



# **COUNCIL MEETING**

## **AGENDA**

**Wednesday 21 September 2022**

**Commencing at 5:00pm**

**Nullawil Recreation Reserve**

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

## **ORDER OF BUSINESS**

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

#### **WELCOME**

The Mayor Cr Daryl Warren will welcome all in attendance.

#### **STATEMENT OF ACKNOWLEDGEMENT**

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

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

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

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

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

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

### **4. GENERAL BUSINESS**

#### **4.1 FINANCIAL REPORTS**

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##### **4.1.1 FINANCIAL AND PERFORMANCE STATEMENTS 2021-2022**

### **5. MEETING CLOSE**

#### **NEXT MEETING**

THE NEXT MEETING OF COUNCIL WILL BE HELD IN WYCHEPROOF SUPPER ROOM, 367 BROADWAY, WYCHEPROOF ON WEDNESDAY, 12 OCTOBER 2022 AT 7:00PM.

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

## 4. GENERAL BUSINESS

### 4.1 FINANCIAL REPORTS

#### 4.1.1 FINANCIAL AND PERFORMANCE STATEMENTS

**Author's Title:** Manager Finance

**Department:** Office of the CEO

**File No:** FM/02/09

**Relevance to Council Plan 2021 - 2025**

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

#### PURPOSE

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

#### SUMMARY

The preparation of Statements is a legislative requirement.

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

#### RECOMMENDATION

That Council:

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

**Attachments:**

- 1 Draft Financial Statements 2021-22
- 2 Draft Performance Statements 2021-22

#### DISCUSSION

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

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

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

**RELEVANT LAW**

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

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

**RELATED COUNCIL DECISIONS**

Not applicable to this report.

**OPTIONS**

Not applicable to this report.

**SUSTAINABILITY IMPLICATIONS**

Not applicable to this report.

**COMMUNITY ENGAGEMENT**

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

**INNOVATION AND CONTINUOUS IMPROVEMENT**

Not applicable to this report.

**COLLABORATION**

Not applicable to this report.

**FINANCIAL VIABILITY**

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

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

Not applicable to this report.

**COUNCIL PLANS AND POLICIES**

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

**TRANSPARENCY OF COUNCIL DECISIONS**

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

**CONFLICTS OF INTEREST**

In providing this advice to the Council as the Manager Finance, I, Aileen Douglas, have no interests to disclose in this report.

# Buloke Shire Council

ANNUAL FINANCIAL REPORT  
for the year ended 30 June 2022

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## Buloke Shire Council

2021/2022 Financial Report

### Annual Financial Report

for the year ended 30 June 2022

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

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2021/2022 Financial Report

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**Buloke Shire Council**

2021/2022 Financial Report

**Annual Financial Report**

for the year ended 30 June 2022

**Certification of the Financial Statements**

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

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Aileen Douglas CPA  
**Principal Accounting Officer**  
dd MMMM yyyy  
Wycheproof

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

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

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

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Daryl Warren  
**Councillor**  
dd MMMM yyyy  
Wycheproof

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Alan Getley  
**Councillor**  
dd MMMM yyyy  
Wycheproof

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Wayne O'Toole  
**Chief Executive Officer**  
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Wycheproof

**Buloke Shire Council**

2021/2022 Financial Report

**Annual Financial Report**

for the year ended 30 June 2022

Victorian Auditor-General's Office Report

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Insert VAGO Report here

**Buloke Shire Council**

2021/2022 Financial Report

**Annual Financial Report**

for the year ended 30 June 2022

Victorian Auditor-General's Office Report

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Insert VAGO Report here

## Buloke Shire Council

2021/2022 Financial Report

### Comprehensive Income Statement

for the year ended 30 June 2022

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

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

## Buloke Shire Council

2021/2022 Financial Report

## Balance Sheet

as at 30 June 2022

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

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

## Buloke Shire Council

2021/2022 Financial Report

## Statement of Changes in Equity

for the year ended 30 June 2022

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

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

## Buloke Shire Council

2021/2022 Financial Report

## Statement of Cash Flows

for the year ended 30 June 2022

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

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

## Buloke Shire Council

2021/2022 Financial Report

### Statement of Capital Works

for the year ended 30 June 2022

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

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

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 1. Overview

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##### Introduction

The Buloke Shire Council was established by an Order of the Governor in Council on 20 January 1995 and is a body corporate.

The Council's main office is located at 367 Broadway, Wycheproof, Victoria 3527.

##### Statement of compliance

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

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

##### Significant accounting policies

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

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

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

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

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

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

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 2.1. Performance against budget

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

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

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

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 2.1. Performance against budget

(i) Explanation of material variations

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

## Buloke Shire Council

2021/2022 Financial Report

## Notes to the Financial Statements

for the year ended 30 June 2022

## Note 2.1. Performance against budget

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

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 2.1. Performance against budget

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(i) Explanation of material variations

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

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

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

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

Council delivers its functions and activities through the following programs.

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

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

###### 2. Our Community Wellbeing

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

###### 3. Our Economy

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

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

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

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

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

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

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

	2022	2021
	\$ '000	\$ '000

#### 3.1 Rates and charges

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

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

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

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

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

#### 3.2 Statutory fees and fines

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

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

#### 3.3 User fees

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

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

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

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

	2022	2021
	\$ '000	\$ '000

#### 3.4 Funding from other levels of government

Grants were received in respect of the following:

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

##### (a) Operating Grants

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

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

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

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

### 3.5 Contributions

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

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

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

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

	2022 \$ '000	2021 \$ '000
<b>3.6 Net gain/(loss) on disposal of property, infrastructure, plant and equipment</b>		
Land and buildings		
Proceeds of sale	-	-
Written down value of assets disposed	-	(241)
Total net gain/(loss) on disposal of land and buildings	-	(241)
Plant and equipment		
Proceeds of sale	2	465
Written down value of assets disposed	-	(313)
Total net gain/(loss) on disposal of plant and equipment	2	152
<b>Total net gain/(loss) on disposal of property, infrastructure, plant and equipment</b>	<b>2</b>	<b>(89)</b>

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

#### 3.7 Other income

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

Interest is recognised as it is earned.

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

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

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

	2022	2021
	\$ '000	\$ '000

#### 4.1 Employee costs

##### (a) Employee costs

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

##### (b) Superannuation

Council made contributions to the following funds:

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

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

#### 4.2 Materials and services

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

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

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

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

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

#### 4.4 Amortisation - Right of use assets

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

#### 4.5 Bad and doubtful debts

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

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

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

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

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

##### 4.6 Finance Costs - Leases

Interest - Lease Liabilities	10	19
<b>Total finance costs</b>	<u>10</u>	<u>19</u>

##### 4.7 Other expenses

Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	50	42
Auditors' remuneration - Internal Audit	12	32
Councillors' allowances	202	177
Council Contributions and Donations	374	1,435
Council meeting expenses	15	6
Election expenses	-	1
Others	11	15
<b>Total other expenses</b>	<u>664</u>	<u>1,708</u>

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 5. Our financial position

	Note	2022 \$ '000	2021 \$ '000
<b>5.1 Financial assets</b>			
<b>(a) Cash and cash equivalents</b>			
Current			
Cash at bank		27,102	12,133
<b>Total current cash and cash equivalents</b>		<b>27,102</b>	<b>12,133</b>
<b>(b) Other financial assets</b>			
Current			
Term deposits - current		5,000	18,015
<b>Total current other financial assets</b>		<b>5,000</b>	<b>18,015</b>
<b>Total financial assets</b>		<b>32,102</b>	<b>30,148</b>
External restrictions			
Councils cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:			
Trust funds and deposits	5.3	220	358
<b>Total restricted funds</b>		<b>220</b>	<b>358</b>
<b>Total unrestricted cash and cash equivalents</b>		<b>26,882</b>	<b>11,775</b>
Intended allocations			
Although not externally restricted the following amounts have been allocated for specific future purposes by Council:			
Cash held to fund carried forward capital works	5.3	4,881	5,749
Cash held for carried forward service delivery	5.3	1,932	1,590
Cash held for General reserves	9.1(b)	2,709	–
<b>Total funds subject to intended allocations</b>		<b>9,522</b>	<b>7,339</b>
Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts.			
Other financial assets are valued at fair value, at balance date. Term deposits are measured at original cost. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.			
Other financial assets include term deposits and those with original maturity dates of three to 12 months are classified as current, whilst term deposits with maturity dates greater than 12 months are classified as non-current.			
<b>(c) Trade &amp; Other Receivables</b>			
Current			
<i>Statutory receivables</i>			
Rates debtors		1,433	1,304
Infringement debtors		209	166
GST receivable		407	565
<i>Non-statutory receivables</i>			
Grant debtors		2,430	206
Other debtors		346	244

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 5. Our financial position

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

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

#### (d) Ageing of receivables

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

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

## 5.2 Non-financial assets

#### (a) Inventories

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

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

#### (b) Other assets

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

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 5. Our financial position

	2022	2021
	\$ '000	\$ '000
<b>5.3 Payables, trust funds and deposits and unearned income/revenue</b>		
<b>(a) Trade and other payables</b>		
<i>Non-statutory payables</i>		
<i>Statutory payables</i>		
Trade payables	1,594	1,733
Accrued expenses	459	352
Other	4	-
<b>Total current trade and other payables</b>	<b>2,057</b>	<b>2,085</b>
<b>(b) Trust funds and deposits</b>		
Fire services levy	-	1
Other refundable deposits	207	241
Funds held on behalf of community groups and third parties	13	40
Overpaid rates and charges	74	78
<b>Total current trust funds and deposits</b>	<b>294</b>	<b>360</b>
<b>(c) Unearned income/revenue</b>		
Grants received in advance:		
Grants received in advance - operating	1,932	1,590
Grants received in advance - capital	4,881	5,749
<b>Total unearned income/revenue</b>	<b>6,813</b>	<b>7,339</b>

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

#### Purpose and nature of items

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

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

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

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

## Buloke Shire Council

2021/2022 Financial Report

## Notes to the Financial Statements

for the year ended 30 June 2022

## Note 5. Our financial position

	Employee provisions \$ '000	Landfill restoration \$ '000	Gravel pit restoration \$ '000	Total \$ '000
<b>5.4 Provisions</b>				
<b>2022</b>				
Balance at the beginning of the financial year	2,698	185	555	3,438
Additional provisions	872	1,011	–	1,883
Amounts used	(1,140)	(185)	(138)	(1,463)
Balance at the end of the financial year	2,430	1,011	417	3,858
<b>2021</b>				
Balance at the beginning of the financial year	2,877	277	459	3,613
Additional provisions	775	(92)	96	779
Amounts used	(956)	–	–	(956)
Balance at the end of the financial year	2,696	185	555	3,436
Disclosure				
			<b>2022</b>	<b>2021</b>
			<b>\$ '000</b>	<b>\$ '000</b>

**(a) Employee provisions**

Current provisions expected to be wholly settled within 12 months				
Annual leave			793	792
Long service leave			185	194
Accrued Days Off			25	26
			1,003	1,012
Current provisions expected to be wholly settled after 12 months				
Long service leave			836	1,149
			836	1,149
Total current employee provisions			1,839	2,161
Non-Current				
Long service leave			201	191
Redundancy			388	344
Total Non-Current Employee Provisions			589	535
Aggregate Carrying Amount of Employee Provisions:				
Current			1,839	2,161
Non-current			589	535
Total Aggregate Carrying Amount of Employee Provisions			2,428	2,696

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 5. Our financial position

	2022	2021
	\$ '000	\$ '000

The calculation of employee costs and benefits includes all relevant on-costs and are calculated as follows at reporting date.

##### Annual leave

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

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

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

##### Long service leave

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

##### Key assumptions:

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

##### Redundancy

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

##### Key assumptions:

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

##### (b) Landfill restoration

Current		
Current	1,012	15
<b>Total current</b>	<u>1,012</u>	<u>15</u>

Non-current		
Non-current	-	170
<b>Total non-current</b>	<u>-</u>	<u>170</u>

##### Key assumptions:

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

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 5. Our financial position

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

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

#### 5.5 Financing arrangements

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

Treasury Corporation of Victoria facilities	-	-
Other facilities - Bank Guarantee	150	150
Total Facilities	<u>150</u>	<u>150</u>
Used facilities	130	130
Used facilities	<u>130</u>	<u>130</u>
Unused facilities	<u>20</u>	<u>20</u>

Council has no overdraft facility at 30 June 2022.

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 5. Our financial position

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

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

##### 2022

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

##### 2021

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

#### 5.7 Leases

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

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

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

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 5. Our financial position

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

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

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

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

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

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

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

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

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

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

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 5. Our financial position

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

#### Note 6. Assets we manage

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

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

## Buloke Shire Council

2021/2022 Financial Report

## Notes to the Financial Statements

for the year ended 30 June 2022

## Note 6. Assets we manage

## 6.2 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment	Carrying amount 30 June 2021 \$ '000	Additions \$ '000	Contributions \$ '000	Revaluation \$ '000	Depreciation \$ '000	Disposal \$ '000	Write-off \$ '000	Transfers \$ '000	Carrying amount 30 June 2022 \$ '000
Property	83,159	7	-	-	(2,155)	-	-	1,661	82,672
Plant and equipment	3,972	1,026	-	-	(1,094)	-	-	-	3,904
Infrastructure	180,426	4	-	-	(5,789)	-	-	11,753	186,394
Work in progress	5,891	12,526	-	-	-	-	-	(13,412)	5,005
<b>Total</b>	<b>273,448</b>	<b>13,563</b>	<b>-</b>	<b>-</b>	<b>(9,038)</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>277,975</b>

Summary of Work in Progress	Opening WIP \$ '000	Additions \$ '000	Write-off \$ '000	Transfers \$ '000	Closing WIP \$ '000
Property	1,476	1,380	-	(1,659)	1,197
Infrastructure	4,415	11,146	-	(11,753)	3,808
<b>Total</b>	<b>5,891</b>	<b>12,526</b>	<b>-</b>	<b>(13,412)</b>	<b>5,005</b>

## Buloke Shire Council

2021/2022 Financial Report

Notes to the Financial Statements  
for the year ended 30 June 2022

## Note 6. Assets we manage

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

## Buloke Shire Council

2021/2022 Financial Report

## Notes to the Financial Statements

for the year ended 30 June 2022

## Note 6. Assets we manage

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

## Buloke Shire Council

2021/2022 Financial Report

## Notes to the Financial Statements

for the year ended 30 June 2022

## Note 6. Assets we manage

	Roads \$ '000	Bridges \$ '000	Footpaths and cycleways \$ '000	Drainage \$ '000	Landfill sites \$ '000	Kerb & Channel \$ '000	Other infrastructure \$ '000	Work in progress \$ '000	Total infrastructure \$ '000
<b>Infrastructure</b>									
At fair value 1 July 2021	332,056	10,925	9,783	8,230	733	16,325	471	4,415	382,938
Accumulated depreciation at 1 July 2021	(174,194)	(4,613)	(4,749)	(4,520)	(716)	(8,859)	(446)	-	(198,097)
<b>Carrying amount - 1 July 2021</b>	<b>157,862</b>	<b>6,312</b>	<b>5,034</b>	<b>3,710</b>	<b>17</b>	<b>7,466</b>	<b>25</b>	<b>4,415</b>	<b>184,841</b>
Movements in fair value									
Additions	4	-	-	-	-	-	-	11,146	11,150
Disposal	-	-	-	-	-	-	-	-	-
Transfers	9,974	-	255	1,524	-	-	-	(11,753)	-
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-
<b>Total movements in fair value</b>	<b>9,978</b>	<b>-</b>	<b>255</b>	<b>1,524</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(607)</b>	<b>11,150</b>
Movements in accumulated depreciation									
Depreciation and amortisation	(5,275)	(102)	(163)	(71)	(5)	(163)	(10)	-	(5,789)
Transfers	-	-	-	-	-	-	-	-	-
Write-off	-	-	-	-	-	-	-	-	-
<b>Total movements in accumulated depreciation</b>	<b>(5,275)</b>	<b>(102)</b>	<b>(163)</b>	<b>(71)</b>	<b>(5)</b>	<b>(163)</b>	<b>(10)</b>	<b>-</b>	<b>(5,789)</b>
At fair value 30 June 2022	342,030	10,925	10,039	9,756	733	16,325	471	3,810	394,089
Accumulated depreciation at 30 June 2022	(179,469)	(4,714)	(4,913)	(4,592)	(721)	(9,023)	(454)	-	(203,886)
<b>Carrying amount - 30 June 2022</b>	<b>162,561</b>	<b>6,211</b>	<b>5,126</b>	<b>5,164</b>	<b>12</b>	<b>7,302</b>	<b>17</b>	<b>3,810</b>	<b>190,203</b>

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 6. Assets we manage

##### Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date.

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

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

##### Asset recognition thresholds and depreciation periods

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

##### Land under roads

Council recognises land under roads it controls at fair value.

##### Depreciation and amortisation

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

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

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

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

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

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 6. Assets we manage

##### *Repairs and maintenance*

Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

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

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

Specialised land is valued at fair value using site values adjusted for englobo (undeveloped and/or unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

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

##### *Valuation of Infrastructure*

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

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

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

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

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 6. Assets we manage

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

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

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

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

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

#### Reconciliation of specialised land

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

#### (c) Community Asset Committee

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

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 7. People and relationships

##### 7.1 Council and key management remuneration

###### (a) Related Parties

###### Parent entity

Council is the parent entity.

###### (b) Key Management Personnel

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

###### Councillors

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

###### Key management personnel

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

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

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

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 7. People and relationships

	2022	2021
	\$ '000	\$ '000
(c) Remuneration of Key Management Personnel		
Total remuneration of key management personnel was as follows:		
Short-term benefits	804	793
Long-term benefits	13	14
Post employment benefits	72	72
Total	889	879

	2022	2021
	No.	No.
The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:		
\$1 - \$9,999	2	1
\$10,000 - \$19,999	3	1
\$20,000 - \$29,999	2	4
\$30,000 - \$39,999	-	1
\$40,000 - \$49,999	1	1
\$60,000 - \$69,999	3	-
\$90,000 - \$99,999	1	-
\$110,000 - \$119,999	1	-
\$130,000 - \$139,999	-	1
\$140,000 - \$149,999	1	-
\$150,000 - \$159,999	-	2
\$220,000 - \$229,999	-	1
	14	12

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 7. People and relationships

(d) Senior Officer Remuneration "

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

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

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

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

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

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

#### 7.2 Related party disclosure

(a) Transactions with related parties

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

Nil

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 7. People and relationships

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(b) Outstanding balances with related parties

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

Nil

(c) Loans to/from related parties

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

Nil

(d) Commitments to/from related parties

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

Nil

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 8. Managing uncertainties

##### 8.1 Contingent assets and liabilities

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

(a) Contingent assets

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

(b) Contingent liabilities

Superannuation

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

Liability Mutual Insurance

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

(c) Guarantees for loans to other entities

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

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

##### 8.2 Change in accounting standards

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

##### 8.3 Financial instruments

(a) Objectives and policies

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

(b) Market risk

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

**Interest rate risk**

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

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 8. Managing uncertainties

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

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

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

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

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

##### (c) Credit risk

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

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

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

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

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

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

##### (d) Liquidity risk

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

To help reduce these risks Council:

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

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 8.1(c), and is deemed insignificant based on prior periods' data and current assessment of risk.

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

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 8. Managing uncertainties

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With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 5.4.

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 8. Managing uncertainties

##### (e) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, Council believes the following movements are 'reasonably possible' over the next 12 months:

- A parallel shift of + 3 % and - 3 % in market interest rates (AUD) from year-end rates of 1.80 - 3.90%.

These movements will not have a material impact on the valuation of Council's financial assets and liabilities, nor will they have a material impact on the results of Council's operations.

#### 8.4 Fair value measurement

##### *Fair Value Hierarchy*

Council's financial assets and liabilities are not valued in accordance with the fair value hierarchy, Council's financial assets and liabilities are measured at amortised cost.

Council measures certain assets and liabilities at fair value where required or permitted by Australian Accounting Standards. *AASB 13 Fair value measurement*, aims to improve consistency and reduce complexity by providing a definition of fair value and a single source of fair value measurement and disclosure requirements for use across Australian Accounting Standards.

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, Council has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. In addition, Council determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

##### *Revaluation*

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value, being the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date, the class of asset was revalued.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 2 to 5 years. The valuation is performed either by experienced council officers or independent experts.

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

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 8. Managing uncertainties

##### *Impairment of assets*

At each reporting date, the Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the comprehensive income statement, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

#### 8.5 Events occurring after balance date

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

## Buloke Shire Council

2021/2022 Financial Report

## Notes to the Financial Statements

for the year ended 30 June 2022

## Note 9. Other matters

	Balance at beginning of reporting period \$ '000	Increment (decrement) \$ '000	Share of incr. (decr) on revaluation of the asset class by an associate \$ '000	Balance at end of reporting period \$ '000
<b>9.1 Reserves</b>				
(a) Asset revaluation reserves				
<b>2022</b>				
Property				
Land and land improvements	2,032	-	-	2,032
Land under roads	22,307	-	-	22,307
Buildings	24,546	-	-	24,546
	<u>48,885</u>	<u>-</u>	<u>-</u>	<u>48,885</u>
Infrastructure				
Roads	105,768	-	-	105,768
Bridges	3,014	-	-	3,014
Footpaths and cycleways	5,123	-	-	5,123
Drainage	2,022	-	-	2,022
Kerb & Channel	6,911	-	-	6,911
Other infrastructure	363	-	-	363
	<u>123,201</u>	<u>-</u>	<u>-</u>	<u>123,201</u>
<b>Total asset revaluation reserves</b>	<u>172,086</u>	<u>-</u>	<u>-</u>	<u>172,086</u>
<b>2021</b>				
Property				
Land and land improvements	2,032	-	-	2,032
Land under roads	22,307	-	-	22,307
Buildings	24,546	-	-	24,546
	<u>48,885</u>	<u>-</u>	<u>-</u>	<u>48,885</u>
Infrastructure				
Roads	105,768	-	-	105,768
Bridges	3,014	-	-	3,014
Footpaths and cycleways	5,123	-	-	5,123
Drainage	2,022	-	-	2,022
Kerb & Channel	6,911	-	-	6,911
Other infrastructure	363	-	-	363
	<u>123,201</u>	<u>-</u>	<u>-</u>	<u>123,201</u>
<b>Total asset revaluation reserves</b>	<u>172,086</u>	<u>-</u>	<u>-</u>	<u>172,086</u>

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

## Buloke Shire Council

2021/2022 Financial Report

## Notes to the Financial Statements

for the year ended 30 June 2022

## Note 9. Other matters

	Balance at beginning of reporting period \$ '000	Transfer from Accumulated Surplus \$ '000	Transfer to Accumulated Surplus \$ '000	Balance at end of reporting period \$ '000
(b) Other reserves				
<b>2022</b>				
Defined Benefits	1,000	1,000	-	2,000
Sustainability Fund	-	78	-	78
Unspent Grant Funding	-	231	-	231
Grant Opportunity	-	200	-	200
Capital Project Development	-	200	-	200
<b>Total Other reserves</b>	<b>1,000</b>	<b>1,709</b>	<b>-</b>	<b>2,709</b>
<b>2021</b>				
Defined Benefits	1,000	-	-	1,000
<b>Total Other reserves</b>	<b>1,000</b>	<b>-</b>	<b>-</b>	<b>1,000</b>

**Defined Benefits** - This reserve is used to assist with the funding of any call that may be made on Council as a result of shortfall in the Local Authorities Superannuation Fund Defined Benefits Plan. Refer to note 9.3 for further detail.

**Sustainability Fund** – surplus annual portion of income derived from windfarm operations within the Shire is set aside for specific community project support to promote local sustainability.

**Unspent Grant Funding** - to set aside surplus grant received to be expended according to funding intentions in subsequent financial years. The reserve is only necessary when grant does not meet the requirements to be carried forward as a liability under Australian Accounting Standards.

**Grant Opportunity**- allocation from Council's Accumulated surplus to provide matching funds for unanticipated grant opportunities arising outside of the annual budget scope.

**Capital Project Development** – allocation from Council's Accumulated surplus to facilitate initial development expenditure for unanticipated projects in response to grant opportunities outside of the annual budget scope.

	2022 \$ '000	2021 \$ '000
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### 9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)

Surplus/(deficit) for the year	9,103	7,464
Depreciation/amortisation	9,296	9,043
(Profit)/loss on disposal of property, infrastructure, plant and equipment	(2)	89
Amounts disclosed in financing activities	10	19
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(2,374)	957
(Increase)/decrease in inventories	(7)	49
(Increase)/decrease in prepayments	16	(88)
Increase/(decrease) in other assets	(3)	5

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 9. Other matters

	2022	2021
	\$ '000	\$ '000
Increase/(decrease) in trade and other payables	(28)	990
Increase/(decrease) in provisions	422	(177)
Increase/(Decrease) in employee benefits	-	-
(Decrease)/increase in trust funds and other payables	(66)	157
Increase/(decrease) in Unearned income /revenue	(526)	6,052
Net cash provided by/(used in) operating activities	15,841	24,560

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 9. Other matters

##### 9.3 Superannuation

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

###### Accumulation

The Fund's accumulation category, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2022, this was 10.0% as required under Superannuation Guarantee (SG) legislation (2021: 9.5%)).

###### Defined Benefit

Council does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a pooled multi-employer sponsored plan.

There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Buloke Shire Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

###### Funding Arrangements

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary.

As at 30 June 2021, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category.

The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 109.8%. The financial assumptions used to calculate the VBI were:

Net investment returns 4.75% pa  
Salary information 2.75% pa  
Price inflation (CPI) 2.25% pa.

As at 30 June 2022, an interim actuarial investigation is underway as the Fund provides lifetime pensions in the Defined Benefit category. It is expected to be completed by 31 October 2022.

Vision Super has advised that the VBI at 30 June 2022 was 102.2%. Council was notified of the 30 June 2022 VBI during August 2022 (2021: August 2021). The financial assumptions used to calculate this VBI were:

Net investment returns 5.5% pa  
Salary information 2.5% pa to 30 June 2023, and 3.5% pa thereafter  
Price inflation (CPI) 3.00% pa.

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2021 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

###### Employer contributions

###### (a) Regular contributions

On the basis of the results of the 2021 interim actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2022, this rate was 10.0% of members' salaries (9.5% in 2020/21). This rate is expected to increase in line with any increases in the SG contribution rate and was reviewed as part of the 30 June 2020 triennial valuation.

In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 9. Other matters

##### *(b) Funding calls*

If the Defined Benefit category is in an unsatisfactory financial position at an actuarial investigation or the Defined Benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the Defined Benefit category has a shortfall for the purposes of SPS 160 and the Fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%.

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Council) are required to make an employer contribution to cover the shortfall.

Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up. If there is a surplus in the Fund, the surplus cannot be returned to the participating employers.

In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

##### **The 2021 interim actuarial investigation surplus amounts**

An actuarial investigation is conducted annually for the Defined Benefit category of which Council is a contributing employer. Generally, a full actuarial investigation is conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2021 and the last full investigation was conducted as at 30 June 2020.

The Fund's actuarial investigations identified the following for the Defined Benefit category of which Council is a contributing employer:

	2021 (Interim) \$m	2020 (Triennial) \$m
- A VBI Surplus	214.7	100.0
- A total service liability surplus	270.3	200.0
- A discounted accrued benefits surplus	285.2	217.8

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2021.

The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2021.

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2021.

Council was notified of the 30 June 2021 VBI during August 2021 (2020: August 2020).

##### **The 2022 interim actuarial investigation**

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2022 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2022. Council was notified of the 30 June 2022 VBI during August 2022 (2021: August 2021).

##### **Superannuation contributions**

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2022 are detailed below:

Vision Super	Defined benefit	13	26
Vision Super	Accumulation fund	473	398

## Buloke Shire Council

2021/2022 Financial Report

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 10. Changes in accounting policies

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There have been no changes to accounting policies in the 2021-22 year.

There are no pending accounting standards that are likely to have a material impact on council.



# Buloke Shire Council

Performance Statement  
For the year ended 30 June 2022

## Performance Statement

For the year ended 30 June 2022

### Description of Buloke

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

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

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

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

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

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

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

### Sustainable Capacity Indicators For the year ended 30 June 2022

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

**Definitions**

**"Adjusted underlying revenue"** means total income other than —

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

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

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

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

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

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

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

**"Unrestricted cash"** means all cash and cash equivalents other than restricted cash.

## Service Performance Indicators

For the year ended 30 June 2022

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

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

### Definitions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Financial Performance Indicators**  
For the year ended 30 June 2021

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

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

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

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**Definitions**

“Adjusted underlying revenue” means total income other than—

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

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

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

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

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

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

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

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

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

“Population” means the resident population estimated by council

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

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

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

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

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

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## Other Information

For the year ended 30 June 2022

### 1. Basis of Preparation

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

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

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

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

### Certification of the Performance Statement

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

.....  
Aileen Douglas CPA  
**Principal Accounting Officer**  
**Dated:**

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

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

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

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

.....  
Cr Daryl Warren  
**Councillor**  
**Dated:**

.....  
Cr Alan Getley  
**Councillor**  
**Dated:**

.....  
Wayne O'Toole  
**Chief Executive Officer**  
**Dated:**

5. MEETING CLOSE