



COUNCIL MEETING

MINUTES

Wednesday 22 September 2021

Commencing at 6:00pm

Via Zoom

**Anthony Judd
Chief Executive Officer
Buloke Shire Council**

PRESENT

Cr Daryl Warren Mount Jeffcott Ward

Cr Graeme Milne	Mount Jeffcott Ward
Cr Bronwyn Simpson	Mount Jeffcott Ward
Cr Alan Getley	Mallee Ward
Cr David Vis	Mallee Ward
Cr Carolyn Stewart	Lower Avoca Ward

Anthony Judd	Chief Executive Officer
Wayne O’Toole	Director Works and Technical Services
Hannah Yu	Director Corporate Services
Travis Fitzgibbon	Director Community Development

1. COUNCIL WELCOME

The Mayor Cr Daryl Warren welcomed all in attendance.

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

Cr David Pollard Lower Avoca Ward

There were no declarations of interest.

4. GENERAL BUSINESS

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5. MEETING CLOSE**NEXT MEETING**

THE NEXT COUNCIL MEETING WILL BE HELD IN THE WYCHEPROOF SUPPER ROOM, 367 BROADWAY, WYCHEPROOF OR BY LIVESTREAM (PENDING RESTRICTIONS) ON WEDNESDAY, 13 OCTOBER 2021 AT 7PM.

Anthony Judd
CHIEF EXECUTIVE OFFICER

4. GENERAL BUSINESS**4.1 MANAGEMENT REPORTS****4.1.1 APPOINTMENT OF INTERIM CHIEF EXECUTIVE OFFICER**

Author's Title: Chief Executive Officer

Department: Office of the CEO

File No: ED/01/02

Relevance to Council Plan 2021 - 2025

Strategic Objective: Our Council and Community Leadership

PURPOSE

This report is presented to appoint an Interim Chief Executive Officer

SUMMARY

This report recognises the imminent departure of Council's current Chief Executive Officer (CEO) and considers arrangements to appoint an Interim Chief Executive Officer. This report and appointment of an Interim CEO ensures that there is a period of transition enabling support from the current CEO to the Interim CEO until such time as a new CEO is appointed and permanently in place.

MOTION:

That Council appoint Wayne O'Toole as Interim Chief Executive Officer of Buloke Shire Council from 4 October 2021 until a new Chief Executive Officer has permanently commenced duties or Council resolves to appoint an alternative Interim Chief Executive Officer.

MOVED: CR CAROLYN STEWART

SECONDED: CR DAVID VIS

FOUR - IN FAVOUR

ONE - AGAINST.

CR MILNE CALLED FOR A DIVISION OF VOTING

IN FAVOUR – CRS STEWART, VIS, GETLEY AND SIMPSON

AGAINST – CR MILNE

CARRIED.

(R1024/21)

Attachments: Nil

DISCUSSION

Section 44 of the *Local Government Act 2020* (the Act), and previously section 94 of the *Local Government Act 1989*, requires that a local government employ a person to be the CEO of the local government. A Council must appoint a natural person to be its CEO and it must make a permanent

appointment to the position of CEO as soon as is reasonably practicable after a vacancy in the position occurs.

Council must, therefore, in accordance with section 44 of the Act determine interim arrangements and resolve to appoint an Interim CEO until such time as a new CEO is appointed and permanently in place.

Anthony Judd as current CEO has an official end date with Council of Friday 1 October 2021. Upon resolution of this report as presented, the Interim CEO can receive a handover from the current CEO and then take over the duties as of 4 October 2021. The resolution allows for Council to appoint an alternative Interim CEO prior to the permanent CEO commencing duties.

RELEVANT LAW

Section 44 of the *Local Government Act 2020*

RELATED COUNCIL DECISIONS

Not applicable

OPTIONS

Council are able to make alternative arrangements, but must have a CEO in place.

SUSTAINABILITY IMPLICATIONS

Not applicable

COMMUNITY ENGAGEMENT

There are no further consultation requirements relating to this report.

INNOVATION AND CONTINUOUS IMPROVEMENT

Not applicable

COLLABORATION

Not applicable

FINANCIAL VIABILITY

Any costs associated with this matter are contained within the existing operational budget.

REGIONAL, STATE AND NATIONAL PLANS AND POLICIES

Not applicable

COUNCIL PLANS AND POLICIES

This report relates to the strategic priority of a well governed organisation

TRANSPARENCY OF COUNCIL DECISIONS

This report is presented to open Council meeting.

CONFLICTS OF INTEREST

No conflicts of interest were declared during the preparation of this report.

4.2 FINANCIAL REPORTS

4.2.1 FINANCIAL AND PERFORMANCE STATEMENTS

Author's Title: Director Corporate Services

Department: Corporate Services

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 2020-21 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.

MOTION:

That Council:

1. Approves in principle the Financial Statements and Performance Statement for the 2020/21 Financial Year;
2. Authorises the Mayor Cr Warren, to approve last minute changes on an immaterial nature on the advice of Council's External Auditor; and
3. Authorises the Mayor Cr Warren and the Deputy Mayor Cr Vis, to sign the final form Financial Statements and Performance Statement on behalf of, and with full authority of, the Council.

Moved: CR CAROLYN STEWART

Seconded: CR ALAN GETLEY

CARRIED.
(R1025/21)

Attachments: 1 [Performance Statement](#)
2 [Annual Financial Statements](#)

DISCUSSION

Under Section 131 of the *Local Government Act 1989* 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 Accounting and Audit Solutions Bendigo (AASB) 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 1989* and the Regulations.

Council's Statements must be audited to meet the requirements as set out under the *Local Government Act 1989*.

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 form part of Council's Annual Report that must be submitted to the Minister in accordance with the *Local Government Act 1989*.

The Statements are a report back to the community on Council's performance against the adopted 2020/21 Annual Budget, along with performance against measures and targets for Key Strategic Activities specified in the 2020/21 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 2020/21 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 Director Corporate Services I, Hannah Yu, have no interests to disclose in this report.

Buloke Shire Council

Performance Statement

For the year ended 30 June 2021

Performance Statement

For the year ended 30 June 2021

Description of Buloke

The Buloke Shire is located in the north west 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 2021

Indicator/Measure	2018	2019	2020	2021	Comments
Population <i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$4,079.66	\$5,564.68	\$4,320.22	\$5,088.84	Some additional expenditure due to Working for Victoria project and improved cost recognition timing
Infrastructure per head of municipal population [Value of infrastructure / Municipal population]	\$31,351.81	\$42,429.33	\$44,242.33	\$44,820.36	
Population density per length of road [Municipal population / Kilometres of local roads]	1.16	1.16	1.16	1.15	Council covers a large area with a low dispersed population.
Own-source revenue <i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$2,315.23	\$2,407.83	\$2,512.90	\$2,600.07	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.
Recurrent grants <i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$1,376.85	\$1,499.51	\$1,687.62	\$1,701.69	Recurrent grants remain consistent, lower rates of population decline than forecasted.
Disadvantage <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.
Workforce turnover <i>Percentage of staff turnover</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year]x100	15.7%	9.5%	9.6%	10.6%	Staff turnover remains consistent and is expected to continue at this or a higher level into the future, given the profile of the workforce. Council has committed to an organisational strategy to attract and retain staff.

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 2021

Service Indicator/Measure	2018	2019	2020	2021	Comments
Aquatic Facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	6.36	5.12	4.86	3.08	Reduced number of visits to the aquatic facilities in 20-21 due to the impact of COVID-19 restrictions.
Animal Management Health and safety <i>Animal management prosecutions</i> [Percentage of successful animal management prosecutions]	New in 2020	New in 2020	100%	100%	The number of animal management prosecutions are very low (2), referral to prosecution is used as a last resort.
Food Safety Health and safety <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%	100.00%	0.00%	100.00%	No notifications were received in 2019/20
Governance Satisfaction <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]	50	52	58	61	Improving trend is reflective of Council's transparency and engagement with the community with regard to decisions made by Council.
Libraries Participation <i>Active library members</i> [Number of active library members / Municipal population] x100	8.28%	7.08%	7.91%	8.00%	A decrease in active borrowers of physical collections was experienced, due to COVID-19 related closure of the physical service, however an increase was experienced in the number of active borrowers of e-books and services.

Service Indicator/Measure	2018	2019	2020	2021	Comments
Maternal and Child Health (MCH) Participation <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100 <i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	77.14%	78.28%	79.50%	85.53%	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.
Roads Satisfaction <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	39	42	39	48	Improving trend with sealed road satisfaction is reflective of Council's efforts to invest in its roads.
Statutory Planning Decision Making <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	0.00%	0.00%	100.00%	0.00%	No planning matters went to VCAT during 20/21
Waste Collection Waste diversion <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	23.27%	24.54%	24.74%	32.03%	Industry wide issue

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 1989*.

“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
	2018	2019	2020	2021	2022	2023	2024	2025	
Efficiency Revenue level <i>Average residential rate per residential property assessment</i> [General Rates and Municipal Charges / Number of property assessments]	New in 2020	New in 2020	\$1,938.81	\$2,063.17	\$2,096.83	\$2,143.76	\$2,189.70	\$2,236.55	
Expenditure level <i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$4,035.70	\$5,498.00	\$4,227.03	\$5,174.50	\$4,664.83	\$4,636.33	\$4,768.17	\$4,886.67	
Liquidity Working capital <i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	414.73%	202.76%	371.48%	267.19%	288.85%	482.71%	467.70%	439.19%	Impact of significant capital works program
Unrestricted cash <i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	375.16%	171.78%	286.83%	36.48%	202.26%	395.38%	383.91%	353.32%	Impact of significant capital works program

	Actual				Forecast				
Dimension/indicator/measure	2018	2019	2020	2021	2022	2023	2024	2025	Comments
Obligations Asset renewal and upgrade <i>Asset renewal compared to depreciation</i> [Asset renewal expense / Asset depreciation] x100	New in 2020	New in 2020	137.44%	134.83%	187.63%	101.60%	99.67%	105.62%	
Loans and borrowings <i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x100	53.79%	52.18%	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	2.28%	2.21%	51.60%	0.00%	0.00%	0.00%	0.00%	0.00%	
Indebtedness <i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	55.02%	9.70%	8.43%	7.99%	9.66%	11.64%	9.04%	11.21%	
Operating position Adjusted underlying result <i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100	6.76%	-10.48%	4.47%	-6.13%	-7.94%	-3.38%	-4.08%	-4.30%	Impact of significant capital works program

	Actual				Forecast				
Dimension/indicator/measure	2018	2019	2020	2021	2022	2023	2024	2025	Comments
Stability Rates concentration <i>Rates compared to adjusted underlying Revenue</i> [Rate revenue / Adjusted underlying revenue] x100	48.36%	43.06%	49.72%	48.17%	54.96%	54.00%	53.87%	53.67%	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.
Rates effort <i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.94%	0.85%	0.81%	0.76%	0.69%	0.70%	0.71%	0.73%	Low increases in residential property values, higher increases in farming values and rates remaining consistent.

Definitions

“Adjusted underlying revenue” means total income other than—

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

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

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

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

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

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

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

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

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

“Population” means the resident population estimated by council

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

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

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

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

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

Other Information

For the year ended 30 June 2021

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 1989 and Local Government (Planning and Reporting) Regulations 2014 (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 2014 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 16 June 2021 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 1989 and the Local Government (Planning and Reporting) Regulations 2014 (as per the transitional provisions of the Local Government Act 2020).

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

In our opinion, the accompanying performance statement of the (council name) for the year ended 30 June 2021 presents fairly the results of council's performance in accordance with the Local Government Act 1989 and the Local Government (Planning and Reporting) Regulations 2014 (as per the transitional provisions of the Local Government Act 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 2014* to certify this Performance Statement in its final form.

.....
Cr Daryl Warren
Councillor
Dated:

.....
Cr David Vis
Councillor
Dated:

.....
Anthony Judd

Chief Executive Officer

Dated:

Buloke Shire Council

2020/2021 Financial Report

Annual Financial Report

for the year ended 30 June 2021

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Buloke Shire Council

2020/2021 Financial Report

Annual Financial Report for the year ended 30 June 2021

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Buloke Shire Council

2020/2021 Financial Report

Annual Financial Report

for the year ended 30 June 2021

Certification of the Financial Statements

In my opinion the accompanying financial statements have been prepared in accordance with the *Local Government Act 1989*, the *Local Government (Planning and Reporting) Regulations 2014*, the Australian Accounting Standards and other mandatory professional reporting requirements.

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 2021 and the financial position of the Council as at that date.

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

We have been authorised by the Council and by the *Local Government (Planning and Reporting) Regulations 2014* to certify the financial statements in their final form.

Daryl Warren
Councillor
dd MMMM yyyy
Wycheproof

David Vis
Councillor
dd MMMM yyyy
Wycheproof

Anthony Judd

Buloke Shire Council

2020/2021 Financial Report

Annual Financial Report

for the year ended 30 June 2021

Victorian Auditor-General's Office Report

Insert VAGO Report here

Buloke Shire Council

2020/2021 Financial Report

Annual Financial Report

for the year ended 30 June 2021

Victorian Auditor-General's Office Report

Insert VAGO Report here

Buloke Shire Council

2020/2021 Financial Report

Comprehensive Income Statement

for the year ended 30 June 2021

		2021	2020
	Notes	\$ '000	\$ '000
Income			
Rates and charges	3.1	14,091	13,769
Statutory fees and fines	3.2	339	325
User fees	3.3	849	742
Grants - operating	3.4	10,934	9,906
Grants - capital	3.4	11,607	8,539
Contributions - monetary	3.5	108	462
Other income	3.7	584	561
Total income		38,512	34,304
Expenses			
Employee costs	4.1	11,649	9,776
Materials and services	4.2	8,384	6,902
Depreciation	4.3	8,747	8,156
Amortisation - Right of use assets	4.4	296	294
Bad and doubtful debts	4.5	156	471
Borrowing costs	4.6	—	106
Finance Costs - Leases	4.7	19	26
Net loss on disposal of property, infrastructure, plant and equipment	3.6	89	8
Other expenses	4.8	1,708	723
Total expenses		31,048	26,462
Surplus/(deficit) for the year		7,464	7,842
Other comprehensive income:			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment/(decrement)	6.2	—	4,157
Additional asset recognition		—	537
Total other comprehensive income for the year		—	4,694
Total comprehensive result		7,464	12,536

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

Buloke Shire Council

2020/2021 Financial Report

Balance Sheet

as at 30 June 2021

	Notes	2021 \$ '000	2020 \$ '000
Assets			
Current assets			
Other financial assets	5.1	18,015	11,003
Trade and other receivables	5.1	1,920	2,877
Cash and cash equivalents	5.1	12,133	6,541
Non-current assets classified as "held for sale"	6.1	20	–
Inventories	5.2	132	181
Other assets	5.2	273	190
Total current assets		32,493	20,792
Non-current assets			
Property, infrastructure, plant and equipment	6.2	273,448	270,940
Right-of-use assets	5.7	185	394
Total non-current assets		273,633	271,334
Total assets		306,126	292,126
Liabilities			
Current liabilities			
Trade and other payables	5.3	2,085	1,374
Trust funds and deposits	5.3	360	203
Unearned income	5.3	7,339	1,287
Provisions	5.4	2,226	2,476
Lease liabilities	5.8(b)	152	257
Total current liabilities		12,162	5,597
Non-current liabilities			
Provisions	5.4	1,210	1,137
Lease liabilities	5.8(b)	58	160
Total non-current liabilities		1,268	1,297
Total liabilities		13,430	6,894
Net assets		292,696	285,232
Equity			
Accumulated surplus		119,610	112,146
Reserves	9.1	173,086	173,086
Total Equity		292,696	285,232

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

Buloke Shire Council

2020/2021 Financial Report

Statement of Changes in Equity for the year ended 30 June 2021

	Notes	Total \$ '000	Accumulated Surplus \$ '000	Revaluation Reserves \$ '000	Other Reserves \$ '000
2021					
Balance at beginning of the financial year		285,232	112,146	172,086	1,000
Adjusted opening balance		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		–	–	–	–
Total comprehensive income		7,464	7,464	–	–
Transfers to other reserves	9.1	–	–	–	–
Balance at end of the financial year		292,696	119,610	172,086	1,000
2020					
Balance at beginning of the financial year		273,066	105,137	167,929	–
Impact of change in accounting policy - AASB 15 Revenue from Contracts with Customers	10	(353)	(353)	–	–
Impact of change in accounting policy - AASB 16 Leases	5.7	(17)	(17)	–	–
Adjusted opening balance		272,696	104,767	167,929	–
Surplus/(deficit) for the year		7,842	7,842	–	–
Other comprehensive income					
- Net asset revaluation increment/(decrement)		4,157	–	4,157	–
- Additional asset recognition		537	537	–	–
Other comprehensive income		4,694	537	4,157	–
Total comprehensive income		12,536	8,379	4,157	–
Transfers to other reserves	9.1	–	(1,000)	–	1,000
Balance at end of the financial year		285,232	112,146	172,086	1,000

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

Buloke Shire Council

2020/2021 Financial Report

Statement of Cash Flows

for the year ended 30 June 2021

		2021	2020
		Inflows/ (Outflows)	Inflows/ (Outflows)
	Notes	\$ '000	\$ '000
Cash flows from operating activities			
Statutory fees and fines		339	275
Other receipts		1,436	314
Rates and charges		14,084	14,244
User fees		849	833
Grants - operating		12,341	8,846
Grants - capital		16,252	10,313
Contributions - monetary		108	548
Interest received		32	368
Trust funds and deposits taken		157	—
Net GST refund/payment		387	111
Employee costs		(11,439)	(9,881)
Materials and services		(7,433)	(7,292)
Other payments		(2,553)	(1,513)
Net cash provided by/(used in) operating activities	9.2	24,560	17,166
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	6.2	(12,108)	(12,798)
Proceeds from sale of property, infrastructure, plant and equipment		465	317
Payments for investments		(30,023)	(11,003)
Proceeds from sale of investments		23,011	18,208
Net cash provided by/(used in) investing activities		(18,655)	(5,276)
Cash flows from financing activities			
Finance costs		—	(105)
Repayment of borrowings		—	(7,000)
Interest paid - lease liability		(19)	(26)
Repayment of lease liabilities		(294)	(289)
Net cash flow provided by/(used in) financing activities		(313)	(7,420)
Net Increase (decrease) in cash and cash equivalents		5,592	4,470
Cash and cash equivalents at the beginning of the financial year		6,541	2,071
Cash and cash equivalents at the end of the financial year		12,133	6,541
Financing arrangements	5.5	150	300
Restrictions on cash assets	5.1	7,697	1,490

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

Buloke Shire Council

2020/2021 Financial Report

Statement of Capital Works for the year ended 30 June 2021

	2021 \$ '000	2020 \$ '000
Property		
Land improvements	2,202	–
Buildings	3,732	5,810
Total buildings	3,732	5,810
Total property	5,934	5,810
Plant and equipment		
Plant, machinery and equipment	612	1,286
Fixtures, fittings and furniture	77	–
Computers and telecommunications	59	44
Library books	20	47
Total plant and equipment	768	1,377
Infrastructure		
Roads	3,895	5,279
Footpaths and cycleways	–	54
Drainage	–	–
Recreational, leisure and community facilities	1,511	–
Waste management	–	–
Other infrastructure	–	278
Total infrastructure	5,406	5,611
Total capital works expenditure	12,108	12,798
Represented by:		
New asset expenditure	299	1,588
Asset renewal expenditure	9,953	3,122
Asset expansion expenditure	18	–
Asset upgrade expenditure	1,838	8,088
Total capital works expenditure	12,108	12,798

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

Buloke Shire Council

2020/2021 Financial Report

Annual Financial Report

for the year ended 30 June 2021

Overview

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 1989*, and the *Local Government (Planning and Reporting) Regulations 2014*.

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

2020/2021 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2021

Note 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 2014* requires explanation of any material variances. Council has adopted a materiality threshold of the higher 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 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

	Budget 2021 \$ '000	Actual 2021 \$ '000	Variance 2021 \$ '000	Variance 2021 %	Ref
1.1 Income and expenditure					
Income					
Rates and charges	14,023	14,091	68	0%	
Statutory fees and fines	266	339	73	27%	1
User fees	617	849	232	38%	2
Grants - operating	11,857	10,934	(923)	(8)%	3
Grants - capital	6,792	11,607	4,815	71%	4
Contributions - monetary	70	108	38	54%	5
Contributions - non monetary	—	—	—	∞	
Net gain on disposal of property, infrastructure, plant and equipment	50	—	(50)	(100)%	
Other income	132	584	452	342%	6
Total income	33,807	38,512	4,705	14%	
Expenses					
Employee costs	10,011	11,649	(1,638)	(16)%	7
Materials and services	9,411	8,384	1,027	11%	8
Depreciation	7,318	8,747	(1,429)	(20)%	9
Amortisation - intangible assets	—	—	—	∞	
Amortisation - right of use assets	269	296	(27)	(10)%	
Bad and doubtful debts	300	156	144	48%	10
Borrowing costs	—	—	—	∞	
Finance costs - leases	17	19	(2)	(12)%	
Net loss on disposal of property, infrastructure, plant and equipment	—	89	(89)	∞	11
Other expenses	735	1,708	(973)	(132)%	12
Total expenses	28,061	31,048	(2,987)	(11)%	

Buloke Shire Council

2020/2021 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2021

Note 1. Performance against budget

(i) Explanation of material variations

Variance Ref	Explanation
1.	Statutory fees and fines - positive variance due to increased construction activity and fire prevention compliance.
2.	User fees - positive variance due to adjustments to timing for Independent Support invoicing and increase Landfill and Transfer station receipting.
3.	Grants - operating - negative variance due to less than anticipated grant income for the December 2018 Flood restoration work which is partly off set by the inclusion of Working for Victoria program post budget preparation.
4.	Grants - capital - positive variance due to additional capital project funding received post budget preparation.
5.	Net gain on disposal of property, infrastructure, plant and equipment - negative variance due to unrecognised impact of building demolition prior to rebuild in budget preparation.
6.	Other income - positive variance due to initial recognition of Community Asset Committees assets and higher than anticipated reimbursements from community groups and worksafe claims.
7.	Employee costs - negative variance due to inclusion of Working for Victoria program post budget preparation. Additional expenditure fully offset by additional grant funding received.
8.	Materials and services - positive variance due to lower than expected expenditure on December 2018 Flood restoration work.
9.	Depreciation - negative variance due to impact of property revaluation as at 30 June post budget preparation.
10.	Bad and doubtful debts - negative variance due to application of credit loss model on infringement debtors.
11.	Net gain on disposal of property, infrastructure, plant and equipment - negative variance due to unrecognised impact of building demolition prior to rebuild in budget preparation.
12.	Other expenses - negative variance due to reclassification of anticipated capital expenditure to contribution upon clarification of asset ownership.

Buloke Shire Council

2020/2021 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2021

Note 1. Performance against budget

	Budget 2021 \$ '000	Actual 2021 \$ '000	Variance 2021 \$ '000	Variance 2021 %	Ref
1.2 Capital works					
Property					
Land improvements	1,500	2,202	702	47%	1
Total land	1,500	2,202	702	47%	
Buildings	3,827	3,732	(95)	(2)%	2
Total buildings	3,827	3,732	(95)	(2)%	
Total property	5,327	5,934	607	11%	
Plant and equipment					
Plant, machinery and equipment	647	612	(35)	(5)%	
Fixtures, fittings and furniture	–	77	77	∞	
Computers and telecommunications	316	59	(257)	(81)%	3
Library books	25	20	(5)	(20)%	
Total plant and equipment	988	768	(220)	(22)%	
Infrastructure					
Roads	4,994	3,895	(1,099)	(22)%	4
Footpaths and cycleways	150	–	(150)	(100)%	5
Drainage	175	–	(175)	(100)%	6
Recreational, leisure and community facilities	550	1,511	961	175%	7
Waste management	60	–	(60)	(100)%	8
Other infrastructure	–	–	–	∞	
Total infrastructure	5,929	5,406	(523)	(9)%	
Total capital works expenditure	12,244	12,108	(136)	(1)%	
Represented by:					
New asset expenditure	1,538	299	(1,239)	(81)%	9
Asset renewal expenditure	7,756	9,953	2,197	28%	9
Asset expansion expenditure	290	18	(272)	(94)%	9
Asset upgrade expenditure	2,660	1,838	(822)	(31)%	9
Total capital works expenditure	12,244	12,108	(136)	(1)%	

Buloke Shire Council

2020/2021 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2021

Note 1. Performance against budget

(i) Explanation of material variations

Variance Ref	Explanation
-----------------	-------------

- | | |
|----|---|
| 1. | Land Improvements - positive variance overall due to additional funding for streetscapes announced post budget preparation. Projects revised and extended accordingly to span multiple financial years. |
| 2. | Buildings - negative variance due to reclassification of project post budget preparation. |
| 3. | Computers and telecommunications - negative variance due to postponement of expenditure pending outcome of shared services investigation. |
| 4. | Roads - positive variance due to additional funding announced post budget preparation. Project revised and extended accordingly to span multiple financial years. |
| 5. | Footpaths and cycleways - negative variance to due expenditure postponed as projects are realigned to streetscapes master projects following additional funding announced post budget preparation. |
| 6. | Drainage - negative variance to due expenditure postponed as projects are realigned to streetscapes master projects following additional funding announced post budget preparation. |
| 7. | Recreational, leisure and community facilities - positive variance due to additional funding for sports ground lighting announced post budget preparation. Projects to span multiple financial years. |
| 8. | Waste Management - project postponed pending funding possibilities. |
| 9. | Significant changes to funding post budget preparation resulted in revision of project scopes and timing. |

Buloke Shire Council

2020/2021 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2021

Note 2. Analysis of Council results by program

2.1 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

Delivering our services in a financially viable way

To achieve our objective of delivering our services in a financially viable way, we will continue to review our services to provide high quality, cost effective, and responsive services.

Build a healthy and active community

To achieve our objective of building a healthy and active community, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services.

Diversify and enhance our local economy

To achieve our objective of diversifying and enhancing our local economy, we will continue to actively seek economic opportunities.

Responding to and enhancing our built and natural environment

To achieve our objective of responding to and enhancing our built and natural environment, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services.

Support our Councillors, staff, volunteers and the community to make informed and transparent decisions

To achieve our objective of supporting Councillors, staff, volunteers and the community to make informed and transparent decisions we will develop engagement frameworks and continuously review the way in which we communicate.

2.2 Summary of revenues, expenses, assets and capital expenses by program

Functions/activities	Income \$ '000	Expenses \$ '000	Surplus / (Deficit) \$ '000	Grants included in income \$ '000	Total assets \$ '000
2021					
Delivering our services in a financially viable way	4,217	1,227	2,990	4,132	32,488
Build a healthy and active community	1,807	2,362	(555)	1,288	–
Diversify and enhance our local economy	1,908	3,102	(1,194)	1,386	–
Responding to and enhancing our built and natural environment	17,571	21,385	(3,814)	15,614	273,634
Support our Councillors, staff, volunteers and the community to make informed and transparent decisions	293	2,884	(2,591)	121	–
Unattributed	12,628	–	12,628	–	4
Total functions and activities	38,424	30,960	7,464	22,541	306,126

Buloke Shire Council

2020/2021 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2021

Note 3. Funding for the delivery of our services

	2021	2020
	\$ '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 2020/21 was \$1.795 billion (2019/20 \$1.709 billion). The 2020/21 rate in the CIV dollar was a General Rate of 0.7650 cents (2019/20, 0.7699 cents) and a Farm Rate of 0.6120 cents (2019/20, 0.6314 cents).

Municipal charge	751	752
Interest on rates and charges	108	96
Rates - Residential	2,561	2,533
Rates - Commercial	611	630
Rates - Rural	8,456	8,220
Windfarm electricity generation charge	141	115
Garbage Charges	1,463	1,423
Total rates and charges	14,091	13,769

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	103	149
Planning Permits & Certificates	79	74
Revenue Collection	10	9
Building Regulations and Inspections	147	93
Total statutory fees and fines	339	325

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

Buloke Shire Council

2020/2021 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2021

Note 3. Funding for the delivery of our services

	2021	2020
	\$ '000	\$ '000

3.4 Funding from other levels of government

Grants were received in respect of the following:

Summary of grants		
Commonwealth funded grants	11,204	10,551
State funded grants	11,337	7,894
Total grants received	22,541	18,445

(a) Operating Grants

<i>Recurrent - Commonwealth Government</i>		
Financial Assistance Grants - general purpose	6,724	6,684
General home care	507	587
<i>Recurrent - State Government</i>		
Libraries	125	122
Maternal and child health	314	279
General home care	153	93
Other	160	170
Total recurrent operating grants	7,983	7,935
<i>Non-recurrent - Commonwealth Government</i>		
Other	21	28
<i>Non-recurrent - State Government</i>		
Natural disaster -flood damage	1,195	403
Working for Victoria	1,374	916
Other	361	624
Total non-recurrent operating grants	2,951	1,971
Total operating grants	10,934	9,906

Buloke Shire Council

2020/2021 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2021

Note 3. Funding for the delivery of our services

	2021 \$ '000	2020 \$ '000
(b) Capital Grants		
<i>Recurrent - Commonwealth Government</i>		
Roads to recovery	2,400	2,400
Total recurrent capital grants	2,400	2,400
<i>Non-recurrent - Commonwealth Government</i>		
Regional Growth Fund - Our Region Our Rivers	1,552	852
<i>Non-recurrent - State Government</i>		
Recreation	455	1,160
Road rehabilitation	–	2,181
Parks, Open space & Streetscapes	5,852	–
Other	1,348	1,946
Total non-recurrent capital grants	9,207	6,139
Total capital grants	11,607	8,539
(c) Unspent grants received on condition that they be spent in a specific manner:		
<i>Operating</i>		
Balance at start of year	183	353
Received during the financial year and remained unspent at balance date	1,407	183
Received in prior years and spent during the financial year	–	(353)
Balance at year end	1,590	183
<i>Capital</i>		
Balance at start of year	1,104	–
Received during the financial year and remained unspent at balance date	5,393	1,104
Received in prior years and spent during the financial year	(748)	–
Balance at year end	5,749	1,104

Grant income is recognised at the point in time when the council satisfies its performance obligations as specified in the underlying agreement.

3.5 Contributions

Monetary contributions

Buloke Shire Council

2020/2021 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2021

Note 3. Funding for the delivery of our services

	2021 \$ '000	2020 \$ '000
3.6 Net gain/(loss) on disposal of property, infrastructure, plant and equipment		
Land and buildings		
Proceeds of sale	–	–
Written down value of assets disposed	(241)	–
Total net gain/(loss) on disposal of land and buildings	(241)	–
Plant and equipment		
Proceeds of sale	465	317
Written down value of assets disposed	(313)	(325)
Total net gain/(loss) on disposal of plant and equipment	152	(8)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	(89)	(8)

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	32	187
Rent Council properties	6	11
Shared services charge	–	19
Sundry external works	–	21
Reimbursements	236	226
Fuel tax credits	97	82
Other	213	15
Total other income	584	561

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

2020/2021 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2021

Note 4. The cost of delivering services

	2021	2020
	\$ '000	\$ '000

4.1 Employee costs

(a) Employee costs

Wages and salaries	10,443	8,591
Superannuation	972	840
Allowances	29	116
Worksafe	200	229
Other	5	—
Total employee costs	11,649	9,776

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	26	28
	<u>26</u>	<u>28</u>
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	398	402
Employer contributions - other funds	548	444
Employer contributions - other funds prior financial year	—	(34)
	<u>946</u>	<u>812</u>
Employer contributions payable at reporting date	—	—
Total superannuation costs	972	840

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

	2021	2020
	\$ '000	\$ '000

4.2 Materials and services

Utilities	569	519
Information technology	354	421
	<u>221</u>	<u>222</u>

Buloke Shire Council

2020/2021 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2021

Note 4. The cost of delivering services

	2021 \$ '000	2020 \$ '000
4.3 Depreciation		
Property		
Buildings - non specialised	2,031	1,468
Leasehold improvements	12	–
Total depreciation - property	2,043	1,468
Plant and equipment		
Plant machinery and equipment	780	957
Fixtures fittings and furniture	51	1
Computers and telecomms	242	274
Library books	16	12
Total depreciation - plant and equipment	1,089	1,244
Infrastructure		
Roads	5,108	5,015
Bridges	102	102
Footpaths and cycleways	161	158
Drainage	66	64
Recreational, leisure and community	–	14
Kerb & Channel	163	–
Landfill sites	5	5
Other infrastructure	10	86
Total depreciation - infrastructure	5,615	5,444
Total depreciation	8,747	8,156

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	296	294
Total Amortisation - Right of use assets	296	294

4.5 Bad and doubtful debts

Buloke Shire Council

2020/2021 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2021

Note 4. The cost of delivering services

	2021	2020
	\$ '000	\$ '000

4.6 Borrowing costs

Interest - Borrowings	—	106
Total borrowing costs	—	106

Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council.

4.7 Finance Costs - Leases

Interest - Lease Liabilities	19	26
Total finance costs	19	26

4.8 Other expenses

Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	42	45
Auditors' remuneration - Internal	32	26
Councillors' allowances	177	186
Council Contributions and Donations	1,435	392
Council meeting expenses	6	11
Election expenses	1	30
Others	15	33
Total other expenses	1,708	723

Buloke Shire Council

2020/2021 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2021

Note 5. Our financial position

	2021	2020
Notes	\$ '000	\$ '000

5.1 Financial assets

(a) Cash and cash equivalents

Current		
Cash at bank	12,133	6,541
Total current cash and cash equivalents	12,133	6,541

(b) Other financial assets

Current		
Term deposits	18,015	11,003
Total current other financial assets	18,015	11,003

Total financial assets	30,148	17,544
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External restrictions

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

Trust funds and deposits	5.3	358	203
Unearned Income	5.3	7,339	1,287
Total restricted funds		7,697	1,490
Total unrestricted cash and cash equivalents		4,436	5,051

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.

(c) Trade & Other Receivables

Current		
<i>Statutory receivables</i>		
Rates debtors	1,304	1,297
Infringement debtors	166	362
GST receivable	565	265

Buloke Shire Council

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for the year ended 30 June 2021

Note 5. Our financial position

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.

	2021	2020
	\$ '000	\$ '000

(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)	205	50
Past due by up to 30 days	5	24
Past due between 31 and 180 days	5	33
Past due between 181 and 365 days	235	235
Total trade and other receivables	450	342

5.2 Non-financial assets

(a) Inventories

Inventories held for distribution	132	181
Total inventories	132	181

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	268	180
Other	5	10
Total current other assets	273	190

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for the year ended 30 June 2021

Note 5. Our financial position

	2021	2020
	\$ '000	\$ '000

5.3 Payables

(a) Trade and other payables

Trade payables	1,733	1,106
Accrued expenses	352	268
Total current trade and other payables	2,085	1,374

(b) Trust funds and deposits

Fire services levy	1	4
Other refundable deposits	241	103
Funds held on behalf of community groups and third parties	40	50
Overpaid rates and charges	78	46
Total current trust funds and deposits	360	203

(c) Unearned income

Grants received in advance:		
Grants received in advance - operating	1,590	183
Grants received in advance - capital	5,749	1,104
Total unearned income	7,339	1,287

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 2021.

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.

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for the year ended 30 June 2021

Note 5. Our financial position

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

2021

Balance at the beginning of the financial year	2,877	277	459	3,613
Additional provisions	775	(92)	96	779
Amounts used	(956)	—	—	(956)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	—	—	—	—
Balance at the end of the financial year	2,696	185	555	3,436

2020

Balance at the beginning of the financial year	2,966	343	476	3,785
Additional provisions	767	—	—	767
Amounts used	(838)	(39)	(33)	(910)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(18)	(27)	16	(29)
Balance at the end of the financial year	2,877	277	459	3,613

	2021 \$ '000	2020 \$ '000
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(a) Employee provisions

Current provisions expected to be wholly settled within 12 months

Annual leave	792	600
Long service leave	194	146
Rostered days off	26	28
	1,012	774

Current provisions expected to be wholly settled after 12 months

Annual leave	—	200
Long service leave	1,149	1,287
	1,149	1,487

Total current employee provisions	2,161	2,261
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Buloke Shire Council

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for the year ended 30 June 2021

Note 5. Our financial position

	2021	2020
	\$ '000	\$ '000

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

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulated sick leave expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee services up to the reporting date, classified as current liabilities and measured at their nominal values.

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. LSL is measured at present value. Unconditional LSL is disclosed as a current liability. 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.

Key assumptions:

- discount rate	1.49%	0.87%
- wage inflation rate	2.95%	4.25%

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 2022. Provision has been updated based on employees in this service area as at 30 June 2021. Actual redundancies incurred may be less than the provision if employees terminate their employment prior.

Key assumptions:

- discount rate	1.49%	0.87%
- inflation rate	2.95%	4.25%

(b) Landfill restoration

Current		
Current	15	165
Total current	15	165
Non-current		
Non-current	170	112
Total non-current	170	112

Council is obligated to restore landfill sites to a particular standard. Current engineering projections indicate that the landfill

Buloke Shire Council

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for the year ended 30 June 2021

Note 5. Our financial position

	2021 \$ '000	2020 \$ '000
(c) Gravel pit restoration		
Current	50	50
	50	50
Non-current	505	409
	505	409
Key assumptions:		
- discount rate	1.49%	0.87%
- inflation rate	3.80%	1.70%

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.

	2021 \$ '000	2020 \$ '000
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5.5 Financing arrangements

The Council has the following funding arrangements in place as at 30 June 2021.

Other facilities - Bank Guarantee	150	300
Total Facilities	150	300
Used facilities	130	100
Used facilities	130	100
Unused facilities	20	200

Council has no overdraft facility at 30 June 2021.

Buloke Shire Council

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Notes to the Financial Statements

for the year ended 30 June 2021

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.

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
Flood restoration works	—	—	—	—	—
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

2020

Operating					
Recycling/Garage Collection	498	—	—	—	498
IT systems and technology	86	8	15	4	113
Office equipment	41	1	—	—	42
Building Surveying	181	—	—	—	181
Asset valuation	43	—	—	—	43
Public lighting	33	—	—	—	33
Flood restoration works	938	—	—	—	938
Fuel cards	505	—	—	—	505
Total	2,325	9	15	4	2,353

Capital

Buildings	1,034	—	—	—	1,034
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Buloke Shire Council

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Notes to the Financial Statements

for the year ended 30 June 2021

Note 5. Our financial position

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

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. Council has identified long-term leases significantly below-market terms amounting to \$xx,xxx per annum.

(a) Right-of-Use Assets

	Vehicles \$ '000	Total \$ '000
2021		
Balance at 1 July	394	394
Additions	87	87
Amortisation charge	(296)	(296)
Balance at 30 June	185	185

Buloke Shire Council

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Notes to the Financial Statements

for the year ended 30 June 2021

Note 5. Our financial position

	2021 \$ '000	2020 \$ '000
(b) Lease Liabilities		
Maturity analysis - contractual undiscounted cash flows		
Less than one year	154	275
One to five years	65	165
Total undiscounted lease liabilities as at 30 June:	219	440
Lease liabilities included in the Balance Sheet at 30 June:		
Current	152	257
Non-current	58	160
Total lease liabilities	210	417

Note 6. Assets we manage

	2021 \$ '000	2020 \$ '000
6.1 Current assets classified as "held for sale"		
Current		
Fair value of assets	20	–
Total non current assets classified as held for sale	20	–

Additional disclosures:

Buloke Shire Council

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Notes to the Financial Statements
for the year ended 30 June 2021

Note 6. Assets we manage

6.2 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment	At Fair Value 30 June 2020 \$ '000	Additions \$ '000	Contributions \$ '000	Revaluation \$ '000	Depreciation \$ '000	Disposal \$ '000	Write-off \$ '000	Transfers \$ '000	Transfer land held for resale \$ '000	At Fair Value 30 June 2021 \$ '000
Property	79,885	665	-	-	(2,043)	(241)	-	4,913	(20)	83,159
Plant and equipment	4,606	768	-	-	(1,089)	(313)	-	-	-	3,972
Infrastructure	182,944	2,841	-	-	(5,615)	-	(1)	257	-	180,426
Work in progress	3,505	7,834	-	-	-	-	(278)	(5,170)	-	5,891
Total	270,940	12,108	-	-	(8,747)	(554)	(279)	-	(20)	273,448

Summary of Work in Progress	Opening WIP \$ '000	Additions \$ '000	Write-off \$ '000	Transfers \$ '000	Closing WIP \$ '000
Property	2,051	3,067	(246)	(3,396)	1,476
Infrastructure	1,454	4,767	(32)	(1,774)	4,415
Total	3,505	7,834	(278)	(5,170)	5,891

Buloke Shire Council

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for the year ended 30 June 2021

Note 6. Assets we manage

	Land specialised \$ '000	Land non specialised \$ '000	Land improve- ments \$ '000	Land under roads \$ '000	Total land and land improve- ments \$ '000	Buildings non specialised \$ '000	Leasehold improvements \$ '000	Total buildings \$ '000	Work in progress \$ '000	Total property \$ '000
Property										
At fair value 1 July 2020	4,188	79	—	22,312	26,579	109,252	—	109,252	2,051	137,882
Accumulated depreciation at 1 July 2020	—	—	—	—	—	(55,946)	—	(55,946)	—	(55,946)
Carrying value - 1 July 2020	4,188	79	—	22,312	26,579	53,306	—	53,306	2,051	81,936
Movements in fair value										
Additions	—	—	—	—	—	665	—	665	3,067	3,732
Revaluation	—	—	—	—	—	—	—	—	—	—
Disposal	—	—	—	—	—	(318)	—	(318)	—	(318)
Write-off	—	—	—	—	—	—	—	—	(246)	(246)
Transfers	16	—	1,018	—	1,034	3,345	534	3,879	(3,396)	1,517
Transfer land held for resale	(15)	(5)	—	—	(20)	—	—	—	—	(20)
Total movements in fair value	1	(5)	1,018	—	1,014	3,692	534	4,226	(575)	4,665
Movements in accumulated depreciation										
Depreciation and amortisation	—	—	—	—	—	(2,031)	(12)	(2,043)	—	(2,043)
Accumulated depreciation of disposals	—	—	—	—	—	77	—	77	—	77
Transfers	—	—	—	—	—	—	—	—	—	—
Total movements in accumulated depreciation	—	—	—	—	—	(1,954)	(12)	(1,966)	—	(1,966)
At fair value 30 June 2021	4,189	74	1,018	22,312	27,593	113,442	534	113,976	1,476	143,045
Accumulated depreciation at 30 June 2021	—	—	—	—	—	(58,398)	(12)	(58,410)	—	(58,410)
Carrying value - 30 June 2021	4,189	74	1,018	22,312	27,593	55,044	522	55,566	1,476	84,635

Buloke Shire Council

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Notes to the Financial Statements
for the year ended 30 June 2021

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
Plant and Equipment					
At fair value 1 July 2020	11,103	438	1,936	367	13,844
Accumulated depreciation at 1 July 2020	(7,291)	(416)	(1,433)	(98)	(9,238)
Carrying value - 1 July 2020	3,812	22	503	269	4,606
Movements in fair value					
Additions	612	77	59	20	768
Revaluation	—	—	—	—	—
Disposal	(1,452)	—	—	—	(1,452)
Transfers	—	—	—	—	—
Total movements in fair value	(840)	77	59	20	(684)
Movements in accumulated depreciation					
Depreciation and amortisation	(780)	(51)	(242)	(16)	(1,089)
Accumulated depreciation of disposals	1,139	—	—	—	1,139
Write-off	—	—	—	—	—
Total movements in accumulated depreciation	359	(51)	(242)	(16)	50
At fair value 30 June 2021	10,263	515	1,995	387	13,160
Accumulated depreciation at 30 June 2021	(6,932)	(467)	(1,675)	(114)	(9,188)
Carrying value - 30 June 2021	3,331	48	320	273	3,972

Buloke Shire Council

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for the year ended 30 June 2021

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
Infrastructure									
At fair value 1 July 2020	345,521	10,925	9,599	8,176	733	-	2,540	1,454	378,948
Accumulated depreciation at 1 July 2020	(177,782)	(4,511)	(4,588)	(4,454)	(710)	-	(2,505)	-	(194,550)
Carrying value - 1 July 2020	167,739	6,414	5,011	3,722	23	-	35	1,454	184,398
Movements in fair value									
Additions	2,841	-	-	-	-	-	-	4,767	7,608
Disposal	-	-	-	-	-	-	-	-	-
Write-off	-	-	-	-	-	-	(2,069)	(32)	(2,101)
Transfers	(16,306)	-	184	54	-	16,325	-	(1,774)	(1,517)
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-
Total movements in fair value	(13,465)	-	184	54	-	16,325	(2,069)	2,961	3,990
Movements in accumulated depreciation									
Depreciation and amortisation	(5,108)	(102)	(161)	(66)	(5)	(163)	(10)	-	(5,615)
Transfers	8,696	-	-	-	-	(8,696)	-	-	-
Write-off	-	-	-	-	-	-	2,069	-	2,069
Total movements in accumulated depreciation	3,588	(102)	(161)	(66)	(5)	(8,859)	2,059	-	(3,546)
At fair value 30 June 2021	332,056	10,925	9,783	8,230	733	16,325	471	4,415	382,938
Accumulated depreciation at 30 June 2021	(174,194)	(4,613)	(4,749)	(4,520)	(716)	(8,859)	(446)	-	(198,097)
Carrying value - 30 June 2021	157,862	6,312	5,034	3,710	17	7,466	25	4,415	184,841

Buloke Shire Council

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for the year ended 30 June 2021

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
Land and land improvements		
land		–
land under roads		–
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.

Buloke Shire Council

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Note 6. Assets we manage

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.

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 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 2021 are as follows:

	Level 1 2021 \$ '000	Level 2 2021 \$ '000	Level 3 2021 \$ '000	Date of valuation
Land - Non specialised	–	74	–	30/06/20
Land - Specialised	–	–	4,189	30/06/20
Land under roads	–	–	22,312	30/06/18
Land improvements	–	–	1,018	30/06/21
Buildings - Non Specialised	–	–	55,566	30/06/20
Total	–	74	83,085	

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

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for the year ended 30 June 2021

Note 6. Assets we manage

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2021 are as follows:

	Level 1 2021 \$ '000	Level 2 2021 \$ '000	Level 3 2021 \$ '000	Date of valuation
Roads	—	—	157,862	30/06/19
Bridges	—	—	6,312	30/06/19
Footpaths and cycleways	—	—	5,034	30/06/19
Drainage	—	—	3,710	30/06/19
Landfill sites	—	—	17	30/06/15
Kerb & Channel	—	—	7,466	
Other Infrastructure	—	—	25	30/6/2019
Total	—	—	180,426	

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

	2021 \$ '000	2020 \$ '000
Land under roads	22,312	22,312
Community facilities	4,189	4,188
Total specialised land	26,501	26,500

Buloke Shire Council

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Notes to the Financial Statements

for the year ended 30 June 2021

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 Ellen White (Did not stand for election 24 October 2020)
Councillor Carolyn Stewart
Councillor David Vis
Councillor Daryl Warren, Mayor
Councillor Bronwyn Simpson
Councillor Alan Getley (Elected 16 November 2020)

Key management personnel

Anthony Judd - Chief Executive Officer
Hannah Yu - Director Corporate Services
Rosemary Harris - Director Community Development
Wayne O'Toole - Director Works and Technical Services

	2021 No.	2020 No.
Total Number of Councillors	8	7
Total of Chief Executive Officer and other Key Management Personnel	4	5
Total Number of Key Management Personnel	12	12

	2021 \$ '000	2020 \$ '000
(c) Remuneration of Key Management Personnel		
Total remuneration of key management personnel was as follows:		
Short-term benefits	844	801
Long-term benefits	14	15
Post employment benefits	72	70
Total	930	886

Buloke Shire Council

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Notes to the Financial Statements

for the year ended 30 June 2021

Note 7. People and relationships

	2021 No.	2020 No.
The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:		
\$1 - \$9,999	1	–
\$10,000 - \$19,999	1	–
\$20,000 - \$29,999	4	7
\$30,000 - \$39,999	1	–
\$40,000 - \$49,999	1	–
\$60,000 - \$69,999	–	1
\$130,000 - \$139,999	–	1
\$140,000 - \$149,999	1	1
\$150,000 - \$159,999	–	1
\$170,000 - \$179,999	2	–
\$220,000 - \$229,999	–	1
\$240,000 - \$249,999	1	–
	<u>12</u>	<u>12</u>

(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:

	2021 No.	2020 No.
Income Range:		
<\$148,000	<u>1</u>	<u>1</u>
	1	1

	2021 \$ '000	2020 \$ '000
Total Remuneration for the reporting year for Senior Officers included above amounted to*:	<u>145</u>	<u>112</u>

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

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Notes to the Financial Statements

for the year ended 30 June 2021

Note 7. People and relationships

(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

2020/2021 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2021

Note 8. Managing uncertainties

8.1 Contingent assets and liabilities

(a) Contingent assets

Natural Disaster Financial Assistance Grant Funding

A significant flood event occurred in December 2018 and works were completed in the 2020-21 financial year.

(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.

(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 2021 reporting period. Council assesses the impact of these new standards. As at 30 June 2021 there were no new accounting standards or interpretations issued by the AASB which are applicable for the year ending 30 June 2022 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), payables (excluding statutory payables) and bank borrowings. 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 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 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 1989*. Council manages interest rate risk by adopting an investment policy that ensures:

- diversification of investment product;

Buloke Shire Council

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Notes to the Financial Statements

for the year ended 30 June 2021

Note 8. Managing uncertainties

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

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

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

(c) Credit risk

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

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

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

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

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

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

(d) Liquidity risk

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

To help reduce these risks Council:

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

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

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

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade.

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

Buloke Shire Council

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Notes to the Financial Statements

for the year ended 30 June 2021

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 + 1 % and - 1 % in market interest rates (AUD) from year-end rates of 0.35%.

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

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Notes to the Financial Statements

for the year ended 30 June 2021

Note 8. Managing uncertainties

Impairment of assets

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

8.5 Events occurring after balance date

The COVID-19 pandemic has created economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by Council at the reporting date. As responses by government continue to evolve, management recognises that it is difficult to reliably estimate with certainty the potential impact of the pandemic after the reporting date on Council, its operations, its future results and financial position. The state of emergency in Victoria was extended until 16th December 2021 and the state of disaster is still in place.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of Council, the results of those operations, or the state of affairs of Council in subsequent financial years.

Buloke Shire Council

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Notes to the Financial Statements

for the year ended 30 June 2021

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
9.1 Reserves				
(a) Asset revaluation reserves				
2021				
Property				
Land and land improvements	2,032	—	—	2,032
Land under roads	22,307	—	—	22,307
Buildings	24,546	—	—	24,546
	48,885	—	—	48,885
Infrastructure				
Roads	105,768	—	—	105,768
Bridges	3,014	—	—	3,014
Footpaths and cycleways	5,123	—	—	5,123
Drainage	2,022	—	—	2,022
Kerb & Channel	6,911	—	—	6,911
Other infrastructure	363	—	—	363
	123,201	—	—	123,201
Total asset revaluation reserves	172,086	—	—	172,086
2020				
Property				
Land and land improvements	1,595	437	—	2,032
Land under roads	22,307	—	—	22,307
Buildings	20,826	3,720	—	24,546
	44,728	4,157	—	48,885
Infrastructure				
Roads	105,768	—	—	105,768
Bridges	3,014	—	—	3,014
Footpaths and cycleways	5,123	—	—	5,123
Drainage	2,022	—	—	2,022
Kerb & Channel	6,911	—	—	6,911
Other infrastructure	363	—	—	363
	123,201	—	—	123,201
Total asset revaluation reserves	167,929	4,157	—	172,086

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

Buloke Shire Council

2020/2021 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2021

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				
2021				
Defined Benefits	1,000	–	–	1,000
Total Other reserves	1,000	–	–	1,000
2020				
Defined Benefits	–	1,000	–	1,000
Total Other reserves	–	1,000	–	1,000

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.

	2021 \$ '000	2020 \$ '000
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9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)

Surplus/(deficit) for the year	7,464	7,842
Depreciation/amortisation	9,043	8,450
(Profit)/loss on disposal of property, infrastructure, plant and equipment	89	8
Amounts disclosed in financing activities	19	132
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	957	567
(Increase)/decrease in inventories	49	(70)
(Increase)/decrease in prepayments	(88)	57
Increase/(decrease) in accrued income	–	95
Increase/(decrease) in other assets	5	–
Increase/(decrease) in trade and other payables	990	(588)
Increase/(decrease) in provisions	(177)	(83)
Increase/(Decrease) in employee benefits	–	(89)
(Decrease)/increase in trust funds and other payables	157	(89)
Increase/(decrease) in Unearned income	6,052	934
Net cash provided by/(used in) operating activities	24,560	17,166

Buloke Shire Council

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Notes to the Financial Statements

for the year ended 30 June 2021

Note 9. Other matters

9.3 Superannuation

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

Accumulation

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

Defined Benefit

Council does not use defined benefit accounting for its defined benefit obligations under 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 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 Employee Benefits*.

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.

A triennial actuarial review for the Defined Benefit category as at 30 June 2020 was conducted and completed by the due date of 31 December 2020. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 104.6%. The financial assumptions used to calculate the VBI were:

Net investment returns 5.6% pa
Salary information 2.5% pa for two years and 2.75% pa thereafter
Price inflation (CPI) 2.0% pa.

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

Vision Super has advised that the estimated VBI at 30 June was 109.7%.

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2020 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

Regular contributions

On the basis of the results of the 2020 triennial 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 2021, this rate was 9.5% of members' salaries (9.5% in 2019/2020). 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.

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%

Buloke Shire Council

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Notes to the Financial Statements

for the year ended 30 June 2021

Note 9. Other matters

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 2020 triennial 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. A 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:

	2020 (Triennial) \$m	2019 (Interim) \$m
- A VBI Surplus	100.0	151.3
- A total service liability surplus	200.0	233.4
- A discounted accrued benefits surplus	217.8	256.7

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 2020.

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 2020.

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 2020.

Council was notified of the 30 June 2020 VBI during August 2020 (2019: August 2019).

The 2021 interim actuarial investigation

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2021 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2021.

Superannuation contributions

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2021 are detailed below:

Scheme	Type of scheme	Rate	2021 \$ '000	2020 \$ '000
Vision Super	Defined benefit	9.5%	26	28
Vision Super	Accumulation fund	9.5%	398	402

Buloke Shire Council

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Notes to the Financial Statements

for the year ended 30 June 2021

Note 10. Changes in accounting policies

i) Impact of adoption of new accounting standards

AASB 1059 Service Concession Arrangements: Grantors (AASB 1059) (applies 2020/21 for LG Sector)

Council has adopted AASB 1059 Service Concession Arrangements: Grantors, from 1 July 2020.

Council is not a grantor in service concession agreements under current circumstance and adoption of AASB 1059 Service Concession Arrangements: Grantors has had no impact as expected.

AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material (applies 2020/21 for LG Sector)

Council has adopted AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material, from 1 July 2020.

Adoption of AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material has had minimal impact as anticipated in the local government sector.

AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework (applies 2020/21 for LG Sector)

Council has adopted AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework from 1 July 2020.

Adoption of AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework has had minimal impact as anticipated in the local government sector.

Buloke Shire Council

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Notes to the Financial Statements

for the year ended 30 June 2021

Note 11. Impact of COVID 19 pandemic on operations and 2020-21 financial report

On 11 March 2020, COVID 19 was declared as a global pandemic by World Health Organisation. Since then, various measures have been taken by all three levels of Government in Australia to reduce the spread of COVID-19. This crisis and measures taken to mitigate it has impacted council operations in the following areas for the financial year ended 30 June 2021.

In response to government directive amidst the COVID-19 outbreak, the leisure centre facilities, libraries, community centres were closed during required lockdowns. These closures have only resulted in an immaterial decrease in the council user fee revenue.

Council activated its hardship policy in response to this crisis on 16 March 2020. Financial impact from deferral of rates revenue, interest free period and rebate of public health fees has been immaterial to date. The Covid-19 hardship policy expired 31 March 2021 and had little community uptake.

Council was succesful in gaining funding under the Victorian State Government's Working for Victoria program. to employ an extra fifty (50) full time positions for a six month period commencing June 2020. This program was completed 30 June 2021.

5. MEETING CLOSE

Meeting closed at 6.10pm.