
at cost		0	537
Less Accumulated Depreciation		0	2
		<u>0</u>	<u>535</u>
Total Infrastructure		<u>149,551</u>	<u>150,141</u>
Total Property, Plant and Infrastructure		<u>175,400</u>	<u>174,865</u>
Valuation of Other Infrastructure assets has been determined in accordance with a valuation undertaken by Mr Alan Harvey (Fellow Australian Institute of Valuers), as at 30 June 2009.			
The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.			
Works in Progress			
Works in Progress at Cost		78	132
Total Works in Progress		<u>78</u>	<u>132</u>
Total Property, Plant and Infrastructure		<u>175,478</u>	<u>174,997</u>

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

	2009	Balance at beginning of financial year		Movement in Present Value	Revaluation increments (decrements) (note 25)	Depreciation and amortisation (note 12)	Written down value of disposals	Impairment losses recognised in profit or loss (a)	Transfers	Balance at end of financial year
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property										
land		3,255	0	0	0	0	37	0	0	3,218
land under roads		0	5	0	0	0	0	0	0	5
Total land		3,255	5	0	0	0	37	0	0	3,223
buildings		17,518	940	0	0	809	0	0	0	17,649
Total buildings		17,518	940	0	0	809	0	0	0	17,649
Total property		20,773	945	0	0	809	37	0	0	20,872
Plant and equipment		3,188	1,377	0	0	501	20	0	0	4,044
fixtures, fittings and furniture		763	414	0	0	244	0	0	0	933
Total plant and equipment		3,951	1,791	0	0	745	20	0	0	4,977
Infrastructure										
roads		131,238	3,277	0	0	3,666	0	0	0	130,849
bridges		1,778	45	0	0	86	0	0	0	1,737
footpaths and cycleways		4,241	79	0	0	241	0	0	0	4,079
drainage		3,915	36	0	0	82	0	0	0	3,869
Kerb and channels		7,459	99	(3)	0	248	0	0	0	7,307
Landfills		640	22	0	0	160	0	0	0	502
Other Infrastructure		870	271	0	204	137	0	0	0	1,208
Total infrastructure		150,141	3,829	(3)	204	4,620	0	0	0	149,551
Works in progress										
Works in Progress at cost		126	(54)	0	0	0	0	0	0	72
Fixtures, fittings and furniture		0	0	0	0	0	0	0	0	0
Other		6	0	0	0	0	0	0	0	6
Total works in progress		132	(54)	0	0	0	0	0	0	78
Total property, plant and equipment, infrastructure		174,997	6,511	(3)	204	6,174	57	0	0	175,478

(a) Impairment losses

Reversals of impairment losses are recognised in the income statement under other revenue

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING JUNE 30 2009

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

2008	Balance at beginning of financial year		Movement in Present Value	Revaluation increments (decrements)	Depreciation and amortisation	Written down value of disposals	Impairment losses recognised in profit or loss (a)	Transfers	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
				(note 25)	(note 12)				
Property									
land	2,886	0		381	0	12	0	0	3,255
Total land	2,886	0	0	381	0	12	0	0	3,255
buildings	14,769	902	0	2,580	733	0	0	0	17,518
Total buildings	14,769	902	0	2,580	733	0	0	0	17,518
Total property	17,655	902	0	2961	733	12	0	0	20,773
Plant and Equipment									
plant, machinery and equipment	3,475	378	0	0	618	95	(48)	0	3,188
fixtures fittings and furniture	485	389	0	0	158	0	0	47	763
	3,960	767	0	0	776	95	(48)	47	3,951
Infrastructure									
roads	120,107	2,443	0	11,722	3,059	0	0	25	131,238
bridges	1,753	108	0	0	83	0	0	0	1,778
footpaths and cycleways	4,208	65	0	195	227	0	0	0	4,241
drainage	3,952	71	0	(30)	78	0	0	0	3,915
Kerb and channel	7,564	43	0	93	241	0	0	0	7,459
Landfills	570	32	139	0	79	22	0	0	640
other infrastructure	634	235	0	0	17	0	0	18	870
Total infrastructure	138,788	2,997	139	11,980	3,784	22	0	43	150,141
Works in progress									
Works in Progress at cost	151	0		0	0	0	(25)	126	
Fixtures,fittings and furniture	47	0		0	0	0	(47)	0	
Other	24	0		0	0	0	(18)	6	
	222	0		0	0	0	0	(90)	132
Total property, plant and equipment, infrastructure	160,625	4,666	139	14,941	5,293	129	(48)	0	174,997

(a) Impairment losses

Impairment losses are recognised in the income statement under other expenses

Reversals of impairment losses are recognised in the income statement under other revenue

	2009	2008
	\$'000	\$'000

Note 21 Trade and other payables

Trade payables	1447	1141
Net GST payable	0	99
Accrued expenses	92	552
PAYG/Fringe Benefits	53	63
	<u>1592</u>	<u>1855</u>

Note 22 Trust funds and deposits

Purchase of land on terms	0	30
Other funds held on behalf of third parties	13	12
Grant funds held on behalf of community groups	2	14
Other refundable deposits	17	17
	<u>32</u>	<u>73</u>

Trust funds are held by the Shire in relation to specific community grant related projects. These funds are expended on the related projects and acquitted projects and acquitted on completion. Other refundable deposits are held as security for hall hire and other purposes.

Note 23 Provisions

	Annual leave	Long service leave	Accrued employee expenses	Pit restoration	Landfill restoration	Total
2009	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Balance at beginning of the financial year	569	840	297	58	727	2,491
Additional provisions	110	158	146	97	0	511
Amounts used	0	0	0	0	(38)	(38)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	0	0	0	0	0	0
Balance at the end of the financial year	<u>679</u>	<u>998</u>	<u>443</u>	<u>155</u>	<u>689</u>	<u>2,964</u>
2008						
Balance at beginning of the financial year	535	781	154	52	646	2,168
Additional provisions	167	101	143	6	8	425
Amounts used	(133)	(42)	0	0	(66)	(241)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	0	0			139	139
Balance at the end of the financial year	<u>569</u>	<u>840</u>	<u>297</u>	<u>58</u>	<u>727</u>	<u>2,491</u>

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING JUNE 30 2009

Note 23 Provisions (cont)

	2009 \$'000	2008 \$'000
(a) Employee benefits		
Current (i)		
Annual Leave	679	569
Long service leave	755	660
Accrued Employee Expenses	443	297
	<hr/> 1,877	<hr/> 1,526
Non-current (ii)		
Long service leave	243	180
	<hr/> 243	<hr/> 180
Aggregate carrying amount of employee benefits:		
Current	1,877	1,526
Non current	243	180
	<hr/> 2,120	<hr/> 1,706
Weighted average settlement period	12	12
(i) Current		
All annual leave, accrued employee expenses and the long service leave entitlements representing 10 or more years		
- Short-term employee benefits, that fall due within 12 months after the end of the period	743	832
- Other long-term employee benefits that do not fall due within 12 months after the end of the period measured at present value	1,134	694
	<hr/> 1,877	<hr/> 1,526
(ii) Non-current		
Long service leave representing less than 10 years of continuous service measured at present value	243	180
(b) Other provisions		
Current		
Pit restorations measured at present value	155	58
	<hr/> 155	<hr/> 58
Non-current		
Landfill restoration measured at present value	689	727

Note 24 Interest-bearing loans and borrowings***Current***

Borrowings - secured	119	184
	<hr/> 119	<hr/> 184

Non-current

Borrowings - secured	15	122
Total	<hr/> 134	<hr/> 306

The maturity profile for Council's borrowings is:

Not later than one year	119	184
Later than one year and not later than five years	15	122
Later than five years	0	0
	<hr/> 134	<hr/> 306

Aggregate carrying amount of interest-bearing loans and borrowings:

Current	119	184
Non-current	15	122
	<hr/> 134	<hr/> 306

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING JUNE 30 2009

Note 25 Reserves

	Balance at beginning of reporting period	Increment (decrement)	Share of increment (decrement) on revaluation of an associate	Balance at end of reporting period
	\$'000	\$'000	\$'000	\$'000
(a) Asset revaluation reserves				
2009				
Property				
Land	907	0	0	907
Buildings	6,007	0	0	6,007
	6,914	0	0	6,914
Infrastructure				
Roads	107,814	0	0	107,814
Bridges	32	0	0	32
Footpaths and cycleways	3,315	0	0	3,315
Kerb and channel	5,168	0	0	5,168
Drainage	1,919	0	0	1,919
Other infrastructure	172	204	0	376
	118,420	204	0	118,624
Total Asset revaluation reserves	125,334	204	0	125,538
2008				
Property				
Land	526	381	0	907
Buildings	3,427	2,580	0	6,007
	3,953	2,961	0	6,914
Infrastructure				
Roads	96,092	11,722	0	107,814
Bridges	32	0	0	32
Footpaths and cycleways	3,120	195	0	3,315
Kerb and Channel	5,075	93	0	5,168
	1,949	(30)	0	1,919
Other infrastructure	172	0	0	172
	106,440	11,980	0	118,420
Total Asset revaluation reserves	110,393	14,941	0	125,334
(b) Other Reserves	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
	\$'000	\$'000	\$'000	\$'000
2009				
General Reserve	5	0	0	5
Plant Replacement Reserve	1,088	0	0	1,088
Total Other reserves	1,093	0	0	1,093
2008				
General Reserve	5	0	0	5
Plant Replacement Reserve	0	1,088		1,088
Total Other reserves	5	1,088	0	1,093

	2009 \$'000	2008 \$'000
Note 26		
Adjustments directly to equity		
Adjustment arising from recognising land under roads	5	0
	<hr/>	<hr/>
	5	0
Note 27		
Reconciliation of cash flows from operating activities to surplus (deficit)		
Surplus(deficit) for the year	(1,070)	(1,341)
Reversal of increments and decrements	0	151
Depreciation/amortisation	6,174	5,293
(Profit)/loss on disposal of property, plant and equipment, infrastructure	(223)	47
Movement in carrying value of interest in associated entities	13	(16)
	<hr/>	<hr/>
(Increase)/decrease in trade and other receivables	259	(7)
(Increase)/decrease in prepayments	83	(40)
(Increase)/decrease in accrued income	(147)	(112)
Increase/(decrease) in trade and other payables	(263)	1,001
Increase/(decrease) in other liabilities	(41)	37
Increase/(decrease) in inventories	(38)	71
Increase(decrease) in provisions	59	124
Increase/(decrease) in employee benefits	414	2
Increase/(decrease) in interest bearing liabilities	(172)	(193)
Net cash provided by/(used in) operating activities	<hr/>	<hr/>
	5,048	5,017
Note 28		
Reconciliation of cash and cash equivalents		
Cash and cash equivalents (see note 16)	3,581	4,782
Less bank overdraft	0	0
	<hr/>	<hr/>
	3,581	4,782
Note 29		
Financing arrangements		
Bank overdraft	600	600
Used facilities	0	0
	<hr/>	<hr/>
	600	600
Note 30		
Restricted assets		
Council has cash and cash equivalents (note 18) that are subject to restrictions. As at the reporting date, Council had legislative restrictions in relation to employee entitlements (Long Service Leave) and reserve funds (Recreational Lands Reserves).		
Unexpended grants (Note 5)	873	272
Long service leave (note 23)	998	840
	<hr/>	<hr/>
	1,871	1,112

Restricted asset for long service leave is based on the Local Government (Long Service Leave) Regulations 2002 and does not necessarily equate to the long service leave liability disclosed in note 23 due to a different basis of calculation prescribed by the regulation.

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING JUNE 30 2009

Note 31 Superannuation

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

The Fund's accumulation category, Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (9% required under Superannuation Guarantee Legislation). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Defined Benefit Plan

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

Buloke Shire Council makes employer contributions to the defined benefit category of the Fund at rates determined by the Trustee on the advice of the Fund's Actuary. On the basis of the results of the most recent full actuarial investigation conducted by the Fund's Actuary as at 31 December 2008, Council makes the following contributions:-

- 9.25% of members' salaries (same as previous year);
- the difference between resignation and retrenchment benefits paid to any retrenched employees, plus contribution tax (same as previous year);

Fund surplus or deficit (ie the difference between fund assets and liabilities) are calculated differently for funding purposes (ie calculating required contributions) and for the calculation of accrued benefits as required in AAS 25 to provide the values needed for the AASB 119 disclosure in a council's financial statements. AAS 25 requires that the present value of the benefit liability which is calculated in respect of membership completed at the calculation date makes no allowance for future benefits that may accrue. The actuarial investigation concluded that although the Net Market Value of Assets was in excess of Accrued Benefits at 31 December 2008, based on the assumptions adopted, there was a shortfall of \$71 million when the funding of future benefits was also considered. However, the council has been advised that no additional contributions will be required as at 30 June 2009. The Actuary will undertake the next actuarial investigation as at 30 June 2010 to ascertain if additional contributions are required.

Note 31 Superannuation (Cont'd)

The Fund's liability for accrued benefits was determined by the Actuary at 31 December 2008 pursuant to the requirements of Australian Accounting Standard AAS25 follows:

	31-Dec-08 \$'000
Net Market Value of Assets	3,630,432
Accrued Benefits	3,616,422
Difference between Assets and Accrued Benefits	<u>14,010</u>
Vested Benefits (Minimum sum which must be paid to members when they leave the fund	3,561,588

The financial assumptions used to calculate the Accrued Benefits for the defined benefit category of the Fund

Net Investment Return	8.5% p.a.
Salary Inflation	4.25% p.a.
Price Inflation	2.75% p.a.

	2009 \$'000	2008 \$'000
Accumulation funds		
Employer contributions to Vision Super	358	332
Employer contributions to HESTA Super Fund	7	7
Employer contributions to TWU Super Fund	4	4
Employer contributions to AMP Custom Super	3	5
Employer contributions to Australian Super	13	11
Employer contributions to Commonwealth Super Select	2	1
Employer contributions to FSP Super fund	0	1
Employer contributions to Hostplus Super Fund	5	3
Employer contributions to ING Master Fund	2	2
Employer contributions to Lifetrack Super Fund	6	6
Employer contributions to LUCRF Super Fund	13	13
Employer contributions to MLC Master Key Super Fund	7	4
Employer contributions to Prime Super Fund	0	3
Employer contributions to REST Master Super Fund	4	1
Employer contributions to Tower Super Fund	3	1
Employer contributions to Wrattonbully Reds Super Fund	8	58
Employer contributions to Health Super P/L Super Fund	3	1
Employer contributions to AMP flexible lifetime super	8	0
Employer contributions to BT Lifetime Personal Super	1	0
Employer contributions to Care Super	1	0
Employer contributions to Portfolio Care Super Fund	4	0
Employer contributions to Spectrum Super	2	0
Employer contributions to Unisuper	1	0
Employer contributions to Vic Super	3	0
	<u>458</u>	<u>453</u>

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING JUNE 30 2009

Note 32 Commitments

The Council has entered into the following commitments

2009	Not later than 1 year \$'000	Later than 1 year and not later than 2 years		Later than 2 years and not later than 5 years		Later than 5 years \$'000	Total \$'000		
<i>Operating</i>									
Recycling	190	195	622	0	1,007				
Garbage collection	193	199	634	0	1,026				
Information systems & technology	182	0	0	0	182				
Photocopier Software Licence	62	62	124	0	248				
Insurances	435	0	0	0	435				
Electricity	188	195	210	0	593				
Motor Vehicle Leases	66	0	0	0	66				
Valuation services	109	0	114	0	223				
Roads	607	600	600	0	1,807				
Total	2,032	1,251	2,304	0	5,587				
 <i>Capital</i>									
Roads	607	600	600	0	1,807				
Total	607	600	600	0	1,807				

Note 33 Operating leases**Operating lease commitments**

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

Not later than one year	157	267
Later than one year and not later than five years	0	0
Later than five years	0	0
	<hr/> 157	<hr/> 267

Note 34 Contingent liabilities and contingent assets

Nil.

Contingent Assets

Nil

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING JUNE 30 2009

Note 35	Financial Instruments		
	(a) Accounting Policy, terms and conditions		
Recognised financial instruments	Note	Accounting Policy	Terms and Conditions
Financial assets			
Cash and cash equivalents	16	Cash on hand and at bank and money market call account are valued at face value.	Cash on hand is at call and is not interest bearing. Cash at bank returning a floating interest rate of 4.25% (6.69% in 2007/2008). The interest rate at balance date was 4.25% (6.69% in 2007/2008).
		Interest is recognised as it accrues.	Interest rate at balance date for term deposits ranged from 4.25% to 8.10% (7.99% to 8.10% in 2007/2008).
		Investments and bills are valued at cost.	
		Investments are held to maximise interest returns of surplus cash.	
		Interest revenues are recognised as they accrue.	
Trade and other receivables			
Other debtors	17	Receivables are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when collection in full is no longer probable. Collectibility of overdue accounts is assessed on an ongoing basis.	General debtors are unsecured and no interest is charged. Credit terms are based on 30 days.
Financial Liabilities			
Trade and other payables	21	Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date whether or not invoices have been received.	General Creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.
Interest-bearing loans and borrowings	24	Loans are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and recognised as part of payables. Finance leases are accounted for at their principal amount with the lease payments discounted to present value using the interest rates implicit in the leases.	Borrowings are secured by way of mortgages over the general rates of the Council. The weighted average interest rate on borrowings is 5.62% during 2008/2009 (6.41% in 2007/2008). As at balance date, the Council had no finance leases.
Bank overdraft	24	Overdrafts are recognised at the principal amount. Interest is charged as an expense as it accrues.	The overdraft is subject to annual review. It is secured by a mortgage over Council's general rates and is repayable on demand.

Note 35 Financial instruments (cont.)**(b) Interest Rate Risk**

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

2009

	Fixed interest maturing in:					
	Floating interest rate \$'000	1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000	Non-interest bearing \$'000	Total \$'000
Financial assets						
Cash and cash equivalents	869	2,710	0	0	2	3,581
Trade and other receivables	0	0	0	0	463	463
Other assets	0	0	0	0	304	304
<i>Total financial assets</i>	<i>869</i>	<i>2,710</i>	<i>0</i>	<i>0</i>	<i>769</i>	<i>4,348</i>
Weighted average interest rate	5.89%	5.80%				
Financial liabilities						
Trade and other payables	0	0	0	0	1,592	1,592
Trust funds and deposits	0	0	0	0	32	32
Interest-bearing loans and borrowings	0	119	15	0	0	134
<i>Total financial liabilities</i>	<i>0</i>	<i>119</i>	<i>15</i>	<i>0</i>	<i>1,624</i>	<i>1,758</i>
Weighted average interest rate	6.08%					
Net financial assets (liabilities)	869	2,591	(15)	0	(855)	2,590

2008

	Fixed interest maturing in:					
	Floating Interest rate \$'000	1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000	Non-interest bearing \$'000	Total \$'000
Financial assets						
Cash and cash equivalents	480	4,300	0	0	2	4,782
Trade and other receivables	0	0	0	0	823	823
Other assets	0	0	0	0	157	157
<i>Total financial assets</i>	<i>480</i>	<i>4,300</i>	<i>0</i>	<i>0</i>	<i>982</i>	<i>5,762</i>
Weighted average interest rate	6.69%	5.65%				
Financial liabilities						
Trade and other payables	0	0	0	0	1,855	1,855
Trust funds and deposits	0	0	0	0	73	73
Interest-bearing loans and borrowings	0	184	122	0	0	306
<i>Total financial liabilities</i>	<i>0</i>	<i>184</i>	<i>122</i>	<i>0</i>	<i>1,928</i>	<i>2,234</i>
Weighted average interest rate	6.41%	6.20%	6.42%			
Net financial assets (liabilities)	480	4,116	(122)	0	(946)	3,528

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING JUNE 30 2009

Note 35 Financial instruments (cont.)

(c) Net Fair Values

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

Financial Instruments	Total carrying amount as per Balance Sheet			
	2009		Aggregate net fair value	
	\$'000	\$'000	\$'000	\$'000
<i>(1) Financial assets</i>				
Cash and cash equivalents	3,581	4,782	3,581	4,782
Trade and other receivables	463	823	463	823
Other assets	425	540	425	540
<i>Total financial assets</i>	<u>4,469</u>	<u>6,145</u>	<u>4,469</u>	<u>6,145</u>
<i>Trade and other payables</i>				
Trust funds and deposits	1,592	1,855	1,592	1,855
Interest-bearing loans and borrowings	32	73	32	73
<i>Total financial liabilities</i>	<u>134</u>	<u>306</u>	<u>134</u>	<u>306</u>
	<u>1,758</u>	<u>2,234</u>	<u>1,758</u>	<u>2,234</u>

(d) Credit Risk

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

(e) Risks and mitigation

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

Market risk

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

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from interest bearing financial assets and liabilities that we use. Non derivative interest bearing assets are predominantly short term liquid assets. Our interest rate liability risk arises primarily from long term loans and borrowings at fixed rate which exposes us to fair value interest rate risk.

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

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

We manage the interest rate exposure on our net debt portfolio by appropriate budgeting strategies and obtaining approval for borrowings from the Department of Planning and Community Development when borrowing is required. No additional borrowings were sourced during the year.

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

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

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

Note 35 Financial instruments (cont.)**Credit risk**

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

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

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

We may also be subject to credit risk for transactions which are not included in the balance sheet, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in note 34.

Movement in Provisions for Doubtful Debts	2009	2008
	\$'000	\$'000
Balance at the beginning of the year	0	0
New Provisions recognised during the year	15	0
Amounts already provided for and written off as uncollectible	0	0
Amounts provided for but recovered during the year	0	0
Balance at end of year	15	0

Ageing of Trade and Other Receivables

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

	2009	2008
	\$'000	\$'000
Current (not yet due)	297	341
Past due by up to 30 days	14	93
Past due between 31 and 60 days	14	101
Past due between 61 and 180 days	82	72
Past due between 181 and 365 days	5	0
Past due by more than 1 year	16	54
Total Trade & Other Receivables	428	661

Ageing of individually impaired Trade and Other Receivables

At balance date, other debtors representing financial assets with a nominal value of \$64,606 (2008 \$0) were impaired. The amount of the provision raised against these debtors was \$14,607 (2008: \$0). The individually impaired debtors relate to general and sundry debtor and have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

The ageing of Trade and Other Receivables that have been individually determined as impaired at reporting date

	2009	2008
	\$'000	\$'000
Current (not yet due)	0	0
Past due by up to 30 days	0	0
Past due between 31 and 60 days	0	0
Past due between 61 and 180 days	0	0
Past due between 181 and 365 days	0	0
Past due by more than 1 year	41	0
Total Trade & Other Receivables	41	0

Liquidity risk

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

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

To help reduce these risks we:

- have a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained
 - have readily accessible standby facilities and other funding arrangements in place
 - have a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments
 - monitor budget to actual performance on a regular basis; and
 - set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue
- The Council's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING JUNE 30 2009

Note 35 Financial instruments (cont.)

The table below lists the contractual maturities for Financial Liabilities

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

2009	6 mths or less	6-12 months	1-2 years	2-5 years	>5 years	Contracted Cash Flow \$'000	Carrying Amount \$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trade and other payables	1,592	-	-	-	-	1,592	1,592
Trust funds and deposits	-	32	-	-	-	32	32
Interest-bearing loans and borrowings	59	60	15	-	-	134	134
Total financial liabilities	1,651	92	15	-	-	1,758	1,758

2008	6 mths or less	6-12 months	1-2 years	2-5 years	>5 years	Contracted Cash Flow \$'000	Carrying Amount \$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trade and other payables	1,855	-	-	-	-	1,855	1,855
Trust funds and deposits	21	20	32	-	-	73	73
Interest-bearing loans and borrowings	93	91	107	15	-	306	306
Total financial liabilities	1,969	111	139	15	-	2,234	2,234

(f) Sensitivity disclosure analysis

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

- A shift of +2% and -1% in market interest rates (AUD) from year-end rates of 7%.

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

Market risk exposure	Interest rate risk				
	amount subject to	-1%		2%	
		100 basis points	200 basis points	Profit	Equity
2009	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets:					
Cash and cash equivalents	3,581	(36)	(36)	72	72
Other financial assets	0	0	0	0	0
Trade and other receivables	463	(5)	(5)	10	10
Financial liabilities:					
Interest-bearing loans and borrowings	134	(1)	(1)	2	2
2008	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets:					
Cash and cash equivalents	4,780	(48)	(48)	95	95
Other financial assets	0	0	0	0	0
Trade and other receivables	789	(8)	(8)	16	16
Financial liabilities:					
Interest-bearing loans and borrowings	306	3	3	(6)	(6)

Note 36	Auditors' remuneration	2009	2008
		\$'000	\$'000
	Audit fee to conduct external audit - Victorian Auditor-General	43	25
	Internal audit fees	34	6
	Fees for other services provided by internal auditor	0	0
		77	31

Note 37 Events occurring after balance date

There were no events occurring after balance date

Note 38 Related party transactions**(i) Responsible Persons**

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

Councillors	Reid Mather (Mayor 1/07/08 to 30/06/09) Janette Corrie (Councillor 1/07/08 to 1/11/08) Robyn Ferrier (Councillor 1/07/08 to 1/11/08) Harold Flett (Councillor 1/07/08 to 30/06/09) Bernadette Hogan (Councillor 1/07/08 to 1/11/08) Stuart McLean (Councillor 1/07/08 to 30/06/09) Lloyd Patterson (Councillor 1/07/08 to 1/11/08) David Pollard (Elected 1/11/08) Gail Sharp (Elected 1/11/08) Leo Tellefson (Councillor 1/07/08 to 30/06/09) Peter Watts (Councillor 1/7/08 to 1/11/08) Ellen White (Elected 1/11/08)
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Chief Executive	Warwick Heine
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(ii) Remuneration of Responsible Persons

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

		2009	2008
		No.	No.
\$1	- \$ 9,999	0	0
\$10,000	- \$19,999	6	8
\$20,000	- \$29,999	0	0
\$30,000	- \$39,999	1	1
\$60,000	- \$79,999	0	0
\$80,000	- \$89,999	0	0
\$130,000	- \$139,999	0	0
\$150,000	- \$159,999	0	1
\$160,000	- \$169,999	1	0
		<hr/> <u>8</u>	<hr/> <u>10</u>
		\$'000	\$'000

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

271 291

(iii) No retirement benefits have been made by the Council to a Responsible Person. (2007/08, Nil)

(iv) No loans have been made, guaranteed or secured by the Council to a Responsible Person during the reporting year (2007/08, Nil).

(v) Other Transactions

No transactions other than remuneration payments or the reimbursement of approved expenses were entered into by Council with Responsible Persons, or Related Parties of such Responsible Persons during the reporting year (2007/08, Nil).

(vi) Senior Officers Remuneration

A senior officer other than a responsible person is an officer of Council, who has management responsibilities and reports directly to the Chief Executive Officer, or whose total amount of remuneration exceeds \$100,000.

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

		2009	2008
		No.	No.
Income Range:			
<\$100,000		5	5
\$100,000 - \$109,999		1	1
		<hr/> <u>6</u>	<hr/> <u>6</u>
		\$'000	\$'000

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

537 497

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING JUNE 30 2009

Note 39

Income, expenses and assets by function / activities

	Grant Revenue 2009 \$'000	Other Revenue 2009 \$'000	Total 2009 \$'000	Total 2008 \$'000
INCOME				
Rates Revenue	0	7,180	7,180	6,957
Corporate Services	3,331	540	3,872	2,974
Community Services	1,111	542	1,653	1,557
Economic Services	56	24	80	361
Technical Services	0	0	0	1,125
Assets and Infrastructure	930	226	1,156	0
Works and Construction	11	1,057	1,068	0
Roadworks	2,819	4,819	7,638	6,919
Recreation and culture	0	0	0	580
Proceeds from disposal of property plant and equipment		280	280	60
Total Revenue as per Income Statement	<u>8,258</u>	<u>14,668</u>	<u>22,926</u>	<u>20,533</u>
 EXPENSES				
Corporate Services		4,069	3,465	
Community Services		2,075	1,915	
Economic Services		335	558	
Technical Services		0	4,043	
Assets and Infrastructure		3,284	0	
Works and Construction		4,118	0	
Road Works		10,058	10,056	
Recreation and Culture		0	1,730	
Written down value of assets sold		57	107	
Total Expenditure as per Income Statement		<u>23,996</u>	<u>21,874</u>	
 SURPLUS/(DEFICIT) FOR THE YEAR				
		<u>(1,070)</u>	<u>(1,341)</u>	

Allocation of Assets**Assets have been attributed to the following functions/activities:**

	2009 \$'000	2008 \$'000
Economic Development	1,149	2,590
Assets and Infrastructure	133,508	136,309
Works and Construction	22,075	0
Community	2,496	2,590
Corporate	2,452	6,894
Recreation & Culture	13,683	33,536
	<u>175,363</u>	<u>181,919</u>

Note 40	Financial ratios (Performance indicators)	2009 \$'000	2009 (%)	2008 \$'000	2008 (%)	2007 \$'000	2007 (%)
(a)	Debt servicing ratio (to identify the capacity of Council to service its outstanding debt)						
	<u>Debt servicing costs</u>	<u>13</u>	= 0.06%	<u>10</u>	= 0.05%	<u>102</u>	= 0.54%
	Total revenue	20,109		18,400		18,776	
	Debt servicing costs refer to the payment of interest on loan borrowings, finance lease, and bank overdraft.						
	The ratio expresses the amount of interest paid as a percentage of Council's total revenue.						
(b)	Debt commitment ratio (to identify Council's debt redemption strategy)						
	<u>Debt servicing & redemption costs</u>	<u>185</u>	= 2.31%	<u>203</u>	= 2.64%	<u>562</u>	= 7.74%
	Rate Revenue	8,013		7,690		7,264	
(c)	Revenue ratio (to identify Council's dependence on non-rate income)						
	<u>Rate revenue</u>	<u>8,013</u>	= 39.85%	<u>7,690</u>	= 41.79%	<u>7,264</u>	= 38.69%
	Total revenue	20,109		18,400		18,776	
	The level of Council's reliance on rate revenue is determined by assessing rate revenue as a proportion of the total revenue of Council.						
(d)	Debt exposure ratio (to identify Council's exposure to debt)						
	<u>Total indebtedness</u>	<u>3,724</u>	= 12.46%	<u>3,885</u>	= 12.95%	<u>3,078</u>	= 11.42%
	Total realisable assets	29,876		30,010		26,960	
	For the purposes of the calculation of financial ratios, realisable assets are those assets which can be sold and which are not subject to any restriction on realisation or use.						
	Any liability represented by a restricted asset (note 30) is excluded from total indebtedness.						
	The following assets are excluded from total assets when calculating Council's realisable assets:						
	land and buildings on Crown land; restricted assets; heritage assets; total infrastructure assets; and Council's investment in associate.						
	This ratio enables assessment of Council's solvency and exposure to debt. Total indebtedness refers to the total liabilities of Council. Total liabilities are compared to total realisable assets which are all Council assets not subject to any restriction and are able to be realised. The ratio expresses the percentage of total liabilities for each dollar of realisable assets.						

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING JUNE 30 2009

Note 40	Financial ratios (Performance indicators) (cont.)	2009 \$'000	2009 (%)	2008 \$'000	2008 (%)	2007 \$'000	2007 (%)
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(e) Working capital ratio (to assess Council's ability to meet current commitments)

$$\frac{\text{Current assets}}{\text{Current liabilities}} = \frac{5,437}{3,775} = 144.03\% \quad \frac{6,795}{3,696} = 183.85\% \quad \frac{6,431}{2,845} = 226.05\%$$

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

(f) **Adjusted working capital ratio** (to assess Council's ability to meet current commitments)

$$\frac{\text{Current assets}}{\text{Current liabilities}} = \frac{5,437}{3,020} = 180.03\% \quad \frac{6,795}{3,036} = 223.81\% \quad \frac{6,431}{1,883} = 341.53\%$$

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

Current liabilities have been reduced to reflect the long service leave that is shown as a current liability because Council does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date, but is not likely to fall due within 12 months after the end of the period.

Capital expenditure areas

Roads	3,504	2,508
Drainage	36	71
Buildings	940	902
Plant and equipment	1,369	378
Furniture and equipment	414	483
Landfills	22	32
Other infrastructure	268	292
Total capital works	<u>6,553</u>	<u>4,666</u>

Represented by:

Asset renewal	4,987	3,419
Asset upgrade	381	771
Asset expansion	1,185	476
Other	0	0
Total capital works	<u>6,553</u>	<u>4,666</u>

Property, plant and equipment, infrastructure movement

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

Total capital works	6,553	4,666
Asset revaluation movement	25(a) 204	14,941
Land Under Roads adjustment	5	0
Depreciation/amortisation	12 (6,174)	(5,293)
Written down value of assets sold	20 (57)	(129)
Impairment Losses	20 0	48
Transfers	20 0	0
Movement in Present Value	20 (3)	139
Net movement in property, plant and equipment, infrastructure	<u>20 528</u>	<u>14,372</u>

(a) Renewal

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

(b) Upgrade

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

(c) Expansion

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

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING JUNE 30 2009

Note 42 Special committees and other activities

Berriwillock Swimming Pool
Birchip Community Housing Committee
Birchip Community Leisure Centre Inc.
Birchip Hall and Aerodrome Paddock
Birchip Recreation Reserve
Birchip Swimming Pool
Charlton Memorial Hall
Charlton Park
Charlton Swimming Pool
Culgoa Hall Committee
Donald Hall
Donald History Group
Donald Recreation Reserve
Donald Swimming Pool
Litchfield Hall
Old Police Station Donald
Sea Lake and District Community Centre
Sea Lake Swimming Pool
Wycheproof Court House
Wycheproof Hall
Wycheproof Recreation Reserve
Wycheproof Saleyards
Wycheproof Swimming Pool

Note 43 Correction of prior period error

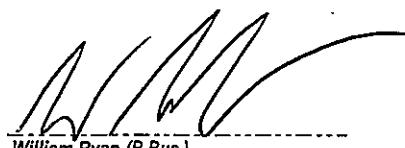
During the reporting year ending 30 June 2009, it was discovered that the Provision for Long Service Leave calculation of 2006/2007 and 2007/2008 were incorrect.

The correct balance at 30 June 2007 was established to be \$801,108, requiring an adjustment of \$322,000 against Accumulated Surplus in that year.

The correct figure as at 30 June 2008 was established as being \$839,747, requiring an adjustment of \$38,639 against the Long Service expense account in 2007/2008.

CERTIFICATION OF THE FINANCIAL STATEMENTS

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



William Ryan (B Bus.)
Principal Accounting Officer

Date : 23/09/2009
Birchip

In our opinion, the accompanying financial statements present fairly the financial transactions of the Buloke Shire Council for the year ended 30 June 2009 and the financial position of the Council at that date.

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

We have been authorised by the Council on 23 September 2009, to certify the financial statements in their final form.



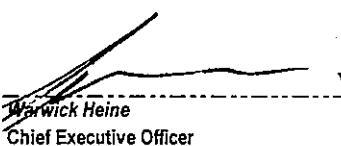
Reid Mather
Mayor

Date : 23/09/2009
Birchip



Leo Tellefson
Councillor

Date : 23/09/2009
Birchip



Warwick Heine

Chief Executive Officer

Date : 23/09/2009
Birchip

CERTIFICATION OF THE STANDARD STATEMENTS

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

.....
William Andrew Ryan (B.Bus.)
Principal Accounting Officer

Date: 23 September 2009
Birchip

In our opinion, the accompanying financial statements present fairly the financial transactions of the Buleke Shire Council for the year ended 30 June 2009 and the financial position of the Council at that date.

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

We have been authorised by the Council on 23 September 2009, to certify the standard statements in their final form.

.....
Reid Mather
Mayor

Date: 23 September 2009
Birchip

.....
Leo Tellefson
Councillor

Date: 23 September 2009
Birchip

.....
Warwick Heine
Chief Executive Officer

Date: 23 September 2009
Birchip

CERTIFICATION OF THE FINANCIAL STATEMENTS



Victorian Auditor-General's Office
INDEPENDENT AUDITOR'S REPORT

To the Councillors, Buloke Shire Council

The Financial Report and Standard Statements

The accompanying financial report for the year ended 30 June 2009 of Buloke Shire Council which comprises of income statement, balance sheet, statement of changes in equity, cash flow statement, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the certification of the financial report has been audited.

The accompanying standard statements for the year ended 30 June 2009 of the Council which comprises of standard income statement, standard balance sheet, standard statement of cash flows, standard statement of capital works, the related notes and the certification of the standard statements have been audited.

The Councillors' Responsibility for the Financial Report and Standard Statements

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

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

This responsibility includes:

- establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report and standard statements that are free from material misstatement, whether due to fraud or error
- selecting and applying appropriate accounting policies
- making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

VAGO

Victorian Auditor-General's Office

Independent Auditor's Report (continued)

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

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

This auditor's report relates to the financial report and standard statements published in both the annual report and on the website of the Boroondara Shire Council for the year ended 30 June 2009. The Councillors of the Boroondara Shire Council are responsible for the integrity of the website. I have not been engaged to report on the integrity of the website. The auditor's report refers only to the statements named above. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on the Council's website.

Independence

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

Auditor's Opinion

In my opinion:

- the financial report presents fairly, in all material respects, the financial position of Boroondara Shire Council as at 30 June 2009 and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations), and the financial reporting requirements of the *Local Government Act 1989*.
- The standard statements present fairly, in all material respects, in accordance with the basis of preparation as described in note 1 to the statements and comply with the requirements of the *Local Government Act 1989*.

D R Pearson
Auditor-General

MELBOURNE
30 September 2009

INCOME STATEMENT

**BULKE SHIRE COUNCIL
STANDARD INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009**

	Actual 2009 \$'000	Budget 2009 \$'000	Variances \$'000	%	Ref
REVENUES					
Rates and Charges	7,180	7,183	(3)	(0)	
Government Grants	8,258	7,359	899	12	1
Interest	256	136	120	88	2
Statutory Fees and User Charges	1,427	1,506	(79)	(5)	
Other	5,466	4,537	929	20	3
Revenues from ordinary activities	<u>22,587</u>	<u>20,721</u>	<u>1,866</u>	<u>9</u>	
EXPENSES					
Employee Costs	8,624	6,856	1,768	26	4
Materials and Consumables	4,128	3,765	363	10	5
Bad and doubtful debts	32	0	32	0	
External Contracts	1,554	1,748	(194)	(11)	6
Utilities	425	435	(10)	(2)	
Borrowing costs	13	15	(2)	(13)	7
Depreciation	6,174	6,040	134	2	8
Other	2,930	2,795	135	5	9
Expenses from ordinary activities	<u>23,880</u>	<u>21,654</u>	<u>2,226</u>	<u>10</u>	
Net Surplus (Deficit) from Operations	<u>(1,293)</u>	<u>(933)</u>	<u>(360)</u>	<u>39</u>	
Proceeds from Sale of assets	280	350	(70)	(20)	10
Written Down Value of assets sold	57	300	(243)	(81)	11
Net gain on disposal of property, plant infrastructure and equipment	<u>223</u>	<u>50</u>	<u>173</u>	<u>345</u>	
Surplus/(deficit) for the year	<u>(1,070)</u>	<u>(883)</u>	<u>(188)</u>	<u>0</u>	

INCOME STATEMENT COMPARISON REPORT

Variation Explanation Report

Material variances considered to be either 10% or \$100,000 of comparative values.

Ref	Item	Commentary
Revenues		
1	Government grants	Government grant income is over budget due to the early receipt of the first quarter Grants commission funding for 2009/10 in the 2008/09 financial year.
2	Interest	Interest returns reduced due to falling interest rates resulting from the Global Economic downturn and \$1.2 million decrease in cash reserves.
3	Other	Increased revenue is due to revised plant hire rates during 2008/2009 following a review of plant costs during the year.
Expenses		
4	Employee costs	The expense includes accrued employee costs due to increase due to new Enterprise Bargaining Agreement. Additionally, labour allocated to Capital works was expensed as some major capital works projects were not completed. In particular the delay experienced in completing the Donald South Road adversely impacted on wage costs due to weather condition being unfavourable delaying works.
5	Materials and consumables	Greater than expected expenditure on Materials \$248k, Plant Parts \$63k, Travelling \$58k.
6	External contracts	Reduction in contractor employment and motor vehicle leasing costs.
7	Borrowing costs	Actual interest expense on loans was slightly less than estimate.
8	Depreciation	Landfill site revaluations resulted in additional depreciation costs.
9	Other Expenses	Hiring rates for plant have risen during 2008/2009 due to the re-assessment of plant operating and replacement costs resulting in higher plant rates being charged to better reflect actual costs.
10	Proceeds from sale of assets	The number of asset disposals were less than expected. However, proceeds received for the sales were in line with expectations.
11	Written Down Value of assets sold	The assets sold carried lower written down value than was estimated in the budget.

BALANCE SHEET

BULKE SHIRE COUNCIL
STANDARD BALANCE SHEET AS AT 30 JUNE 2009

	Actual	Budget		Ref
	2009	2009	Variances	
CURRENT ASSETS		\$'000	\$'000	%
Cash assets	3,581	3,761	(180)	(5)
Receivables	962	926	36	4
Other Assets	729	134	595	444
Other financial assets	165	155	10	6
Total current assets	5,437	4,976	461	
NON CURRENT ASSETS				
Receivables	0	4	(4)	(100)
Investments in associates	140	143	(3)	(2)
Property, Infrastructure,Plant and Equipment	175,478	176,019	(541)	(0)
Total non-current Assets	175,618	176,166	(548)	
TOTAL ASSETS	181,055	181,141	(86)	
CURRENT LIABILITIES				
Payables	1,592	2,144	(552)	(26)
Trust Funds	32	73	(41)	(56)
Provisions	2,032	1,944	88	5
Interest bearing liabilities	119	105	14	13
Total current liabilities	3,775	4,266	(491)	
NON CURRENT LIABILITIES				
Provisions	932	830	102	12
<i>Interest bearing liabilities</i>	15	15	-	-
Total non current liabilities	947	845	102	
TOTAL LIABILITIES	4,722	5,111	(389)	
NET ASSETS	176,333	176,030	303	
EQUITY				
Accumulated surplus	49,697	49,601	96	0
Asset Revaluation Reserves		125,337	206	0
Other Reserves	1,093	1,092	1	0
TOTAL EQUITY	176,333	176,030	303	

STANDARD BALANCE SHEET COMPARISON REPORT

Variation Explanation Report

Material variances considered to be either 10% or \$100,000 of comparative values.

Ref	Item	Commentary
12	Cash assets	Variance due to pronounced reduction in interest revenue on investments during 2008/2009.
13	Other assets	GST refund income accrual higher than budgeted due to a substantial decrease in payables.
14	Receivables	All receivables were current.
15	Property, Infrastructure, Plant and Equipment	Variance due to incomplete capital works projects including the Donald South Road that was delayed due to unsuitable weather conditions..
16	Payables	Significant reduction in accrued creditors as a higher percentage of creditors were actually paid in comparison to budget estimates..
17	Trust Funds	Reduction in funds held in trust for non-Shire projects.
18	Interest bearing liabilities	Underestimated budget allocation.
19	Provisions	Variance reflects increasing employee leave liabilities due to EBA increases. (6% increase)

STANDARD STATEMENT OF CASHFLOWS

	Actual 2009 \$'000	Budget 2009 \$'000	Variances \$'000	%	Ref.
Receipts					
General Rates	7,138	6,981	157	2	20
Operating grants and contributions	4,820	3,839	981	26	21
Capital grants and contributions	3,438	4,114	(676)	(16)	22
Interest	182	136	46	34	23
User charges & Statutory Fees	1,619	1,514	105	7	24
Other revenue	2,988	4,068	(1,080)	(27)	25
Total Receipts	20,185	20,652	(467)		
Payments					
Employee costs	(9,020)	(5,871)	(3,149)	54	26
Materials and consumables	(3,831)	(3,924)	93	(2)	27
External contracts	(1,554)	(1,569)	15	(1)	
Net GST refund/payment	158	0	158		28
Utilities	(425)	(435)	10	(2)	
Finance costs	(13)	(15)	2	(13)	29
Other expenses	(452)	(2,672)	2,220	(83)	30
Total Payments	(15,137)	(14,486)	(651)		
Net cash provided by operating activities	5,048	6,166	(1,118)		
Cash Flows from Investing Activities					
Proceeds from Sale of Property, Plant and Equipment	280	350	(70)	(20)	31
Repayment of Loans and Advances	10	11	(1)	(9)	
Payments for Property, Plant and Equipment	(5,305)	(7,362)	2,057	(28)	32
Net Cash Provided in Investment Activities	(5,015)	(7,001)	1,986		
Cash Flows from Financing Activities					
Trust Funds & Deposits	(41)	0	(41)	0	
Repayment of Borrowings	(172)	(186)	14	(8)	
Net Cash Inflow (Outflow) from Financing Activities	(213)	(186)	-27		
Net Increase (Decrease) in cash and cash equivalents	(180)		841	(82)	
Cash and cash equivalents at beginning of year	4,782	4,782	-	-	
Cash and cash equivalents at end of year	4,602	3,761	841		

STANDARD STATEMENT OF CASHFLOWS COMPARISON REPORT

Variation Explanation Report

Material variances considered to be either 10% or \$100,000 of comparative values.

Ref	Item	Commentary
20	General Rates	Reflects increased collections of arrears.
21	Operating grants and contributions	Advanced receipt of Victorian Grants Commission funding for 2009/2010
22	Capital grants and contributions	Over-estimate of the grant funding expected to be received during 2008/2009.
23	Interest	Expected interest revenue was exceeded, due to a higher level of investment being sustained in the earlier months of 2008/09 being higher than expected.
24	User Charges & Statutory Fees	Improved collections of arrears and the success of council's animal micro chipping program.
25	Other revenue	Variance caused by net surplus of plant hire being greater than budget estimates.
26	Employee costs	A combination of additional employee positions, accrued salaries and wages relating to back pay on a new EBA. (EBA increase 6% PA)
27	Materials and consumables	Additional employee costs due to a substantially lower allocation of employee costs to capital works due to the delay in completion of the Donald South road due to unsuitable weather conditions.
28	Net GST refund/payment	Greater expenditure on materials than expected.
29	Financial costs	Movement in GST receivable/payable balance over financial year.
30	Other	Actual interest expense on loans was slightly less than estimate.
31	Proceeds from Sale of Property, Plant and Equipment	Variance due to higher net figure for plant hire being included in revenue than forecast in the budget.
32	Payments for Property, Plant and Equipment	Less revenue for asset sales during 2008/09, than was anticipated due to lower than anticipated tenders being received for obsolete plant items.
		Several budgeted plant purchases not finalised prior to 30 June 2009.

STANDARD STATEMENT OF CAPITAL WORKS

CAPITAL WORKS AREA	Actuals	Budget	Variances	%	Ref
	2009	2008/2009			
Roads	3,504	3,389	(115)	(3.39)	1
Drainage	36	112	76	67.86	2
Buildings	940	962	22	2.29	
Plant and equipment	1,369	1,571	202	12.86	3
Furniture and equipment	414	237	(177)	(74.68)	4
Other infrastructure	290	1,092	802	73.44	5
Total Capital Works	6,553	7,363	810		
Represented by :					
Asset renewal	4,987	5,099	112	2.20	
Asset upgrade	381	982	601	61.20	
Asset expansion	1,185	1,282	97	7.57	
Total Capital Works	6,553	7,363	810		

Property, Plant and Equipment and Infrastructure movement Reconciliation

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

Total capital works	6,553	7,363	810	11.00
Asset revaluation movement	204	0	(204)	
Depreciation	(6,174)	(6,040)	134	(2.22)
Written down value of assets sold	(57)	(300)	(243)	80.85
Land Under Roads adjustment	5			
Movement in present value	(3)	0	3	
Impairment losses	0	0	0	
Net movement in property, plant and equipment and infrastructure	528	1,023	500	

STANDARD STATEMENT OF CAPITAL WORKS COMPARISON REPORT

Variation Explanation Report

Material variances considered to be either 10% or \$100,000 of comparative values.

Ref	Item	Commentary
1	Roads	Final bitumen resealing works costs were slightly more than anticipated due to rise and fall conditions in the resealing contract..
2	Drainage	Several incomplete projects carried over to 2009/10.
3	Plant and Equipment	Several items of major plant which were ordered, were not received prior to 30 June 2009.
4	Furniture and Equipment	Additional purchases required in relation to worksafe requirements.
5	Other Infrastructure	Incomplete projects carried over to 2009/2010.

NOTES TO THE STANDARD STATEMENTS

Notes to the Standard Statements

1(a). Basis of preparation of Standard Statements

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

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

The Standard Statements are not a substitute for the General Purpose Financial Statements, which are included on pages 1 to 4 of the Annual Report. They have been prepared in accordance with all Australian Accounting Standards or other authoritative Professional Pronouncements.

The Standard Statements compare council's financial plan, expressed through its budget, with actual performance. The **Local Government Act 1989** requires explanation of any material variances. The Council has adopted a materiality threshold of 10% variance or \$100,000.

The budget figures included in the Statements are those of the revised budget, adopted by Council on 13th May 2009. The budget was based on assumptions that were relevant at the time of adoption of the budget. The Council set guidelines and parameters for revenue and expense targets in this budget in order to meet council's business plan and financial performance targets for both the short and long term.

Detailed information on the actual financial results are contained in the General Purpose Financial Statements.

The detailed budget can be obtained by contacting council or through the council's website.

The Standard Statements must be read with reference to these documents.

1(b). Basis of preparation of Standard Statements

The Standard Income Statement compares the actual result, with the Revised Budget for 2008/09, while the Income Statement has been prepared to give a comparison with the previous year. Consequently some line items have the same description while actual figures in one statement may not agree with the other.

Major Variances are listed below:

	Standard Statement	Financial Statement	
	\$'000	\$'000	
Rates and Charges	7,180	8,013	Garbage charges included with rates on Financial Statement
User Charges & Statutory Fees	1,427	644	Garbage charges included with rates on Financial Statement

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