



Annual Report

2010-2011



COUNCIL PROFILE OUR VISION, MISSION AND VALUES

An organisation that does not have, or does not use, these three statements is missing out on some of the simplest and most effective governance tools you can find.

Vision, Mission and Values statements define and guide an organisation's ability to create the future for their community.

In the simplest of terms, a Vision is all about what is possible – the potential. An effective Vision statement will therefore widely convey what change the organisation wishes to create for the future of their community.

The Mission is what it takes to make that Vision come true. An effective Mission statement is therefore about how the organisation will turn their vision into practice, it is the "doing part" of the three statements.

A Values statement provides the tools for the organisation to accomplish the Mission. An effective Values statement should look outside the organisation and to the visionary outcomes the organisation wants to create for its community.

OUR VISION

Our vision is a sustainable community where everyone is actively encouraged to participate in community life to enrich the cultural, social and economic viability of the Buloke Shire and to care for our most important asset – the natural environment.



OUR MISSION

Our mission is to ensure the community has the practical tools to make the Buloke Shire an amazing place to live.

We do this by:

- Providing a range of essential services;
- Engaging with the community to understand emerging needs;
- Advocating on behalf of the community for services to meet needs;
- Good governance and sound financial and risk management practices;
- Involving the community in making decisions that affect them directly and indirectly; and
- Celebrating community achievements and milestones together.



COUNCIL PROFILE OUR VISION, MISSION AND VALUES

OUR VALUES

To accomplish our mission, Council bases its decisions and actions on the following core values:

Accountability for the Future

- We will do everything in our power to ensure a future for our children, grandchildren and beyond;
- We will hold ourselves accountable for doing whatever we can to bring about that future; and
- We will hold ourselves accountable not only to current residents of the Buloke Shire, but to future generations.

Creating the Future

- We know we are creating the future right now, whether we do so consciously or not;
- We will always be conscious of how today's decisions may affect the future of the individuals involved and their communities, the environment and our world;
- We will always aim towards our vision for the future, rather than seeking only to address the challenges of today;
- We will encourage the potential in others (and ourselves);
- We will favour long term improvement for our community, over short term expediency; and
- We will regard liveability as a primary focus of Council activity, advocacy and actions.

Asset-Based Approaches

- To build something amazing, we must build it upon a strong base. Maintenance and improvement of our current asset and infrastructure base is therefore a higher priority for us than new facilities;
- We know that our community and organisations within it have an abundance of talents and strengths upon which to build the future we envisage and which are resources that should be used whenever possible; and
- In undertaking work within Council, we will always seek to use and develop the talents and strengths of our own staff and utilise the best tools available to us.

Interconnected and Interdependent

- We will consult regularly with residents, ratepayers and other stakeholders;
- We know that the Buloke Shire does not exist in a vacuum and that individuals, organisations, communities, and government agencies are all interconnected and interdependent. None of us can create a significant impact on our own and our potential is greatest when we work together;

- We know that the best decisions are those that provide the best end result for our residents. Sometimes not everyone will agree with the decisions we make, but we will always be accountable for what we do and willing to discuss it with anyone interested;
- We will treat all residents, stakeholders and staff with respect, compassion, generosity, humanity and kindness;
- We will value the work of volunteers and actively encourage and further develop the volunteer ethic that has characterised the history of the Buloke Shire;
- We will encourage all individuals and organisations in the Buloke Shire to work side by side, to share in each other's wisdom and to effect greater change; and
- We will have ownership of and responsibility for the future we are creating within the Buloke Shire community.

Always Practical

- We know that without practical tools for accomplishing today's tasks, individuals are likely to downplay their vision for the future. Therefore, if we can engage people in practical activities they will believe change is possible and through their individual actions assist in bringing about that change;
- We will encourage a culture of continued lifelong learning and evolution of ideas, both for ourselves and for the community we serve; and
- We will ensure our actions are always open, transparent and accountable through positive practices of leadership and integrity.

Service Principles

- We will continually monitor and assess community needs for services and respond to them to the best of our ability;
- We will determine the most efficient, effective and risk averse service delivery methods we can and always seek to deliver services to these standards;
- We will develop service standards for the everyday services we provide to the community and regularly report on accomplishment of these; and
- We will consult with the community before making any changes to the way Council services are managed and delivered.

ABOUT BULOKE

The Buloke Shire is located in north-western Victoria, between 210 and 360 kilometres north-west of Melbourne.

The Buloke Shire is bounded by 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.

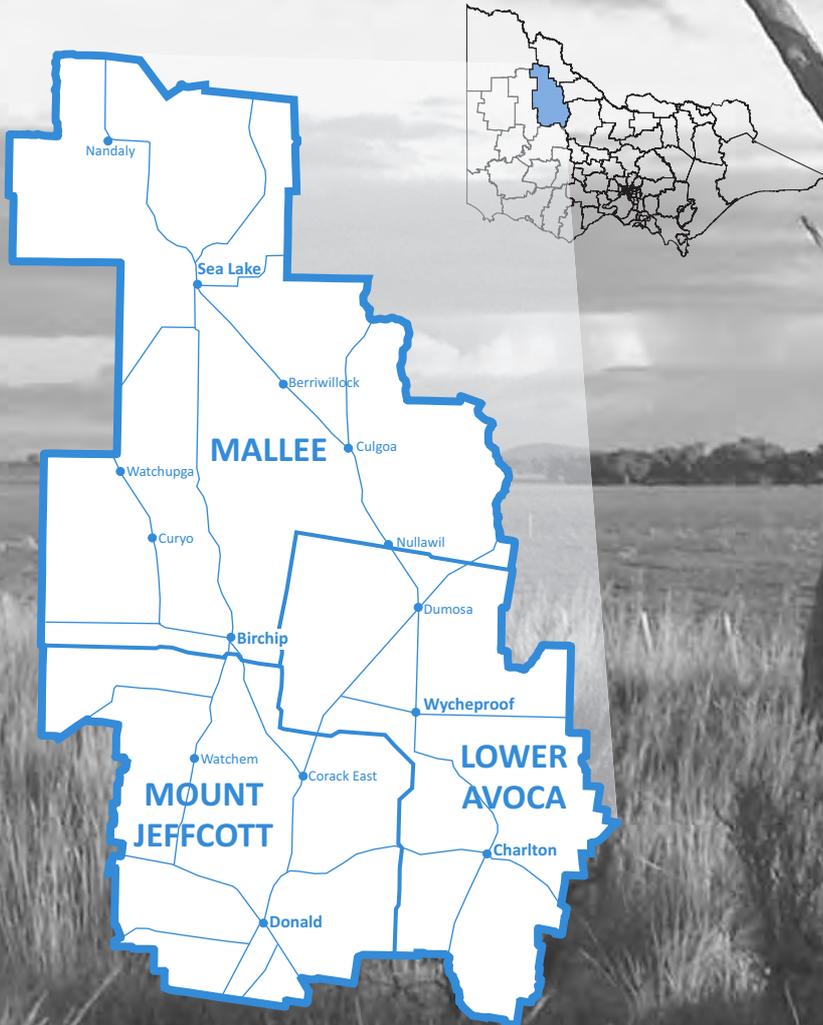
The Buloke Shire is a predominantly rural area. The main townships are Birchip, Charlton, Donald, Sea Lake and Wycheproof. Smaller townships include Berrivillock, Culgoa, Nandaly, Nullawil and Watchem.

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

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



Contents

MAYOR'S MESSAGE	4
CHIEF EXECUTIVE OFFICER'S REPORT	6
A YEAR IN REVIEW	
– Executive & Governance	8
– Corporate Services	11
– Community Services	13
– Assets & Infrastructure	15
– Works & Construction	20
– Finance	22
PROGRESS AGAINST THE COUNCIL PLAN	
– Strategic Objectives, Strategies, Strategic Indicators & Performance Measures for 2010-2011	23
THE COUNCIL	
– The Council's Role	26
CORPORATE GOVERNANCE	
– Council Code of Conduct	28
– Council Meetings	28
– Councillor Allowances	28
– Council Representation on Committees	29
– Audit Advisory Committee	30
– Statutory Officers	30
– Whistleblowers Protection Act 2001 (Victoria)	30
– Information Privacy Act 1988 (Commonwealth)	30
– Freedom of Information	30
– Risk Management	31
– Business Continuity Planning	31
– Municipal Emergency Management	32
OUR ORGANISATION	
– Organisational Chart	33
– Employee Statistics	34
– Equal Opportunity	34
– Health and Safety	35
– Workers Compensation	35
COMMUNITY GRANTS & DONATIONS	36
GRANTS RECEIVED FROM EXTERNAL SOURCES	38
BEST VALUE STATEMENT	40
NATIONAL COMPETITION POLICY COMPLIANCE	41
COMMUNITY SATISFACTION	42
FINANCIAL REPORT CONTENTS	45



MAYOR'S MESSAGE



It gives me great pleasure to present this Annual Report to the Community of Buloke.

2010-2011 will be a year that is long remembered by the Buloke community due to the impact of the September 2010 and January 2011 flood events. Most parts of the Buloke Shire were affected and those most affected are still facing the stress, trauma and anxiety of dealing with rebuilding homes, businesses and farms. The damage caused by the massive volumes of water that swept through residential and rural properties alike is estimated to be in the \$100's of millions of dollars. The response of the insurance industry to this natural disaster has been variable and this added to the anxiety and loss of many of the families affected by flood waters.

While the overall impact of the flood emergency had a negative impact on the community, the response and reaction of the Buloke community to the actual emergency and its aftermath was fantastic. All of the strengths of the Buloke community came into play. We have seen incredible acts of random kindness, selfless contributions of time, money and material aid, thousands of hours of volunteer assistance and whole of community actions to help those individuals and groups of individuals most affected by the floods. People opened their homes to family, friends, neighbours and even strangers who had been displaced from their own homes by flood waters. Farmers helped each other by moving flood endangered stock and farm equipment, often without even being asked. It has been a great display of the depth of the social capital in our Shire which is what makes it such a great place to live and to raise a family.

The flood events have dominated much of Council's efforts since September 2010. Financial and staff resources have been diverted from their normal activities to deal with the immediate impact of the floods and their aftermath. This has caused Council to review nearly all of its plans for 2010-2011 and has wrought havoc on the 2010-2011 Budget and Capital Works Program. The Commonwealth and Victorian Governments have been

incredibly supportive during this very stressful time. Without their support and the grant funds they have made available to assist with the clean-up and recovery process Council would have faced much greater difficulties than it has. I would like to particularly mention the support provided to Council and the Buloke community by our local State Member of Parliament, Mr Peter Walsh. Mr Walsh has worked closely with Council and actively supported volunteer recovery activities across the Buloke Shire.

There are many other organisations and individuals that should be publically thanked for their efforts to assist during and following the September and January flood events.

The Buloke Shire has sought to recognise these individuals and organisations throughout the last half of the year. I believe all I can say in the context of these comments is thank you to everyone involved. Every bit of assistance we received was, and is, sincerely appreciated.

While the floods have dominated much of the last year, progress has still been made in a number of other areas of Council activity. Community Planning across all of our townships and rural areas has continued through meetings with Township Forums, Progress Associations and Development Groups. These meetings have been supplemented with a continuing series of 'Fire Shed'



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meetings in rural areas, meetings with young people in each of our towns and interaction with Chambers of Commerce where they exist.

Community Plans have a leading role to play in shaping the services and projects provided in each of our towns and localities. All ten of the Community Plans developed over the last few years have been updated to reflect current needs and aspirations and are used by Council as the basis for its own forward planning. The Buloke Shire Council is committed to continuing to support and develop these Plans with the community.

The Buloke Shire Council has also spent time this year considering how to improve its community consultation and engagement strategies. In the past year we have experimented with increasing the frequency of the publication of *'Community Matters'* in local newspapers, produced a weekly (now fortnightly) Flood Recovery Newsletter, experimented with on-line consultation through use of the 'Bang-the-Table' website, conducted several resident surveys (both paper based and on-line), increased our use of local radio (particularly the ABC) to communicate with the Buloke community, made extensive use of community meetings (particularly in the period immediately following the flood events) and used 'community conversation' techniques in a number of settings.

Some lessons were learnt from the experience with Amendment C14 (Heritage Overlay) to not only ensure information is kept simple and understandable, but also current and relevant to the questions and information being sought from us. Lessons were also learnt from the numerous community flood recovery meetings.

'Community Matters' will continue to be published in 2011-2012. We see *'Community Matters'* as a useful communication channel to report on the Buloke Shire's performance,

provide information on the progress of projects and services, and to encourage community involvement in decision-making on local activities.

Council will continue to focus on improving consultation and engagement over the next twelve months.

The flood events also interrupted a number of initiatives Council had scheduled for 2010-2011.

Our decision to provide 'free' entry to all seven of our pools over the summer period to gauge the impact on usage was impacted by the floods. The initiative will be continued for summer 2011-2012 and we hope will result in increased use of our swimming pools. Swimming pools were identified as being a significant local asset as part of the Community Planning process and Council has responded by significantly increasing its investment in the pools and their surrounds.

Reviews of several key strategies important to the future of the Buloke Shire and programmed for completion in 2010-2011 were also put back by the need to reallocate resources to flood related activities. Several of these reviews (Waste Management, Land Use Planning and Economic Development) were commenced late in the year and will be completed in 2011-2012. Opportunities for community involvement in these reviews will be offered in the first half of 2011-2012. Other reviews, including Road Management, Library Services and Environmental Sustainability have been delayed and will be commenced in 2011-2012. Again, there will be opportunities for community involvement in these reviews as they progress.

Another impact of the flood situation on Council in the last year has been to highlight the need to review local emergency management arrangements. The report of the 2009 Victorian Bushfire Royal Commission identified many deficiencies in

emergency response and recovery planning at a State, regional and local level. The flood emergency highlighted many of these deficiencies and illustrated the need for urgent attention. The State Government has responded to the Royal Commission's Report and new resources have been allocated to planning, coordination and management of natural disaster events. The Buloke Shire has a role to play in this process and will be an active participant as new arrangements are put in place. The Buloke Shire will ensure there are opportunities for community input into changes to local emergency management arrangements. Council will also increase its commitment to community education and preparedness.

2010-2011 was also a year of submissions. The Buloke Shire provided comments to the Municipal Association of Victoria for the single submission to the Victorian Bushfire Royal Commission made on behalf of all Councils. Submissions have also been prepared and submitted to various Commonwealth and State Parliamentary Inquiries.

2010-2011 has been a busy year. It has also been a very satisfying year in terms of seeing and experiencing, first hand, the strength, resilience and generosity of the Buloke community in a time of emergency. Together, and with the help and assistance of a wide range of outside friends and supporters, we have successfully come through a very difficult time. There is still much to re-build and to restore but as a community we have emerged stronger.

In conclusion, I would like to thank my Councillor colleagues, Buloke Shire Council staff and the Buloke community for the support they have given to me over the last twelve months. Thank you one and all.

Cr Leo Tellefson, MAYOR



The Annual Report 2010-2011 details the Buloke Shire Council's further progress in implementing the Council Plan 2009-2013, adopted in October 2009 after extensive public consultation. The Plan is structured around key strategies and policies to be developed or reviewed over its life as well as reflecting the outcome of the extensive Community Planning activities the Buloke Shire has engaged in over the last four years. The ten Community Plans that have been developed through this process underpin Council's future directions.

The Plan is structured around five strategic objectives which form the basis of much of the reporting in this Annual Report. The Plan also turns on a number of key issues identified during the community consultations:

- **Investment in road infrastructure:** What is the 'right' level of road infrastructure for our low population but geographically large municipality?;
- **Development of community assets:** The community wants Council to maintain and upgrade community assets. The funding for this will need to largely come from external funding sources, principally grants from other levels of Government;
- **Affordability – rates and charges:** Rates and charges are seen to be an increasing burden on Buloke residents. However, there is little capacity for Council to raise revenue through sources other than general rates;
- **Service levels:** What service levels should be cut to achieve low rate increases?; and
- **Community sustainability:** What does the community and the Buloke Shire need to do to ensure that the advantages of living in a small rural community are maintained, social capital increased and essential health, education, community safety and education services continue to be provided?

Implementation of the Plan continued in 2010-2011 although not as much progress as planned was achieved due

to the impact of the locust plague in the first half of the year and the devastating floods of September 2010 and January 2011. All three of these events placed significant pressure on Council's financial, staff and physical resources. All three contributed to Council's financial plans for the year having to be restructured, resulting in the revised Budget adopted in the last month of the year.

The 'once in two hundred years' January 2011 flood event caused more than \$25 million damage to our road infrastructure and it is likely to take more than twelve months to repair the damage. Damage to other infrastructure (buildings, playgrounds, recreation reserves, etc.) is estimated at \$4 million.

Damage to buildings and other community infrastructure is being progressively repaired. Priority was given to the repair of buildings required for the provision of health and education services.

A special mention goes to all of the volunteers who worked with and alongside the Buloke Shire Council during the flood emergency. Hundreds of volunteers contributed thousands of hours to assisting others in the community affected by the floods. Without this assistance many people would have been much more adversely impacted by the flood events than they were. Special thanks to the members of local emergency





response services (Vic SES and CFA). Special thanks are also extended to the City of Hobsons Bay, City of Greater Bendigo, City of Mildura, City of Latrobe and the Shire of Nillumbik who were so generous with the availability of staff and other resources when required.

Despite some temporary interruptions in sections of the Buloke Shire as a result of the flood incidents, Council continued to provide a full range of services throughout the year.

Road maintenance services were significantly impacted by the heavy rains that contributed to the flood events and of course by the flood events themselves. At one stage during the flood crisis more than one hundred and fifty local roads were closed. A small number of roads remained closed for periods of up to two months until the water covering them dispersed. As indicated earlier, repair of the local road network is a continuing priority.

Prudent financial management has remained a priority and the Buloke Shire Council has maintained its policy of not being reliant on debt to fund its operations. Cash flow was difficult during several months of the year as a result of the large outflows associated with flood response and recovery activities.

While Government flood response and recovery assistance was made available, Council was required to fund these activities as they occurred. The Buloke Shire Council is appreciative of the support provided by local suppliers during this time, some of whom faced delays of several months before accounts were settled.

The Buloke Shire Council's Capital Works program for the year was severely disrupted by the flood events. Staff resources were diverted from Capital Works planning, programming and management to deal with recovery activities. Some contractors were also impacted by the flood events. All Capital Works projects planned for 2010-2011 and

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not completed have been re-programmed for 2011-2012.

Despite the additional pressures created by the flood events progress was made in achieving most of the policy and strategy reviews programmed for 2010-2011. Review of all but one or two of the Buloke Shire Council's suite of Human Resource policies was completed, review of Procurement policies (including local price preference) was completed, review of Financial policies was completed and review of Occupational Health and Safety policies were completed. A review of Home and Community Care policies and service delivery strategies was also completed. Review of the Buloke Shire Council's Community Local Law was also completed. Reviews commenced in 2010-2011 and due for completion in 2011-2012 include Business Continuity, Waste Management, Road Maintenance, Road Management Plan and Economic Development.

The Buloke Shire Council continued to advocate strongly to Government on a range of matters, with key priorities including road infrastructure improvements (Calder Highway, Sunraysia Highway and local roads), major projects (Donald Family Services Centre, Berriwillock Community Centre and Swimming Pool upgrades), climate change, broadband communications, public land management, economic development, recreational water pricing, local police numbers, integrated land use planning and the upgrade of the rail freight network to reduce the growing impact of high

mass vehicles on the local road network. The Buloke Shire Council also endorsed the Australian Local Government Association's campaign for recognition of Local Government in the Australian Constitution.

Cost shifting, the transfer of costs to Local Government by other levels of Government through legislation, regulation and compliance requirements remains a major concern to the Buloke Shire. Despite universal recognition of the problem, small rural Councils like Buloke continue to be adversely impacted by requirements and expectations that put severe stress on already stretched resources.

Despite the challenges 2010-2011 has presented, it has still been a successful year for Buloke.

As you read through this report you will learn about the Buloke Shire Council's activities and achievements in 2010-2011. We acknowledge that 2010-2011 has been a difficult year, and that many of the plans we put in place to achieve for the year were interrupted by the flood events, but this has not caused us to pause in our commitment to provide the best possible level of services to the Buloke community.

In conclusion, I would like to thank the Mayor and Councillors for the support they have shown to staff during the course of 2010-2011. I also acknowledge the support and commitment of the Senior Management Team, staff and contractors.

Warwick Heine
CHIEF EXECUTIVE OFFICER

EXECUTIVE & GOVERNANCE

PROCUREMENT

The Procurement Team is responsible for the review and implementation of all business processes associated with purchasing, contracting and the tendering for services and works. The Team's objective remains to maximise the Buloke Shire Council's expenditure with local businesses while at the same time ensuring value for money.

Achievements

- Established reputation as an effective Team with demonstrated flexibility and an ongoing commitment to Buloke's strategic objectives;
- Participation in the Department of Planning and Community Development (DPCD) Procurement Roadmap program and resultant regional workshops to facilitate a collaborative approach to procurement challenges;
- Management of Light Vehicle Fleet meeting operational requirements while delivering efficiencies in acquisition, operating costs and disposal aspects;
- Development of a light vehicle fleet replacement strategy;
- Establishment of a robust vehicle fleet performance management system, including a planned maintenance schedule;
- Migration of Plant and Light Vehicle Fleet to the VicRoads Electronic Fleet Registration Scheme delivering organisational efficiencies;
- Introduction of a 'Buy Local' clause to the Procurement Policy which delivers a standardised advantage to suppliers within the Buloke Shire;
- Increased local purchasing with 21.3% of the 2010/2011 procurement budget spent within the local community;
- Implementation of an Asset and Inventory Management Policy;

- Introduction of a Fraud Prevention Policy;
- Implementation of an enhanced Contract Register and Annual Tender Planner; and
- Provision of immediate and ongoing support to Flood Response and Recovery requirements.

Challenges

- Implementation of an Electronic Purchasing System Upgrade and associated training; and
- Establishment of controls and processes for the blend of a centralised and de-centralised purchasing function.

Future Directions

- Electronic Purchasing System upgrade and provision of training;
- Introduction and implementation of a Tender Manual and a suite of templates;
- Alternative purchase methodologies for low level spending requirements; and
- Increased Annual Supply contracts.

MUNICIPAL FLOOD RECOVERY

The Flood Recovery Team was established in February 2011 as a result of the devastating floods that affected 80% of the Buloke Shire in January 2011. The aim of this Team is to ensure an effective and coordinated response to minimise effects of an emergency situation and to enable the community to recover from that emergency.

Achievements

- Production and distribution of 24 Flood Recovery Newsletters and inserts into local newspapers to keep the community informed;
- Establishment of and administration support for Community Recovery Committees;
- Establishment of a Flood Recovery Management Centre in Charlton to provide a range of government and non-government services to flood affected residents;
- Coordination of government agencies to identify gaps and needs in assistance;





- Successful grant applications for clean up, Recovery Officer positions, community building repairs and community events;
- Rural Fire Shed Meetings were held intensively for the first six weeks following the January 2011 floods, followed by a second round in June 2011;
- Social activities were held and supported; and
- Establishment of a BlazeAid base camp at Charlton to provide volunteer fencing assistance for the Buloke community affected by January 2011 flooding.

Challenges

- Effects of the disaster were spread over a large geographical area;
- Significant damage to the local road network;
- Widespread damage to local buildings and private property;
- 80% of the township of Charlton and 90% of the township of Culgoa were inundated;
- Charlton Shire Office inundated; and
- Lack of knowledge depth regarding Emergency and Recovery arrangements and responsibilities during and after a disaster.

Future Directions

- Continue to lobby Government for flood mitigation planning;
- Continue to hold social events and activities to promote social connectedness;
- Repair and restoration of local road networks;
- Repair and restoration of community buildings and infrastructure, including up-to-date information for affected communities;
- Ongoing support of Community Recovery Committees; and
- Review of emergency management arrangements.

STATUTORY PLANNING

Planning is responsible for the statutory requirements relating to planning permits and implementing the Buloke Planning Scheme whilst managing the strategic direction of land use planning within the Buloke Shire.

Achievements

- Average time taken to issue permits reduced by six days:
 - Seventy-four (74) permits received
 - Seventy-one (71) permits issued
 - Three permits being processed
 - Eight Subdivisions certified
- Heritage Precincts Amendment C14 awaiting Planning Panel Report;
- Amendment C12 Planning Scheme Anomalies to be submitted to the Planning Minister seeking adoption after successful exhibition;
- Shire-wide Residential Land Use Review adopted by Council, and proposed Residential Land Use Amendment C18 submitted to the Planning Minister seeking authorisation to commence an amendment;
- Draft Municipal Strategic Statement and Local Planning Policies awaiting Council wide consultation; and
- Heritage Individual Places Amendment C20 received authorisation from the Minister and awaiting exhibition.

Challenges

- Changes to the State Planning Policy Framework and a new State Government;
- Updating the Buloke Planning Scheme to reflect changes in land use, including an emphasis on environment and rural land use planning; and
- Pursuing the enforcement of planning permit conditions.

Future Directions

The Buloke Shire's Planning Team are looking to update the local content of the Buloke Shire Planning Scheme to better reflect changes to land use planning and provide guidance for future planning. A major focus will also be on compliance and enforcement of planning permit conditions.

COMMUNITY DEVELOPMENT

The Community Development Team works with Buloke Shire communities to assist them to reach their visions, as highlighted in their community plans. The Team also assists with facilitating the community planning process, providing information on grants and supporting communities to prepare grant submissions.

Achievements

- 12 editions of Buloke Shire Council's '*Community Matters*' information page published in the three local papers;
- Buloke Community forums revisited the community plans thereby ensuring they continue to reflect the changing environment and needs of each community;
- Relationships developed through the drought program of the Managing Now Planning Ahead (MNPA) events and Farm Gate visits contributed to support for families across the Buloke Shire following the January 2011 floods, including attendance of 641 people at 14 separate events;
- Funding for two Men's Shed renovation and extension projects was obtained from the Department of Planning and Community Development (DPCD) and the Helen Macpherson Smith Community Alliance.
- Three lake projects were also funded by the Helen Macpherson Smith Community Alliance, namely foreshore development of Watchem and Tchum lakes and master planning of Green Lake. Funding for planning was also obtained by the Berriwillcock community; and



- Funding has been obtained for volunteer support within the Buloke Shire and Buloke history groups obtained funding for volunteer promotion, training and a travelling exhibition.

Challenges

- Recovery from the recent floods following 13 years of severe drought represents the most significant challenge for the Buloke Shire communities; and
- Economic and community development in Charlton, Donald and Culgoa, represent a challenge that will require positive input from all sections of the community.

Future Directions

- Future direction will continue to focus on community plans, community engagement and resource access for community groups. There are currently ten community plans, and a well developed and regularly referenced plan will provide important tools to ensure that Buloke Shire communities prosper in the current environment; and
- The ongoing series of significant climatic events is continuing to test the resilience of our communities and the importance of documented, living community plans is being seen as we address the various recovery issues.

ECONOMIC DEVELOPMENT

The Economic Development Team is the first point of contact for many businesses and people considering moving to the Buloke Shire. The Team's role is to make sure that all requests for assistance and information are dealt with as efficiently and effectively as possible, to advocate for policies encouraging economic development in the Buloke Shire and to assist businesses planning to relocate or establish in the Buloke Shire.

Achievements

- Support of a successful Shire-wide photo competition and Scarecrow competition;
- The Economic Development Team in conjunction with the Buloke Tourism Board has successfully assisted with the development of the first Shire-wide Buloke Calendar of Events;
- The introduction of a series of monthly business seminars with Workplace Australia and Small Business Victoria, starting in early 2011 as an ongoing initiative to assist local Buloke Shire businesses to upgrade their business skills;
- Visiting businesses (including farm businesses) trying to ensure they are aware of their options when they have been flood affected and working with the Municipal Flood Recovery Team, Small Business Victoria and Victorian Employers Chamber of Commerce and Industry (VECCI);
- Represented the Buloke Shire Council at the Birchip Cropping Group (BCG) Expo in July 2011. Council is a major sponsor of the BCG and the Expo is a valuable forum to promote economic development possibilities to the Buloke Shire's key agricultural sector;
- Maintaining an ongoing partnership with the Donald Airport working party to upgrade the Donald Airport to handle larger planes as an all weather airport;
- Provided New Business Incentives to assist in the establishment of four new businesses;
- Advocated for the Young Provincial Professional Cadetship Program assisting many young people to find local vocational employment in local business;
- Continued work with the Charlton Harness Racing Club to

develop their harness racing training complex in Charlton;

- Supported the Sea Lake Off Road Club in their annual Mallee Rally Race; and
- Supported and worked with GWMWater to ensure the filling of Tchum Lake and Green Lake and supported environmental flows for the Richardson and Avoca Rivers.

Challenges

- Businesses were confronted with the challenge of repairing their businesses following the floods, whilst simultaneously dealing with the loss of income due to their customers' lower discretionary spending following those events;
- The floods also adversely affected most of the agricultural sector resulting in the downgrading of the majority of crops in the Buloke Shire as well as creating a significantly larger workload for farmers, including spraying of unseasonal weeds and clearing away the effects of the floods;
- Developing new housing estates when the upfront cost of providing services to the blocks is greater than the block's final value;
- Keeping local businesses viable when competing with large online retail and service oriented businesses remotely located from the Buloke Shire; and
- Developing tourism opportunities as many business operators relocate to the Buloke Shire for the lifestyle and therefore visiting tourists find services lacking when they visit, particularly on weekends.

Future Directions

- To develop Birchip, Wycheproof and Sea Lake to become recreational vehicle (RV) accredited towns over the next twelve months with the view to make the Buloke Shire ultimately a RV accredited Shire;



- Assisting the development of local infrastructure by 'value adding' to local capital raising efforts by applying to the not-for-profit sector and the State and Federal Governments for access to grant money;
- Support initiatives of the Buloke Tourism Board and provide the opportunity for businesses to access business management training to assist them in keeping up-to-date with current trends in their businesses;
- Develop the 'Buy Local' campaign by encouraging businesses to use other businesses in the Buloke Shire;
- Develop Regional Industry Link opportunities for local businesses, and provide assistance to industries looking to establish in the Buloke Shire to take advantage of the assured supply of good quality water available from the Wimmera Mallee pipeline;
- Assist in investigations that lead to ways to value add to farming products before they leave the Buloke Shire; and
- Develop new industries and businesses by supporting the Northern Poultry Cluster and the Agriculture and Machinery cluster who are building a better climate for business.

CORPORATE SERVICES

CUSTOMER SERVICE

Buloke Shire continues to place a strong focus on Customer Service and responding to the needs of the community in a timely, efficient and courteous manner. The Customer Service Team aims to meet the needs of our customers by resolving the majority of customer enquiries and requests at first point of contact. Our Team provides assistance with:

- All payments and enquiries in relation to rates and animal registrations;
- Service requests for road maintenance, footpaths, parks, waste management and animal control;
- Bookings for halls, street stalls and raffles, community buses and council cars;
- General information regarding all Council Services; and
- Vic Roads transactions.

Achievements

In 2010/2011 Council's customer service team received over 60,000 customer contacts over the counter and via telephone. In part this includes:

- 42,119 telephone calls into the main call centre;
- 2,596 Vic Roads transactions totalling 352 hours over our five service centres;
- 11,097 over the counter payments; including 1,445 payments for Animal Registrations and renewals, and 4,158 property rates payments;
- 3,775 requests for service logged into our Customer Management System and all customers supplied with a request number to assist them to track the request if necessary;
- Enquiries and bookings regarding the Council's community facilities (halls, meeting rooms and community buses);
- Improved knowledge base and communication from internal departments to assist with our benchmark of 95% resolution at first point of contact;
- Conversion of interdepartmental procedures into an electronic format available for all staff to access;
- Implementation of a 'call introduction' process to reduce duplication of customer communication; and

- Introduction of Business Victoria 'Smartforms' to the Council's website ensuring that legislative regulations for Health, Planning and Building are met.

Training and Development:

- Rotation of Customer Service staff to undertake Team Leader responsibilities for monthly meetings; and
- Vic Roads training provided to 12 team members totalling 28.5 hours to ensure service is delivered efficiently.

Customer service staff multi-skilling to assist other departments in peak periods such as:

- Locust Reporting;
- Flood Recovery;
- Works Administration;
- Human Resources administration;
- Risk Assessment;
- Information Technology Management; and
- Records Management.

Challenges

- To develop a strategy for a uniform response to crisis situations;
- Continue to improve awareness/education of the Customer Service Team about the Buloke Shire and current issues so they are both knowledgeable and can respond to general enquiries;
- Complete an Operational Plan for the Customer Service Team; and
- Ensuring relief staff are available when required.

Future Directions

- Focus on service delivery standards and how they can be measured and improved;
- Develop a Corporate Service Charter through the improvement of the Customer Request Management System;
- Ongoing development of the new Council website and exploring options for more eServices; and



A YEAR IN REVIEW CONTINUED

- Continued upgrades to Buloke Shire's internal forms and introduction of additional forms through Business Victoria.

HUMAN RESOURCES

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

Achievements

- Human Resource policies reviewed and adopted:
 - Bullying;
 - Diversity Management;
 - Employee Assistance Program;
 - Performance Management;
 - Working from Home;
 - Grievance; and
 - Harassment.
- Occupational Health and Safety policies reviewed and adopted:
 - Drug and Alcohol;
 - First Aid;
 - Incident Conditions;
 - Manual Handling;
 - Return to Work; and
 - Working in Isolation.
- Provision of training programs for staff:
 - Cert III Rural Operations;
 - First Aid;
 - Chemical Handling;
 - New Supervisor;
 - DrumMUSTER;
 - Microsoft Office suite;
 - Cert III Records Management;
 - Privacy;
 - Construction Induction;
 - Professional Presentations; and
 - Project Management Fundamentals.
- Development and implementation of induction program;
- Health and Safety representation reviewed to ensure all designated

work groups are represented at the OHS Committee;

- Training matrix developed for all staff;
- Complete review of all Human Resources and Payroll forms; and
- Transition of Payroll into Corporate Services Department.

Challenges

- Staff and skill shortages;
- An ageing workforce;
- Finalisation of Works and Construction restructure and identification of training requirements; and
- Finalisation of Council's Enterprise Agreement.

Future Directions

- Further development of staff skills in technical areas, including project management, budget development and risk management;
- Development of Human Resources Service Charter;
- Development of an Operational Plan;
- Further development of Human Resources and Payroll specific processes;
- Payroll System Audit review;
- Further reduction in levels of leave liability;
- Staff Consultative Committee formed and in place;
- Staff suggestion scheme to be developed and implemented; and
- Continued review of Human Resources and OHS policies against changes in legislative requirements (including new OHS Act).

INFORMATION TECHNOLOGY

Information Technology provides technology services and network administration across the Buloke Shire Council. This includes maintenance of the Council's data and telephone network, network administration,

computer system platforms, information systems and software applications.

Achievements

- Sun5 software system upgrade implemented;
- IPOS upgrade implemented;
- Backup generator installed as part of Buloke Shire's Disaster Recovery requirements; and
- Continued upgrade of Buloke Shire's two-way radio hardware.

Challenges

- Staff shortages;
- Project management and planning; and
- Sun5 software systems upgrade implications.

Future Directions

- Provision of Wireless Area Network (WAN) Services;
- Provision of Service Provider;
- Provision of Telecommunications Service Provider;
- Geographical Information Systems (GIS) roll out;
- Request for change document implementation;
- Server upgrades as required;
- Wireless ports in all of the Council's district offices; and
- Necessary computers made available for staff located at the Council's district depots.

LOCAL LAWS & FIRE PREVENTION

The Local Laws and Fire Prevention Team provide education and enforcement services to enhance the living environment of the Buloke Shire. Services provided include animal control, administration and enforcement of Local Laws, working with property owners to reduce the number of unsightly and dangerous properties, fire preparedness inspections, enforcement of advertising sign requirements, and the issuing of permits relating to street furniture and burning off.



Achievements

- 1,124 Fire Hazard Notices issued;
- Increase in the number and frequency of inspections of residential properties;
- 63 dogs impounded;
- 37 impounded dogs reunited with their owners;
- 3 of the dogs impounded were re-housed through an animal shelter;
- 102 cats were impounded;
- 10 of the cats impounded were reunited with their owners;
- 92 feral cats were trapped as part of the Feral Cat Trapping program; and
- The pound facility was approved by the Department of Primary Industries (DPI) as compliant with State Government regulations.

Challenges

- Fire Hazard Notices have increased between 2009-2010 and 2010-2011. A challenge now for the Local Laws Team is to further educate property owners and occupiers on the importance of Fire Prevention and how they can better prepare themselves and their homes for the fire season ahead.

Future Directions

- Review programs to enhance the reduction of fire risks throughout the Buloke Shire, especially in high risk periods; and

- Seek to develop a program for responsible domestic animal ownership, including the fostering and adoption of stray and unwanted animals.

RECORDS MANAGEMENT

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

Achievements

- Creation of both electronic and hard copy property file capability;
- Creation of a Disaster Recovery file structure;
- 20% increase in the number of documents scanned and filed;
- Internal mail pick-up and delivery of over 14,000 documents over the Buloke Shire's district offices; and
- Recognised training for records staff, including an Advanced Diploma of Recordkeeping and Certificate III in Recordkeeping.

Challenges

- Staff secondment due to the January Floods meant that Records functions were not able to proceed as planned. Half of the team was seconded from January to the end of May 2011;
- Records dispersed across five separate locations;
- Decentralised office systems;

- Development of staff experience and knowledge; and
- Changes to standards and legislation.

Future Directions

- Further implementation and upgrades to the Buloke Shire's property file system;
- Increase in the number of electronic documentation captured by records;
- Development of policies and procedures in line with the Public Records Office;
- Continued implementation of archiving procedures; and
- Continued development of central records including electronic document management.

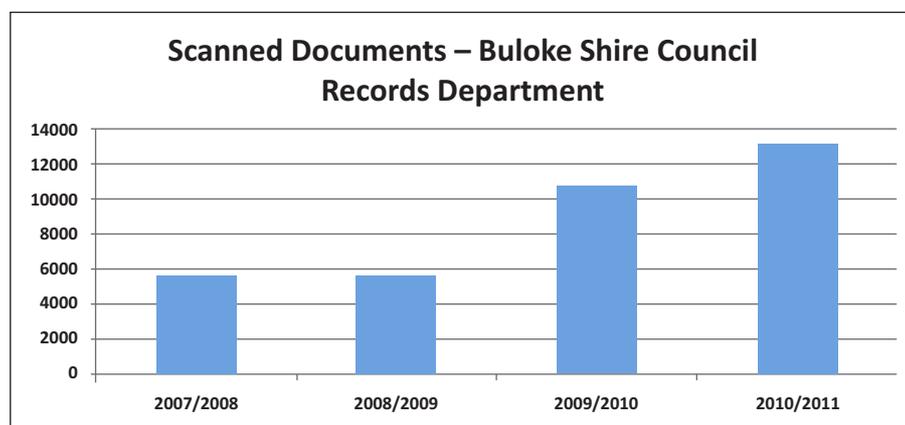
COMMUNITY SERVICES

AGED & DISABILITY SERVICES

Aged and Disability Services consists of home based community care including Home and Community Care (HACC), property maintenance, respite, personal care, meals on wheels, community aged care packages and social support including volunteer transport, seniors clubs and a volunteer program.

Achievements

- 22,627 hours of home care, personal care, respite care, and home maintenance delivered to HACC and Packaged Care clients which was an increase of 2,582 hours;
- 16,393 meals delivered to HACC and packaged care clients;
- Achieved 100% compliance with Department of Health requirements;
- 457 clients were transported to specialist medical and/or dental appointments;
- 79 improvement activities were undertaken to enhance the provision of service to eligible clients of the HACC program;





- An Active Service Model was implemented into HACC Coordinator's practice;
- HACC Coordinators completed training including strengthening assessment, implementing a care plan/reporting and recording information;
- 100% of Direct Care Worker Meetings were held with a staff attendance rate of 87%;
- 100% of Community Services Team meetings were held with a staff attendance rate of 93%;
- 86 Home Hazard Reassessments were completed across the Shire as a result of the January 2011 floods;
- Received funding for a HACC Reassessment Officer position for 12 months; and
- Received funding to employ an office-based staff member to complete a paperless client files project.

Challenges

- Full Implementation of the Active Service Model;
- Completion of a Disability Action Plan; and
- To integrate diversity into HACC services.

Future Directions

- Lobby to increase funding to enable enhanced service delivery; and
- Succession planning, in particular taking into account an ageing workforce.

MATERNAL & CHILD HEALTH SERVICES

The Maternal and Child Health Service is staffed by qualified Maternal & Child Health (MCH) nurses and is provided free of charge to all parents in Victoria, with children from birth to school age, to help them give their children the best start in life.

Achievements

- 53 birth notifications received;

- Completion and submission of the MCH Service Improvement Plan;
- Ongoing promotion of the MCH service through presentations at children focused initiatives such as the Mothers of Pre-schoolers (MOPS);
- Ongoing implementation of the 'Key Ages and Stages' child development check program;
- Ongoing participation in the Enhanced MCH Program; and
- Completion and submission of the Department of Education & Early Childhood Development MCH services Workforce Planning 2011.

Challenges

- Recruitment of suitably qualified Maternal and Child Health Nurses;
- Availability of relief staff for Maternal and Child Health Centres within the Buloke Shire;
- A declining number of births in the Buloke Shire; and
- More complex issues facing young families.

Future Directions

- Continued participation in the implementation of 'Key Ages and Stages' child development check program;
- Implementation of a database system to replace hardcopy client files; and
- To continue to deliver the Enhanced MCH Program in the Buloke Shire.

YOUTH SERVICES

Youth Services provides a range of services that support young people aged 12-25 in the Buloke Shire to become leaders, decision-makers and active citizens within their communities.

Achievements

- The Kool Skools Program was a successful activity, with youth

from across the Buloke Shire participating with enthusiasm. Funding for this was received by the Uniting Church as a partner of the Youth Development Officer program for the Buloke Shire Council;

- Health Expo for Year 9 & 10 students during National Youth Week 2010 was well attended and received;
- FReeZA events held, with a total of 1,500 youth attending these events over the last 12 months. This is an innovative youth development program providing young people with the opportunity to attend affordable and accessible music and cultural events;
- Links for Life mentoring program was run as a successful partnership program with the North Central Local Learning and Employment Network (NCLLEN);
- Development of youth 'spaces' in Charlton and Wycheproof; and
- Development of the Gordon Park Reserve in Charlton for youth recreational activities, such as the skate park, basketball half court and rebound wall.

Challenges

- Not enough activities for children and young people in the Buloke Shire on weekends and during holiday periods;
- Underage drinking, including high risk behaviour exhibited by some youths within the Buloke Shire;
- A lack of or very restricted transport options for youth; and
- Equity and access for youth opportunities. A lack of exposure to services and training, together with restricted experiences and interaction with a diversity of cultures and lifestyles.

Future Directions

- Development of a Youth Charter;
- Increasing youth participation around consultation and decision making processes in various



levels of the Local Government Area (LGA) to strengthen the citizenship role of youth in the Buloke Shire;

- Adopting the Links for Life Mentoring Program;
- Developing recreational programs for youth and supporting the development of holiday programs for children;
- Battle of the Bands competition in January 2012;
- Kool Skools Program in June 2012; and
- Local youth community engagement program for families, including support activities for parents.

ASSETS & INFRASTRUCTURE

BUILDING AND PROPERTY MAINTENANCE

In early 2011 the Building and Properties Team has concentrated on Charlton and Donald Flood Recovery Works. Prior to this the Team was involved with inspection, maintenance, and cleaning of all Council controlled buildings and playgrounds.



Achievements

- Community Infrastructure upgrades took place including:
 - Installation of Charlton Hall Air-Conditioning;
 - Extensions to the Wycheproof Men's Shed;
 - Donald Lions Train Park Rejuvenation Project;
 - Installation of Wycheproof Maternal and Child Health Centres floor coverings and playground equipment;
 - Development of Tchum Lake Complex; and
 - Charlton and Birchip Landfill office renovations.
- Maintenance painting was completed at:
 - Interiors of Birchip Hall and State Emergency Services (SES) Shed;
 - Interior and exterior of Council House at Duncan Street in Birchip;
 - Sea Lake Senior Citizens Centre interior;
 - Donald Stadium change rooms; and

- Charlton Infant Welfare Centre, Pre-School, Hall supper room, Senior Citizens Club rooms, Court House exterior and Swing Bridge walkway.
- Established temporary office accommodation in Charlton to ensure flood affected residents continued to have access to Government department services;
- Assisted the towns of Charlton, Donald and Culgoa to make substantial demolitions to the interiors of many public buildings and start the ongoing rebuilding of these community assets; and
- Commencement of a new Travellers Rest Complex located in Sea Lake and extensions to the Birchip Community Leisure Centre.

Challenges

- Floods and fires caused a substantial amount of damage to the Buloke Shire's buildings in 2010-2011;
- To deliver the reconstruction and rebuilding of the flood damaged assets and infrastructure to a level that is superior to the pre-January 2011 Floods;
- To maintain all other assets that the Buloke Shire has an interest in to a standard that compliments the vibrant communities that utilise such assets; and
- Continuing the development of a prompt, reliable, proactive and reactive maintenance schedule to ensure the community has access to quality facilities.

Future Directions

- To continue the effective replacement, upgrades and renewals of Buloke Shire's built assets;
- To establish a forward capital works program that reflects both community and Council priorities and aligns with the condition of Council's assets; and
- To continue to pursue external funding for the strategic upgrade of Buloke Shire's built assets.



BUILDING SERVICES

The Building Services Team maintains standards of amenity, habitation and safety in buildings. The Team provides services including building inspections, enforcement of safety standards, advice and consultation on building regulations issues and the issuing of building permits. Building Services also provides copies of approved buildings and past permit details, activity reports to the Building Commission and variations to regulatory siting requirements.

Achievements

The following were Building Permits issued by Council's Building Surveyor and private building surveyors:

- Nine new dwellings;
- Eleven extension and alterations to dwellings;
- Eleven non-commercial/ industrial/public buildings;
- Seven demolitions;
- Three re-erection of buildings;
- Two swimming pools;
- Forty-four (44) other buildings, including sheds;
- Twelve Assembly Buildings (Schools); and
- Twenty-four (24) Building Permits were issued by private surveyors.

Challenges

- Council's Building Surveyor will be enforcing the new regulations relating to a Six Star Energy Efficiency Rating, which were introduced in May 2011. The Six Star Energy Efficiency Rating applies to the thermal performance of homes, renovations or additions. These regulations apply to all new domestic buildings, relocated domestic buildings and alterations to houses that are greater than 50% of the floor area.
- Flood damage to dwellings in Charlton and also in Donald and Culgoa have been a major concern;

- Due to insurance difficulties there have been only four demolitions and proposed new dwellings to replace those damaged in Charlton. Two houses have had their floor level raised since the recent floods and two shops have replaced timber floors with reinforced concrete slab floors. One house under construction was at the frame stage and had to have the particle board floor replaced 150mm higher and a new wall and roof framing erected by the builder.
- The Building Regulations now require that commercial and public buildings have essential safety services maintained on a regular basis and recorded in a log book or similar recording system.

Future Directions

- To continue to ensure that Building Permits are finalised within the stated time frames;
- To continue to inspect buildings to ensure that Essential Safety Services are adequately available and maintained;
- To ensure that every assistance is given to flood damaged properties and that new building permits are issued, where required, in flood damaged buildings; and
- Energy ratings are required for buildings that are not domestic buildings, factories and public buildings. It is necessary for new buildings and alterations to these classes of buildings that Energy Efficiency Measures conform with the Building Code of Australia (BCA).

ENVIRONMENTAL COMPLIANCE

The Environmental Compliance Team is responsible for the promotion and development of policy and practice relating to environmental management, awareness and improvement. The Environmental Compliance Team is also responsible for protecting and enhancing the natural environment and our living landscape, together with overseeing Buloke Shire's compliance with a wide range of environmental legislation.

Achievements

Eco-Buy

- Council was again recognised for its achievements in green purchasing at the 2010 ECO-BUY Awards held at the Arts House Meat Market in Melbourne on 2 June 2011. Council was a finalist in the category Excellence in Green Purchasing Green Products Procurement - Regional Council, which recognises the local government with the largest investment in recycled content products as a percentage of available expenditure. During 2009-2010 Buloke Shire spent \$613,765.00 or 9% of its total annual budget on environmentally preferred products.

Buloke Shire spent money in the following areas:

- Recycled content: \$37,271.00;
- Greenhouse content: \$497,668.00; and
- Other: \$78,826.00.

Roadside Rabbit Control

- Buloke Shire again received funding from the Department of Primary Industries (DPI) to do follow up eradication of rabbits and warrens from the northern part of the Shire; and
- An audit was done by the DPI which identified 20% of the warrens eradicated in early 2009 had reopened, from the initial target area of 560km. There will be more follow-up work done in the next financial year.



The Buloke Shire Roadside Vegetation Guidelines for Works, Construction & Service Providers 2010 – 2013 and the Buloke Shire Roadside Vegetation Guidelines for the Community 2010- 2013 were completed.

The Buloke Shire Weed Identification and Control booklet was developed as a guideline on the control and eradication of weeds found within the Buloke Shire.

Challenges

- To protect and value our biodiversity;
- To use our natural resources efficiently and sustainably;
- Looking at environmental management best practice in all we do;
- To reduce our greenhouse emissions, by managing our energy use and looking at alternative energy resources;
- To use our water resources in an efficient manner;
- To have a sustainable community; and
- To identify and control pest plants and animals.

Future Directions

- To undertake a nature strip tree audit for all towns;
- A street tree planting trial;
- To develop a tree planting program; and
- To develop street tree themes using appropriate trees and shrubs.

ENVIRONMENTAL HEALTH

The Environmental Health Team is responsible for a range of health services including; communicable/ infectious disease control, food surveillance and registered premises, accommodation standards, waste water management, enforcement of the Tobacco Act 1987, pest and vermin control, implementation of Council's Public Health Plan and community education.

Achievements

- Council developed and adopted the Public Health and Wellbeing Plan;
- The new classification system of food groups was implemented Class 1 (nursing homes, hospitals and long day care), Class 2 (restaurants, cafes and many manufacturers) and Class 3 (low risk activities, including many community groups);
- A complete assessment of Class 1 and 2 food and health registered premises has been completed;
- An electronic food reporting program has been revised and developed to comply with recent amendments of the *Food Act* 1984 and for reporting to the Department of Health;
- Food sampling has been completed, targeting Class 1 (hospitals and nursing homes) and selected Class 2 (restaurants, cafes and manufactures) premises;
- *Tobacco Act* 1987 surveillance has been completed at all retail outlets to verify compliance with regulations; and;
- Waste water systems or septic tanks have been upgraded where there has been flood damage and twenty (20) new systems have been installed within the Buloke Shire.

Immunisations

- All Pre-School and School age immunisation clinics have successfully been held in all major towns within the Buloke Shire. The estimated coverage rates of total children immunised were above state average coverage rate of 85%. According to Department of Health statistics, the school coverage rates in the Buloke Shire were the best of all Local Government Authorities in Victoria.

Challenges

- Embrace active participation in Regional Public Health Planning

Forums and annual review of the Public Health and Well Being Plan;

- Effectively resourcing the Environmental Health Officer position; and
- Continued post-flood liaison and education with community groups and food businesses to ensure a healthy environment for all Buloke Shire residents.

Future Directions

- Continue to apply risk management principles in the delivery of Environmental Health Services;
- Implementation of the Public Health and Wellbeing Plan and the Environmental Health Service Plan;
- Registration of all caravan parks within the Buloke Shire; and
- Provide education and training to food businesses in the Buloke Shire.

RECREATION SERVICES

The Recreation Team is responsible for the development, operation and management of Buloke Shire Council's sport and recreation facilities and events.

Achievements

- Funding was secured to upgrade the Sea Lake Swimming Pool change room facilities;
- Completed upgrade of the Birchip and Donald Netball Courts to meet Netball Victoria standards;
- Secured funding to develop a master plan for Green Lake to provide direction for development strategies at the Lake;
- Secured funding to develop a feasibility study for a multi-purpose community centre at Berriwilllock;
- Commencement of the Donald Recreation Reserve Master Plan to develop a strategy for the future development of the facilities at the Reserve;



- Commencement of an extension to the Birchip Leisure Centre; and
- Commencement of a Berriwillock Multi-purpose Community Centre feasibility study.

Challenges

- Delaying the acquittal of projects due to flood and locust responses; and
- Redevelopment of flood affected sport and recreation facilities, including the Charlton Park Precinct, Gordon Park Precinct and the Donald Recreation Reserve.

Future Directions

- The repair and redevelopment of flood damaged community facilities, particularly at Charlton Park and Donald Recreation Reserve;
- To create master plans for recreational lakes;
- A review of Council's Recreation Strategy;
- To undertake a review of the role and responsibilities of Committees of Management at Council owned facilities;
- An upgrade of the Sea Lake Community Complex kitchen; and
- Continued upgrade of competition netball courts in the Buloke Shire.

SWIMMING POOLS

The Swimming Pools Team is responsible for the development, operation and management of Council's seven seasonal aquatic facilities.

Achievements

- Replacement of underground pipe work at Birchip Swimming Pool, including a new concrete concourse;
- Operational improvements, including the development of a policy and procedural manual;
- Development of Charlton and Donald Swimming Pool Landscape Master plans;
- Replacement of Pool Circulation Pumps at Birchip and Donald Swimming Pools;
- Twenty five (25) seasonal jobs provided;
- Implementation of stage two of Council Technical Pools Audit and Strategy; and
- Introduction of free entry to all pools for the 2010/11 summer.

Challenges

Buloke Shire relies on State or Commonwealth funding to assist in completing significant Capital Works projects within its Swimming Pools. To enable the continued focus on infrastructure improvement to the

Swimming Pools, Buloke Shire will continue to apply for these funding opportunities to support future Capital projects.

Future Directions

Swimming Pools in the Buloke Shire require significant investment in essential operational infrastructure, including pool pipe work, change room facilities and work on the pool shells. Buloke Shire intends to continue its focus on revitalising the Swimming Pool complexes to ensure all the Buloke Community can access safe and hygienic recreational aquatic facilities.

Over the coming year Buloke Shire will be redeveloping the Sea Lake Swimming Pool change facilities, improving the amenities at Wycheproof Swimming Pool through the installation of a vinyl liner and continuing to enact the Council Technical Pools Audit and Strategy.





ROAD ASSET MANAGEMENT

The Road Asset Management Team is responsible for the planning, prioritisation, design and programming of the upgrade of Council's road assets.

Achievements

- Completed 30 kilometres of roads reseals;
- Completed 20 kilometres of sealed road shoulder gravel re-sheeting;
- Completed 2 kilometres of gravel re-sheeting;
- Received funding for the second stage of the Seven Mile Road, Charlton upgrade, linking the Charlton – St Arnaud Road to the Charlton Feedlot; and
- Facilitated ten temporary road closures for local community events in Birchip, Charlton, Donald, Sea Lake and Wycheproof.

Challenges

The September 2010 and January 2011 floods caused substantial damage to Council's road network. The estimated cost of repair and reinstatement is in excess of twenty million (\$20 M) dollars, which Council will deliver before July 2013. The design and project management of these works will require significant resourcing from Council's technical staff.

Future Directions

- Additional funding from State Government will allow Council to increase its expenditure on the maintenance and upgrade of the road network;
- A review of Council's Road Management Plan and Forward Capital Works Plan; and
- The repair and reinstatement of flood damaged road assets.

PLANT MAINTENANCE AND MANAGEMENT

The Plant Maintenance and Management Team provides plant to the Works & Construction area for the purpose of implementing Council maintenance and construction works. This includes maintaining and strategically planning plant requirements.

Achievements

Plant purchases included:

- Improved induction processes for users on all new plant purchased;
- Purchase of a new bobcat;
- Introduction of a new plant numbering system;
- Improved workflows and productivity through close liaison with the Procurement team; and
- Mentoring, training and development of two apprentices.

Challenges

- Replacement of plant items that were destroyed during the January floods;
- Adherence with newly imposed WorkSafe and Occupational Health and Safety (OH&S) regulations; and
- Ensuring maximum usage and minimum downtime of plant for delivery of Council services.

Future Directions

- Enhancing the formal communication structures between mechanics and the end users;
- Development of a long term plant replacement strategy to guide Council's decision-making in maintaining and replacing plant;
- Improvement in inventory control systems of plant related items; and
- Review of trailer holdings to improve capabilities.



WORKS & CONSTRUCTION

PARKS & GARDENS

Parks and Gardens are responsible for routine, preventative maintenance and improvements to enhance the aesthetic outlook and vibrancy of parks, lawns, and public and tourist amenities provided by Council.

Achievements

- In January 2011, crews were involved in a major clean-up in Charlton as a result of the floods;
- Replacement of garden furniture with new recycled plastic seats, benches and tables (15 benches and 8 tables);
- Improvements to streetscapes; and
- Employment of an apprentice gardener in Birchip, a part-time gardener in Nandaly and the redeployment of a gardener to Culgoa, Berriwillock and Nullawil.

Challenges

- Change in weather pattern, which has encouraged growth in all parks and gardens and new streetscapes within the Shire;
- Ensuring toilets are always clean, no matter what the time of day; and
- Returning areas affected by floods back to pre-flood condition.



Future Directions

- Develop service standards for all public conveniences, street cleaning and mowing;
- Monitor and update all watering systems at parks, utilising water re-use systems where possible;
- To replace existing wooden furniture with recycled plastic tables and seats; and
- Preventing vandalism to streetscapes and Buloke Shire property.

URBAN INFRASTRUCTURE

Urban Infrastructure carries out routine, preventative maintenance and improvements to enhance the visual amenity and vibrancy of urban areas. These include all footpaths, kerb and channel, urban drainage systems, street furniture, street signage and general tree maintenance within all towns.

The team also assists with the continuous improvement of street, footpath, drainage and streetscape standards set out in Buloke Shire Council's 'Road Management Plan'.

Achievements

- In January 2011 the crews were involved in sandbagging operations and the erection of 'Road Closed' signage, monitoring access to flood affected towns

and assisting residents with a variety of requests for assistance; and

- Post flood, crews collected hundreds of sandbags and flood related debris, inspected footpaths, kerb and channel, drainage and stormwater pits in flood affected towns.
- Throughout the 2010-2011 year across all towns:
- 247 inspections of footpath, kerb & channel, stormwater pits and drains;
 - 4 kilometres of footpath was repaired to remove tripping hazards;
 - 300 metres of footpath was replaced;
 - One kilometre of kerb and channel was replaced;
 - 44 dead trees were removed;
 - Tree trimming and stump grinding of dead trees;
 - Installation and maintenance of drainage systems in urban areas;
 - Installation of 150 fire hydrant guide posts and maintenance of fire hydrant plugs;
 - Road line marking; and
 - Mowing and slashing of urban areas and approaches to all townships.

Challenges

- Maintaining inspection and maintenance programs due to the ongoing repair of flood affected assets within urban areas;
- Difficulty securing local contractors, due to their commitment to other agencies for flood repair work;
- Maintenance of underground stormwater systems with many needing to be repaired or replaced;
- Climatic conditions impacting on ground movement under many



footpaths, kerb and channel and stormwater systems; and

- Tree roots – managing trees that were planted a number of years ago in nature strips that are now causing major problems to Council’s infrastructure by lifting both footpaths and kerbing.

Future Directions

- To continually improve the provision of consistent road, street, footpath and drainage services and standards.

ROAD CONSTRUCTION & MAINTENANCE

Road Construction and Maintenance Services are responsible for the maintenance of the Buloke Shire’s 5,500 kilometres of road network. Key focus points are improving safety, functionality and asset life of roads.

Achievements

Roads Grading

- Sealed Road Gravel Shoulders = 21.1 kilometres
- Sealed Road Earth Shoulders = 233.1 kilometres
- Gravel Road Reform = 27.6 kilometres
- Gravel Road Cut-over = 545.81 kilometres
- Earth Road Grading = 176.27 kilometres
- Paddock Access Road Grading = 453.4 kilometres

Total Graded = 1,457.24 kilometres

Challenges

- The September 2010 and January 2011 floods resulted in significant challenges over the last twelve months and this has put shoulder grading twelve months behind. In particular Grader Crews were stood down for long periods to maintain signage during the floods and to help with the clean-up of flood affected areas; and
- Staff shortages in some areas have led to Grading Crews being required to perform works in other areas to cover the shortfall.

Future Directions

- To continue improving the rural road network, to bring all road works within the Buloke Shire Work Template;
- Training of all Grader Crews so that all works are undertaken consistently across the Buloke Shire; and
- To introduce a fully programmed Work Program for all Grader Crews with seasonal conditions and staff leave and other factors taken into account.

WASTE MANAGEMENT

Waste and Environment Services are responsible for the maintenance and improvement of Council’s landfills and transfer stations as well as providing a Residential Kerbside Garbage and Recycling service in all towns within the Buloke Shire.*

Achievements

- Contamination rate of recycling bins has been consistent at around 6%;
- Ongoing progressive rehabilitation at all landfills to comply with Environmental Protection Authority (EPA) requirements;
- 628.92 tonnes of waste collected from Charlton, Donald and

Culgoa as a result of the January 2011 floods;

- 40% reduction in waste collected through the use of specialised shredding equipment;
- Upgrades to Council’s district offices at Charlton and Birchip landfills to comply with Worksafe standards; and
- Increased customer satisfaction from 75 to 76 (source: State Government Annual Customer Satisfaction Survey).

Challenges

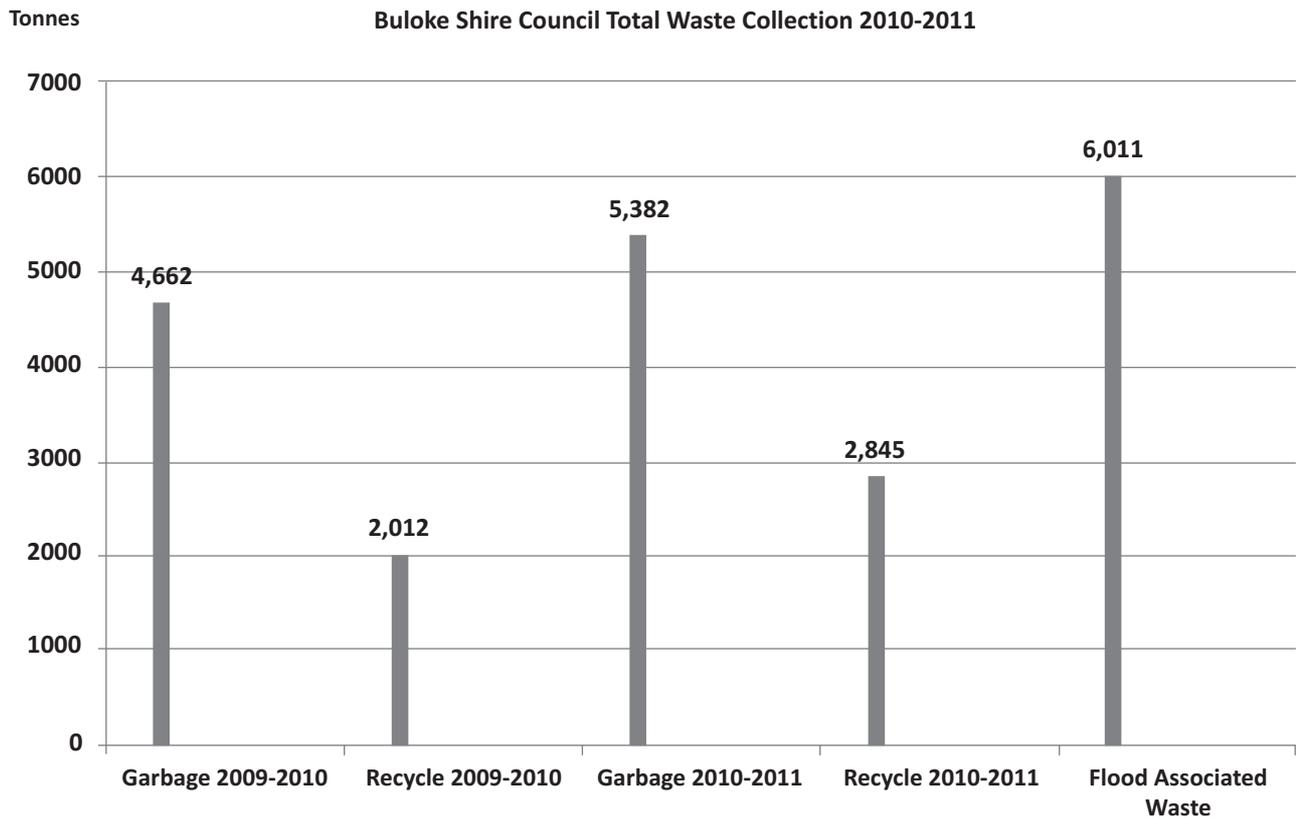
- Markets for problem waste streams (television and computer screens, oil filters, tyres and fluorescent light tubes);
- Providing suitable infrastructure at landfills for increasing deposits of recyclable materials;
- Providing a consistent service at all Buloke Shire’s landfills and transfer stations;
- Reduce waste to landfills with the view of encouraging recycling; and
- Reducing the airborne litter contamination at council landfills.

Future Directions

- Converting landfills with limited space into Transfer Stations; and
- Sourcing grant funding to improve infrastructure at landfills.



*Flood damage waste at the Charlton Recreation Reserve temporary site.
Please refer to table overleaf for total waste collection 2010-11.



FINANCE

Finance encompasses all areas of financial reporting, rates, debtors and creditors for the Buloke Shire.

Achievements

- Redesign of the Buloke Shire’s chart of accounts to enable improved reporting of financial information and simplification of accounting processes;
- Upgrade of Sun accounting system to later version with enhanced reporting capabilities;
- Reconciliation of road assets to align with Moloney valuation system providing a complete road asset register that is readily verified and auditable;
- Revalued road infrastructure assets following flood damage. Updated road values in the financial system to reflect changed asset condition;
- A Tender process was undertaken

for the Buloke Shire’s banking services. The Commonwealth Bank were the successful tenderer. New initiatives such as electronic transfer of bank reconciliation information into the general ledger will improve the speed of preparing bank reconciliation reports in the future;

- Continued reduction in the number of items identified by the external auditors that needs to be improved in terms of financial reporting and internal controls;
- Internal audit of Financial Internal Controls and Management Reporting Structure performed to improve quality of reporting and improve internal controls; and
- The Audit Advisory Committee met on four occasions during the year. Mr Ian Cuthbertson continues as chair of the Committee. Mr Geoffrey Ballard

and Mr Eugene Sibelle are the two additional external members of the Committee. The Mayor, Cr Leo Tellefson, is Council’s representative on the Committee.

Challenges

- The flood events that occurred during the year required changes to accounting procedures to allow for proper documentation for insurance claims and grants; and
- The upgrade of the general ledger chart of accounts required considerable planning and reconciliation of balances to ensure a smooth transition from one system to the next.

Future Directions

- The continued improvement of financial reporting remains a high priority. This will be a major focus over the coming year to improve financial reporting quality and transparency.



STRATEGIC OBJECTIVES, STRATEGIES, STRATEGIC INDICATORS & PERFORMANCE MEASURES FOR 2010-2011

1. Our Community

Strategic Statements:

- A Buloke community where people of all ages, backgrounds and abilities, are embraced and supported and can access the Council services they need to help live happy and fulfilling lives; and
- A Buloke community connected and involved in shaping decisions that affect them.

2010-2011 Strategic Indicator	Performance Measure	Performance Target	Outcome	Status
Community satisfaction with Council's overall performance	Maintain Satisfaction	70	65	Target not met
Community satisfaction with Council's engagement in decision making on key local issues	Maintain satisfaction	70	63	Target not met
Increase in the annual number of visits recorded to Council's website	Increase site visitation	6,205	14,520	Target met and exceeded
Average number of Home and Community Care hours of service provided per month	Increase in annual hours of service	1,250	1,429	Target met and exceeded
Community satisfaction with Health and Human Services	Maintain satisfaction	76	75	Target not met
Number of grants applied for or facilitated by Council staff annually	Number of grant applications maintained or increased	42	68	Target met and exceeded
Total value of grants applied for or facilitated by Council staff annually	Value of grant applications maintained or increased	\$8.268 M	\$9.102 M	Target met and exceeded



2. Our Local Economy

Strategic Statements:

- A local economy in which the contribution of the agricultural sector and business sector is recognised and their continued growth actively encouraged and supported; and
- A local economy in which new investment and new employment opportunities are actively encouraged and supported.

2010-2011 Strategic Indicator	Performance Measure	Performance Target	Outcome	Status
Number of jobs in Buloke	Number of jobs maintained or increased	2,646	2,646	Target met
Number of local workforce employed in Buloke jobs.	% of local workforce employed in Buloke maintained or increased	2,403	2,403	Target met
Number of regional workforce employed in Buloke jobs.	% of local workforce from within the region maintained or increased	243	243	Target met
Community satisfaction with Economic Development	Maintain satisfaction	62	58	Target not met
Total participants in local economy support events	Number of participants maintained	350	394	Target met and exceeded
Level of commercial and industrial development within the Buloke Shire (\$)	Value of building approvals maintained or increased	\$2.194 M	\$2.084 M	Target not met (22 Commercial & Industrial Building Approvals)

3. Our Built Environment

Strategic Statements:

- A Shire plan to meet the current and future needs of the agricultural sector while maintaining and enhancing its natural environment; and
- A Shire where roads, drains and public spaces, community facilities, parks and other essential infrastructure are fit for purpose, well maintained and contribute to the well-being of the community.

2010-2011 Strategic Indicator	Performance Measure	Performance Target	Outcome	Status
Community satisfaction with town planning and policy approvals	Maintain satisfaction	67	61	Target not met
Community satisfaction with recreational facilities	Maintain satisfaction	71	71	Target met
Customer satisfaction with local roads and footpaths	Maintain satisfaction	55	47	Target not met
Community satisfaction with the appearance of public areas	Maintain satisfaction	72	69	Target not met
100% of planning applications processed within the statutory limit	No applications outside of statutory limit	100%	95%	Target not met (2 permits over 60 days)
Average number of Service Requests and Work Orders received per month	Number of requests received increased	211	323	Target met and exceeded



4. Our Natural Environment

Strategic Statements:

- A Shire working with the community to reduce our carbon footprint, protect and enhance the natural environment and share experiences and information.

2010-2011 Strategic Indicator	Performance Measure	Performance Target	Outcome	Status
Town garbage collection, measured as kilograms per household	Decrease in kilograms collected per household	730 kilograms	653 kilograms	Target not met
Recyclables collection, measured as kilograms per household	Increase in kilograms collected from household	291 kilograms	195.5 kilograms	Target not met
Usage figures Energy – MW/Water – ML/LPG – L/Petrol – L/Diesel – L	Reduction in energy, water, petrol, diesel and LPG gas usage	Energy – 0.267500 MW Water – 0.65500 ML Petrol – 79,184 L Diesel – 476,969 L LPG – 61,336 L	Energy – 903.1 MW Water – 48.2 ML Petrol – 67,609 L Diesel – 457,366 L LPG – 72,617 L	Energy – Target not met Water – Target not met Petrol – Target met and exceeded Diesel – Target met and exceeded LPG – Target not met

5. Our People and Organisation

Strategic Statements:

- An organisation that is responsive to the evolving needs of the community;
- An organisation that is responsibly governed with a strong emphasis on astute financial and risk management; and
- An organisation that values and supports the development of its people and strives to be an employer of choice.

2010-2011 Strategic Indicator	Performance Measure	Performance Target	Outcome	Status
Conduct regular Audit Committee meetings	Minimum 4 meetings per annum	4	4	Target met
Level of rates levied (rates per assessment) compared with neighbouring municipalities	Current ratio maintained or reduced	102%	105%	Target not met
Community satisfaction with the advocacy performance of Council	Maintain satisfaction	72	68	Target not met
Community satisfaction with Council's interaction and responsiveness in dealing with the public	Maintain satisfaction	78	72	Target not met
Number of workforce entry level positions (traineeships, apprenticeships, students and graduates) created annually	Number of positions available annually maintained or increased	8	5	Target not met



THE COUNCIL

Buloke Shire Council is the Local Government body responsible for the Buloke municipality. The Council consists of a Mayor, Deputy Mayor and five Councillors.

THE COUNCIL'S ROLE

The *Local Government Act 1989 (Vic)* sets out the primary purposes and objectives of the Buloke Shire Council and defines its functions and powers. The Council is a public statutory body incorporated under the Act.

Buloke Shire Council

- Acts as a representative government and considers community needs when making decisions;
- Establishes strategic objectives for municipal services and monitors their achievement;
- Ensures the responsible and accountable management of the Council's resources;
- Advocates local community interests to other communities and governments;

- Provides fair and equitable representation of constituents;
- Is a responsible partner in government, taking the needs of other communities into account;
- Fosters community cohesion and encourages participation in civic life;
- Manages community assets; and
- Enforces by-laws.

The Buloke Shire Council was elected on 29 November 2008 and will retire in November 2012.

MT JEFFCOTT WARD



Councillor Leo Tellefson (Mayor)
 Mobile: 0427 320 166
 Email: crtellefson@buloke.vic.gov.au



Councillor Harold Flett
 Mobile: 0408 128 247
 Email: crflett@buloke.vic.gov.au



Councillor Gail Sharp
 Mobile: 0437 090 172
 Email: crsharp@buloke.vic.gov.au

LOWER AVOCA WARD



Councillor David Pollard (Deputy Mayor)
 Mobile: 0458 918 638
 Email: crpollard@buloke.vic.gov.au



Councillor Stuart McLean
 Mobile: 0439 327 839
 Email: crmclean@buloke.vic.gov.au

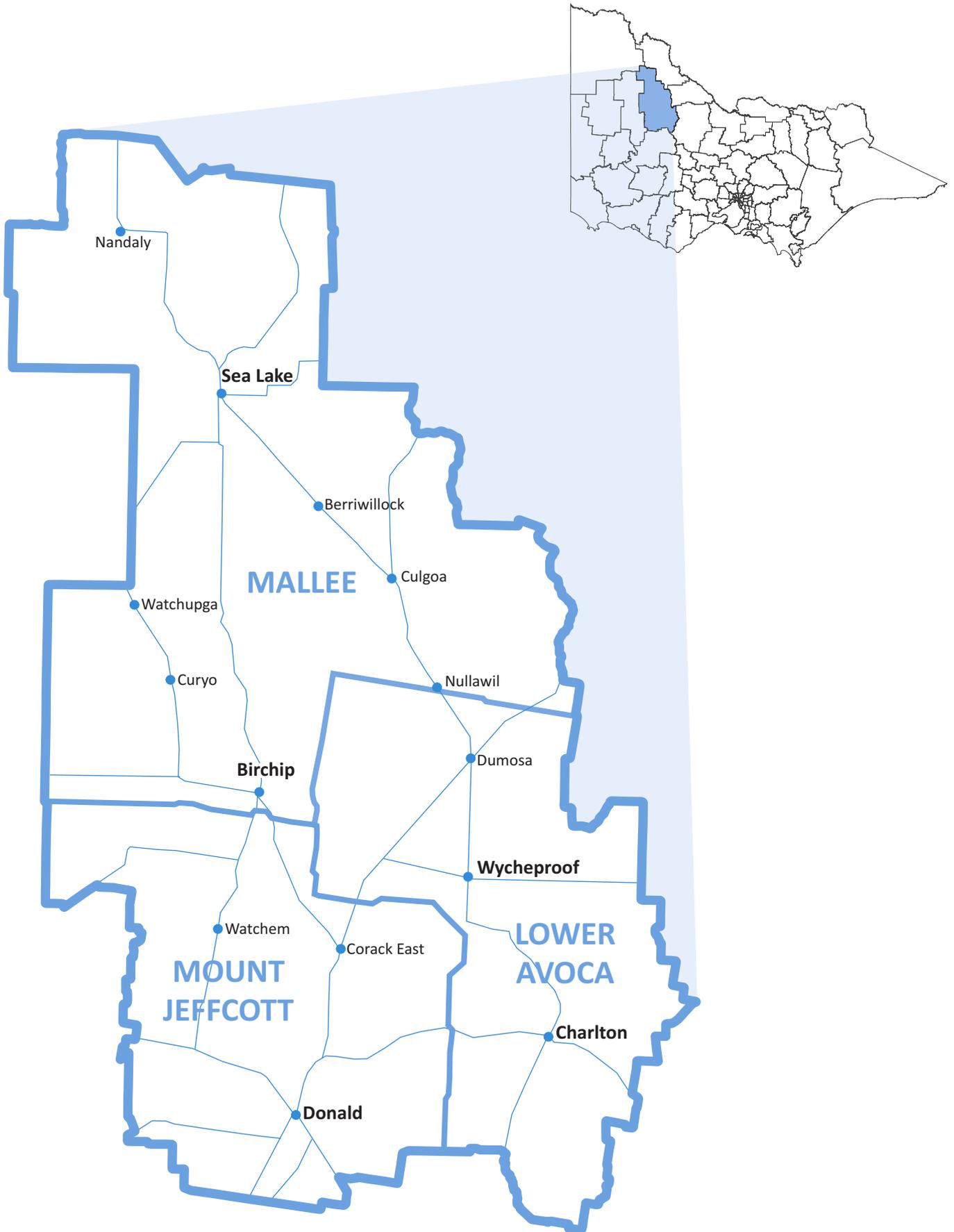
MALLEE WARD



Councillor Ellen White
 Mobile: 0417 560 706
 Email: crwhite@buloke.vic.gov.au



Councillor Reid Mather
 Mobile: 0438 306 259
 Email: crwhite@buloke.vic.gov.au





CORPORATE GOVERNANCE

The Buloke Shire Council is committed to good corporate governance. Corporate governance encompasses the processes, protocols, conduct and relationships that guide the Buloke Shire Council's actions and decision-making. Some mechanisms of governance are legislative requirements and others are initiatives of Council.

The development of policies, codes of practice and systems together with adherence to legislative requirements and transparent reporting are all part of Buloke Shire Council's commitment to open and accountable Government.

COUNCIL CODE OF CONDUCT

Buloke Shire Council has adopted a Code of Conduct. The Code sets out guidelines within which Councillors, Council staff and Council representatives must operate. The Code also outlines behaviours and actions, which will reduce the risk of corruption or misuse of Council's assets, including information. The Code is a key component of the Buloke Shire Council's commitment to open and accountable Governance.

COUNCIL MEETINGS

Buloke Shire Council conducts its business in open and publicly advertised meetings. In 2010-2011 there were 11 Ordinary Meetings and 6 Special Meetings. These meetings are held on a rotating basis in each major town of the Buloke Shire.

** Listed below is the number of meetings attended by individual Councillors.*

Councillor Attendance 1 July 2010 – 30 June 2011	Ordinary Meetings	Special Meetings
Number of Meetings Held	11	6
Cr Leo Tellefson	11	5
Cr David Pollard	11	6
Cr Gail Sharp	10	5
Cr Ellen White	11	5
Cr Harold Flett	10	6
Cr Stuart McLean	10	3
Cr Reid Mather	10	4

COUNCILLOR ALLOWANCES

The *Local Government Act 1989* ('the Act'), regulates the allowance payable to Mayors and Councillors in Victoria. The Act provides for minimum and maximum allowances payable as a set by Order in Council from time to time. Each Council must, within the allowable range, determine the allowances it will pay to its Mayor and Councillors, having regard to the local situations and priorities.

The Mayoral annual allowance for 2010-2011 was \$47,162.82. The Mayor also has use of a Council funded mobile phone, a fully maintained vehicle for use on Council business and a laptop computer with intranet and internet access.

The Councillor's annual allowance for 2010-2011 was \$15,720.93 each (total of \$94,325.58). Councillors also have the use of a Council funded mobile phone, access to a fully maintained vehicle for use on Council business and a laptop computer with intranet and internet access.

In addition, Councillors are entitled to claim some expenses they have incurred in their capacity as a Councillor. The Buloke Shire Council is committed to publishing Councillors' expenses in the Annual Report to ensure greater transparency to the Buloke community (please refer to the following table).



2010-2011 Councillor Expenditure	Mobile Telephone & Information Technology (\$)	Professional Development (\$)	Forums & Conferences (\$)	Total (\$)
Cr Leo Tellefson	\$ 9,682.83	\$ 6,879.00	\$ 9,989.92	\$ 26,551.75
Cr David Pollard	\$ 2,277.33	\$ 7,207.00	\$ 660.00	\$ 10,144.33
Cr Gail Sharp	\$ 606.40	\$ 1,080.00	\$ 1,431.00	\$ 3,117.40
Cr Ellen White	\$ 1,458.79	\$ 0.00	\$ 251.00	\$ 1,709.79
Cr Harold Flett	\$ 2,311.60	\$ 0.00	\$ 3,003.00	\$ 5,314.60
Cr Stuart McLean	\$ 4,860.09	\$ 0.00	\$ 790.75	\$ 5,650.84
Cr Reid Mather	\$ 1,001.29	\$ 0.00	\$ 8,237.22	\$ 9,238.51

COUNCILLOR REPRESENTATION ON COMMITTEES

Councillors have been appointed as representatives of a number of organisations and committees that assist Council and the community in the provision of services to the people of the Buloke Shire.

Committee Appointments	Councillor
Central Murray Waste Management Group	Mayor Tellefson
Wimmera Regional Library Corporation	Cr White & Ms Jan Corrie
North West Municipalities Association	Mayor Tellefson & Cr Mather
Sea Lake Community Complex Committee	Cr White
Wimmera Mallee Pipeline Project	Manager Works & Construction
Buloke Network	Mayor Tellefson & Cr Sharp
Wimmera Regional Transport Group	Cr Flett
Municipal Association of Victoria	Cr Mather & Cr McLean
Workspace Australia	Mayor Tellefson
Great Murray and Outback Touring Route	Cr McLean
Livestock Saleyards Association Victoria (rep Mallee region)	Cr McLean
Victorian Feedlot Committee (MAV/State Government Appointment)	Cr McLean
North Central Local Learning Employment Network	Cr Sharp
Country Fire Authority – Municipal Fire Prevention Committee	Cr Pollard
Calder Highway Improvement Committee	Cr Pollard
Central Victoria Greenhouse Alliance	Mayor Tellefson
Sunraysia Highway Improvement Committee	Cr Flett
Mid-Murray Higher Education Working Party	Cr White
Victorian Local Sustainability Advisory Committee	Mayor Tellefson
Heritage Advisory Committee	Cr Pollard, Cr Sharp & Cr White
Business Excellence Awards Steering Committee	Mayor Tellefson, Cr McLean & Cr White
Australian Local Government Women's Association	Cr Sharp & Cr White
Electric Line Clearance Consultative Committee	Cr McLean
Charlton Stadium Committee	Cr Pollard
Lake Batyo Catyo Rich Avon Weir Management Group	Cr Flett
Buloke and Northern Grampians Landcare Network	Mayor Tellefson
Wimmera Mallee Sustainability Alliance	Mayor Tellefson
North West Regional Transport Strategy Study	Cr Flett & Cr Pollard
Recreational Water Users Alliance	Cr Sharp
Rural Councils Victoria	Mayor Tellefson



AUDIT ADVISORY COMMITTEE

Members:

- Mr Ian Cuthbertson (Chair)
- Mr Eugene Sibelle
- Mr Geoff Ballard (from August 2009)
- Cr Leo Tellefson (from December 2009)

The Audit Committee met on four occasions during the 2010-2011 financial year. Audit activities commenced or completed in 2010-2011 included:

- Internal audit of Financial Internal Controls and Management Reporting Structure performed to improve quality of reporting and improve internal controls;
- Audit of cash handling and cash reconciliation procedures of Birchip Leisure Centre, including following receipt of qualified financial statements;
- Internal plant costing procedure audit commenced; and
- Commenced a payroll systems audit to verify costings are correct and proper internal controls are in place.

STATUTORY OFFICERS

- Chief Executive Officer – Warwick Heine
- Protected Disclosure Officer – Warwick Heine
- Protected Disclosure Officer – Gaynor Doreian, Manager Corporate Services
- Principal Accounting Officer – Bill Ryan, Manager Finance
- Councillor Conduct Panel Registrar – Gaynor Doreian, Manager Corporate Services
- Freedom of Information Officer – Naomi Grant, Records Management Coordinator
- Municipal Emergency Response Officer – Anthony Judd, Manager Assets and Infrastructure
- Municipal Emergency Recovery Coordinator – Naomi Grant, Records Management Coordinator
- Municipal Fire Prevention Officer – John Groves, Local Laws Officer
- Environmental Health Officer – Garry Newman
- Municipal Building Surveyor – Fred Brocklebank, Consultant

WHISTLEBLOWER PROTECTION ACT

The *Whistleblower Protection Act* 2001 (Vic) came into effect on 1 January 2002. Its purpose is to encourage and facilitate the disclosure of improper conduct by Councillors and Council Officers. The Act also provides protection for a person making disclosures who may suffer reprisals as a result of their actions.

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

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

PRIVACY ACT

Standards set out by the *Information Privacy Act* 1988 (Commonwealth) control how we manage personal information. Privacy compliance is included in the induction program for Council staff.

FREEDOM OF INFORMATION

The *Freedom of Information Act* 1982 (Vic) provides the public with access to Council documents.

Material Prepared by Council

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

Procedures in Requesting Access to a Document

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

Freedom of Information	2008-2009	2009-2010	2010-2011
Total number of requests	1	2	2
Access granted in full	0	1	1
Access granted in part	0	0	0
Other	0	0	0
Access denied in full	0	0	0
Requests still under consideration	0	1	0
Number of internal reviews sought	0	0	0
Number of appeals lodged with Administrative Appeals Tribunal	0	0	0
Total Charges Collected	\$22.00	\$46.80	\$23.90



Information Available for Inspection

- Details of current salaries and allowances fixed for the Councillors;
- Details of Senior Officers gross salaries, allowances and other benefits for the current financial year and two previous financial years;
- Details of overseas or interstate travel (with the exception of interstate travel to a neighbouring municipality undertaken in an official capacity) for Councillors and any member of Council staff in the previous 12 months;
- Names of Council Officers who were required to submit a return of interest during the financial year and the dates the returns were submitted;
- Agendas for and minutes of Ordinary and Special Council meetings kept under Section 93 of the Local Government Act 1989 except where such minutes relate to parts of meetings that have been closed to members of the public under Section 90 of the Act;
- A list of all major committees established by the Council and the purpose for which each committee was established;
- A list of all major committees established by the Council which were abolished or ceased to function during the financial year;
- Minutes of meeting of Special Council committees established under Section 86 of the Local Government Act 1989 except where such minutes relate to parts of meetings that have been closed to members of the public under Section 89 of the Act;
- Application for enrolment on the voter's roll under Section 12 and 13 of the Local Government Act 1989 for the immediate past roll and the next roll being prepared;
- Register of delegations kept under Section 87, Section 88 and Section 98 of the Local Government Act 1989;
- Submissions received under Section 223 of the Local

Government Act 1989 during the previous 12 months;

- Agreement to establish regional corporations under Section 197 of the *Local Government Act 1989*; and
- Register of Authorised Officers appointed under Section 224 of the *Local Government Act 1989*.

RISK MANAGEMENT

The Buloke Shire Council maintains an effective risk management program to ensure that exposure to operational, legal, material, contractual and financial risks are minimised. The Council complies with its obligations under the *Local Government Act 1989 (Vic)* and maintains the risk management practices, principles and procedures in accordance with the Australian Standard AS/NZS ISO 31000:2009, which addresses the process of risk identification, risk control, risk evaluation, risk treatment and risk financing.

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

In 2011 a Property Risk Management Audit and a Fidelity Risk Management Review were completed and Council received overall preliminary scores of 62% and 82% respectively. The Fidelity Audit identified the need for further improvements in relation to Council's fraud policy/strategy and the development of fraud incident analysis procedures. Highlighted in the Property Audit was a need for further improvements to business continuity management, including the formalisation of a Business Continuity Plan and risk assessment in relation to capital works projects. An action plan to address these improvements will be developed and implemented.

Achievements in 2010/2011 included:

- The Municipal Emergency Management Plan audit was completed and a revised Plan was adopted by Council on 11 August

2010. The September 2010 and January 2011 flood events have identified a need for further development and review of the Plan, including the development of specific action plans;

- Further review of a Long Term Strategic Plan was completed and presented to Council in late 2010 and early 2011. Further modelling was completed and discussed with Councillors in April 2011 and with further review subsequently undertaken with Councillors in June 2011;
- Staff development and training, including succession planning and involvement in management development programs. A fraud prevention plan was developed and implemented, and is included as part of the induction program for Council staff;
- Completion of insurance audits;
- Continual development of Council's Risk Register;
- Continual development of risk management systems and the investigation of incident reports and identification and implementation of corrective and preventative actions;
- Continued evolution of the Occupational Health and Safety Committee; and
- Liaison with WorkSafe throughout audit process and compliance with Notices.

BUSINESS CONTINUITY PLANNING

Business Continuity Management is a management process that identifies potential impacts that threaten an organisation and provides a framework for building resilience and the capacity for an effective response. This is in the interest of the Buloke Shire and its internal/external stakeholders by maintaining all critical functions as far as reasonably practicable.

The Buloke Shire is continuing to develop and maintain a Business Continuity Management system to effectively enable the Council to re-establish services in a timely and efficient manner with minimal disruption to stakeholders.

MUNICIPAL EMERGENCY MANAGEMENT

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

The Council has a Municipal Emergency Management Plan that documents the requirements and

procedure for emergency operations within the municipality. The aim of the plan is to ensure an effective and coordinated response to minimise the effects of an emergency situation and to enable the community to recover from that emergency.

Buloke Shire's Emergency Management Plan was audited by the State Emergency Service and other key stakeholders in August 2010. One of the requirements of the audit was to incorporate a 'risk management' approach to emergency management.

The Plan now focuses on the causes of risk (hazards) and the elements at risk (community and environment) rather than emergencies that may arise. The Plan will contribute to the wellbeing of the community and the environment by reducing the incidence and impact of emergency risks within the Buloke Shire.

The recent flood events, particularly the extreme event that occurred in January 2011 has highlighted a need to review arrangements for emergency response and recovery.



OUR ORGANISATION

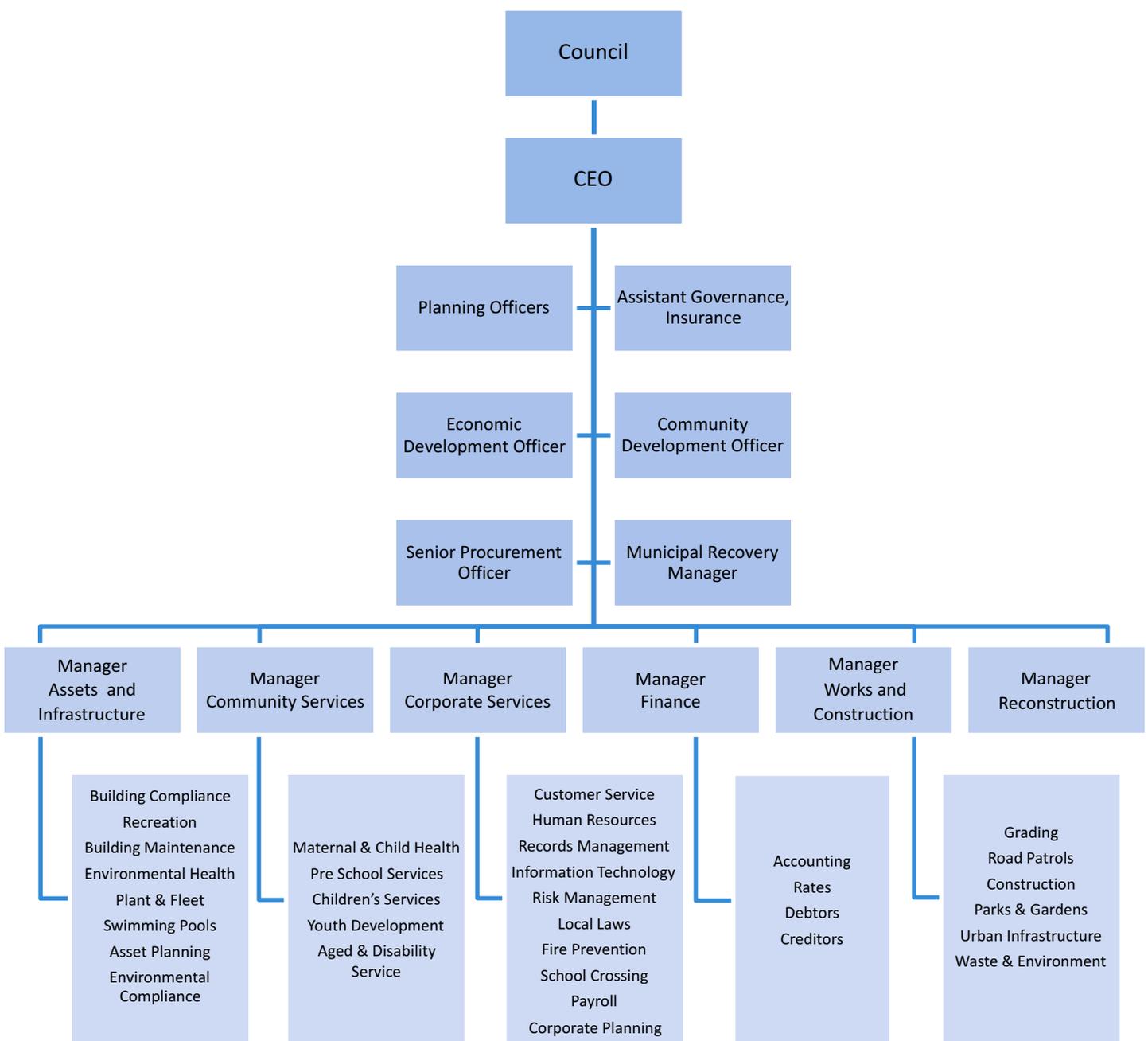


Buloke Shire Council is a public statutory body under the *Local Government Act 1989 (Vic)*. The Act sets out the primary purposes and objectives of the Buloke Shire, and defines its functions and powers.

The Buloke Shire's main administrative office is in Wycheproof. The organisation also operates facilities, services and administration functions from more than 20 other locations in Birchip, Charlton, Donald

and Sea Lake and including Maternal and Child Health Centres, Childcare Centres, Depots and swimming pools.

BULOKE SHIRE COUNCIL ORGANISATION CHART





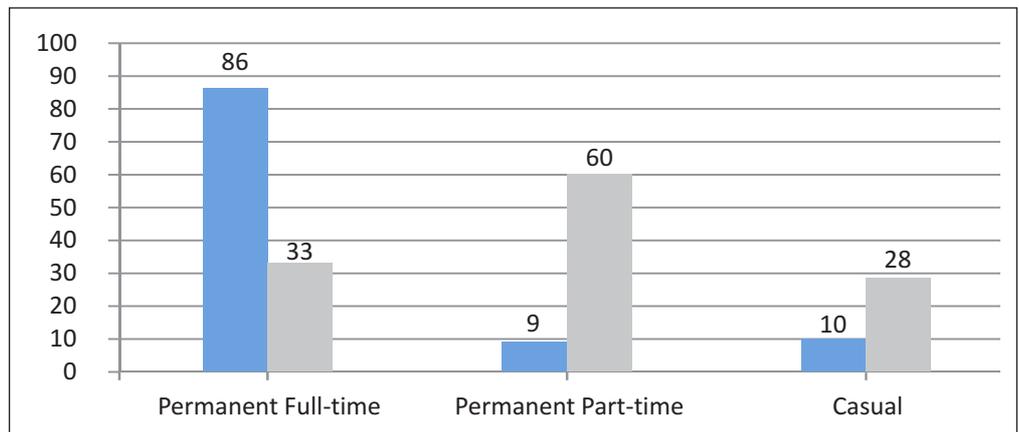
EMPLOYEE STATISTICS

	Male	EFT	Female	EFT	Total	EFT
Full-time	86	86	33	33	119	119
Part-time	9	2.44	60	32.4	69	34.84
Casual	10	2.2	28	2.8	38	5

EFT = Equivalent Full Time

During the course of 2010/2011, 35 positions were advertised, with an average of 6.8 applications per position. The majority of these vacancies were created by staff turnover and flooding events.

Employees by Gender Female ■
 Employees by Gender Male ■



Service Milestones

22 staff achieved service milestones of between 5, 10, 15 and 20 years. Service milestone staff have received recognition for their achievements and contribution to the Buloke Shire Council.

→ 5 years	—	16 staff members
→ 10 years	—	2 staff members
→ 15 years	—	3 staff members
→ 20 years	—	1 staff member

EQUAL OPPORTUNITY

The Buloke Shire Council is committed to providing workplace harmony and refuses to tolerate workplace harassment or any form of discrimination or offensive behaviour. To help staff identify what their rights are and how they can recognise problems in the workplace and community we provide training to all Buloke Shire Council employees on Human Rights Charter Awareness by

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

All staff are required to treat colleagues and members of the public with courtesy and sensitivity to their rights, duties and aspirations. Council's Human Resource Officer is the Equal Opportunity contact who is able to assist with resolving problems to create workplace harmony, positive morale and a productive environment for all.



HEALTH & SAFETY

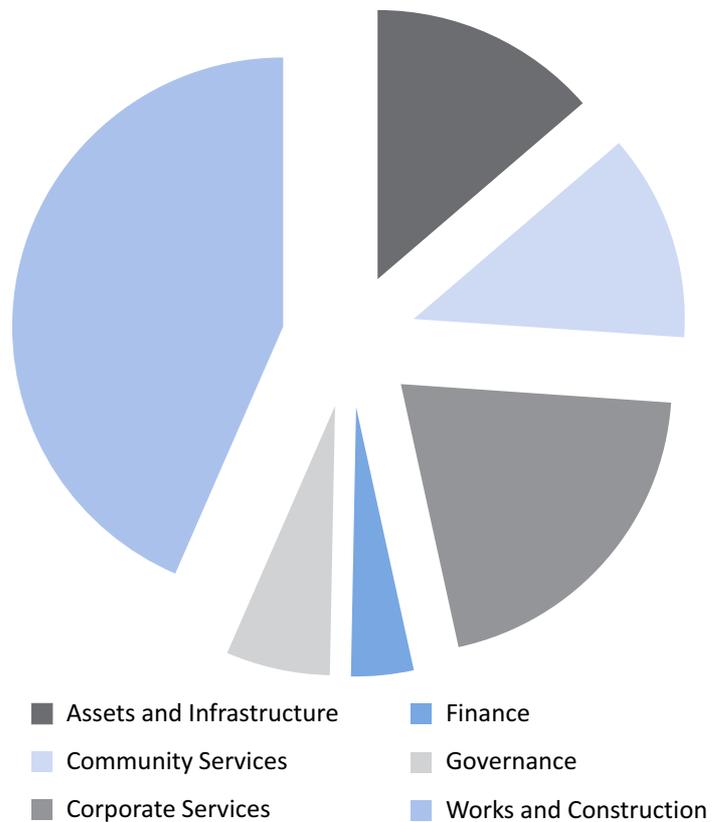
The Buloke Shire Council manages risk and occupational hazards by continuously improving its work environment and OH&S management system.

Initiatives in 2010-2011 included training provided to management and staff which covered a number of areas including chemical handling; First Aid; drum MUSTER and Construction Induction Card.

Workplace Incidents		
2009-2010	2010-2011	Results
49	69	Increase

EMPLOYEES BY DEPARTMENT

Department	Employees
Assets and Infrastructure	22
Community Services	20
Corporate Services	33
Finance	6
Governance (incorporates Procurement, Economic Development, Community Development, Statutory Planning and Municipal Flood Recovery)	10
Works and Construction	70



Absenteeism	2009-2010	2010-2011	Results
Lost time injuries	3	8	Increase
Number of days lost due to injury	576 days	386 days	Decrease
Absence due to illness	1,116 days	1,257 days	Increase

WORKERS' COMPENSATION

Financial Year	Standard Claims	Minor Claims	Premium (\$)	Change in Premium on past year (%)
2010/11	6	5	\$380,648.00	+19%
2009/10	2	1	\$318,538.66	+23%
2008/09	9	2	\$260,006.12	+8%
2007/08	8	3	\$240,038.21	-11%



COMMUNITY GRANTS, DONATIONS

Community grants, donations and contributions are made for programs, projects and activities that enrich and promote the community both

personally and economically. Contributions include membership of advocacy and peak organisations with specific relevance to Council and/or

the local community. The following grants, donations and contributions were made during the 2010/2011 financial year.

Description	Recipient/Organisation	Amount (\$)
Contribution	Central Murray Waste Management Group	\$3,850.00
Contribution	Women in Government	\$300.00
Contribution	Charlton Chamber of Commerce	\$491.00
Contribution	Freight Hub Opening	\$55.00
Contribution	Scholarships - Harris/McLean	\$14,000.00
Contribution	Charlton Rotary Club	\$150.00
Contribution - RCV Network	Municipal Association of Victoria	\$2,000.00
Contribution	Nullawil Progress Association	\$200.00
Contribution	Birchip Historical Association	\$500.00
Contribution	Culgoa Recreation Reserve Committee of Management	\$6,500.00
Contribution	Wycheproof Recreation Reserve Committee	\$33,100.00
Contribution	Charlton Forum	\$1,000.00
Contribution	Wycheproof Vision	\$1,000.00
Contribution	Wycheproof Vision	\$2,000.00
Contribution	Mt Wycheproof & District Racing Club	\$550.00
Awards Night Donation	Donald Race Committee	\$500.00
Awards Night Donation	Charlton College	\$100.00
Awards Night Donation	Birchip P-12 School	\$100.00
Awards Night Donation	Donald High School	\$100.00
Awards Night Donation	Tyrrell College	\$100.00
Awards Night Donation	Wycheproof P-12 College	\$100.00
Contribution	Sea Lake Recreation Reserve Committee	\$39,000.00
Christmas Function Donation	Donald Senior Citizens	\$500.00
Christmas Function Donation	Nullawil Senior Citizens	\$500.00
Christmas Function Donation	Sea Lake Senior Citizens	\$500.00
Christmas Function Donation	Birchip Senior Citizens	\$500.00
Christmas Function Donation	Wycheproof Senior Citizens	\$500.00
Christmas Function Donation	Charlton Senior Citizens	\$500.00
Festival Grant	Donald Senior Citizens	\$370.00
Festival Grant	Nullawil Senior Citizens	\$370.00
Festival Grant	Sea Lake Senior Citizens	\$370.00
Festival Grant	Birchip Senior Citizens	\$370.00
Festival Grant	Wycheproof Senior Citizens	\$370.00
Festival Grant	Charlton Senior Citizens	\$370.00

COMMUNITY GRANTS, DONATIONS

CONTINUED



Description	Recipient/Organisation	Amount (\$)
Festival Grant	Culgoa Senior Citizens	\$370.00
Contribution	Swan Hill Rural City Council - North West Region Transport Study	\$2,000.00
Christmas Promotion	Birchip Community Forum	\$500.00
Christmas Promotion	Wycheproof Vision	\$200.00
Christmas Promotion	Donald 2000 Committee	\$500.00
Christmas Promotion	Advance Sea Lake	\$500.00
Christmas Promotion	Berriwillock Community Development	\$200.00
Christmas Promotion	Charlton Chamber of Commerce	\$500.00
Christmas Promotion	Culgoa Development Group	\$200.00
Christmas Promotion	Nandaly Progress Association	\$200.00
Christmas Promotion	Nullawil Progress Association	\$200.00
Christmas Promotion	Watchem Progress Association	\$200.00
Christmas Promotion	Wycheproof Vision	\$300.00
Christmas Lunch for Seniors	Kaneira Hotel, Culgoa	\$523.00
Event Sponsorship	Birchip Racing Club Inc	\$500.00
Event Sponsorship	Charlton Harness Racing Club	\$500.00
Contribution	Birchip Recreation Reserve	\$32,100.00
Contribution	Birchip SES	\$12,322.00
Contribution	Wycheproof SES	\$12,322.00
Contribution	Donald Recreation Reserve Committee	\$43,700.00
Contribution	Rail Freight Development Alliance	\$2,000.00
Contribution	Watchem Progress Association	\$200.00
Contribution	L2P Learner Driver Mentor Program	\$18,000.00
Contribution - Mental Health Week	Birchip P-12 School	\$200.00
Event Sponsorship	Birchip Bowls Club	\$200.00
Contribution	Buloke and Northern Grampians Landcare	\$5,000.00
Initial Lake Fill Contribution	Green Lake Recreation Reserve	\$15,295.00
Initial Lake Fill Contribution	Tchum Lake Committee of Management	\$17,480.00
Business Incentive	Darren Sampson	\$250.00
Business Incentive	Satalyte Pty Ltd	\$250.00
Business Incentive	Remember the Days	\$250.00
Business Incentive	Bruce The Plumber	\$250.00
Business Incentive	Gallery 79	\$250.00
Donation	Pets Haven	\$150.00
Donation	Watchem Lake and Reserve Committee	\$3,000.00
Business Incentive	Buloke Properties	\$250.00
Business Incentive	Country Savers	\$250.00
TOTAL		\$282,029.00



GRANTS RECEIVED FROM EXTERNAL SOURCES

No.	Funding Organisation	Project Summary	Amount Granted (\$)
OPERATING GRANTS			
1	Grants-Financial Assist(Gen)	Executive Manager	-2,967,393.86
2	Operating Grants - State	Community Building Initiative	-10,000.33
3	Operating Grants - State	Volunteer Management Grant Capacity	-50,000.00
4	Subsidies	Human Resources	-10,800.00
5	Operating Grants - State	Human Resources	-22,500.00
6	School Crossings Subsidy	School Crossings	-16,057.57
7	Operating Grants - State	Community Administration	-7,643.01
8	Operating Grants - State	Community Administration	-249.99
9	Service System Recourcing Subs	Community Administration	-34,718.15
10	Operating Grants - State	Pre-School - Subsidy	-11,149.96
11	Preschool Subsidy	Pre-School - Subsidy	-132,542.12
12	Other Grants	Pre-School - Subsidy	-1,150.04
13	Operating Grants - State	Pre-School - Group Employment	-7,500.00
14	Preschool Subsidy	Pre-School - Group Employment	-30,648.00
15	M&CH Subsidy	Maternal & Child Health	-63,163.11
16	Assess & Care Subsidy	Assessment & Care Management	-211,280.36
17	Operating Grants - State	Assessment & Care Management	-2,500.00
18	Home Help General Subsidy	Home Help General	-303,170.22
19	Home Help Personal Subsidy	Home Help Personal	-14,887.32
20	Home Help Respite Subsidy	Home Help Respite	-11,907.90
21	Home Maintenance Subsidy	Home Maintenance	-52,142.74
22	Hospital to Home Subsidy	Hospital to Home	-25,801.69
23	Dept of Veteran Affairs Care S	Department of Veterans Affairs	-29,531.63
24	Operating Grants - State	Volunteer Co-Ordination	-34,623.45
25	Other Grants	Volunteer Co-Ordination	-800.60
26	Operating Grants - State	Senior Citizens Centre	-1,000.00
27	Senior Citizens Subsidy	Senior Citizens Centre	-47,778.00
28	Senior Citizens Week Subsidy	Senior Citizens Centre	-2,200.00
29	Meals on Wheels Subsidy	Meals on Wheels	-22,350.00
30	Operating Grants - State	Youth Development	-14,400.00
31	Youth Development Grant	Youth Development	-20,300.00
32	Community Project Grants	Youth Development	-5,909.09
33	Other Grants	Youth Development	-9,725.00
34	Freeza Grant - State Grant	Youth Development-Freeza	-4,850.00
35	Operating Grants - State	Youth Development-Freeza	-9,725.00

GRANTS RECEIVED FROM EXTERNAL SOURCES CONTINUED



No.	Funding Organisation	Project Summary	Amount Granted (\$)
36	Operating Grants - State	Other Community Programs	-500.00
37	Library Grant (All Districts)	Library - Other	-92,633.60
38	M&CH Subsidy	Maternal & Child Health-Enhanced Home Vis	-74,072.00
39	Operating Grants - State	Design & Administration-Assets	-1,700.00
40	Immunisation Grant-State	Environmental Health	-4,624.00
41	Tobacco Reform Grant	Environmental Health	-2,876.18
42	Fuel Tax Credit	Plant Management	-66,945.00
43	Operating Grants - Federal	Rex Theatre Roof Replacement	-24,000.00
44	Capital Grants - Federal	Rex Theatre Roof Replacement	-24,000.00
45	Operating Grants - State	Buloke Carnival 2011	-2,500.00
46	Capital Grants - State	Watchem Lake Foreshore Development	-26,177.50
47	Operating Grants - State	Economic Development	-1,000.00
48	Operating Grants - State	Rural Skills Cadetship	-53,000.00
49	Operating Grants - State	Rural Economic Development Opportunities	-2,400.00
50	Operating Grants - State	Effective Poultry Sheds	-10,000.00
CAPITAL GRANTS			
51	Capital Grants - State	Pre-School Minor Capital Grants	-10,300.00
52	Capital Grants - State	Charlton Mens Shed	-10,175.00
53	Capital Grants - State	Wycheproof Mens Shed-Storage Extension	-18,600.00
54	Capital Grants - State	Donald Mens Shed-Extensions	-25,913.60
55	Grants-Financial Assist(Roads)	Local Roads Grant	-1,961,587.40
56	Capital Grants - Federal	Federal-RTR Grant	-1,044,064.00
57	Capital Grants - State	Char Travellers Rest Manager Residential	-52,000.00
58	Capital Grants - State	Sea Lake-Travellers Rest 2010/11	-150,000.00
59	Capital Grants - State	Mt Jeffcott Reserve-Visitor Centre 2011	-23,076.00
60	Capital Grants - Federal	Wycheproof Swimming Pool 2011	-190,000.00
61	Capital Grants - State	Donald Recreation Reserve-Master Plan	-18,000.00
62	Capital Grants - State	Birchip Recreation Reserve-Netball Upgrade	-47,661.00
63	Capital Grants - State	Donald Netball Court Upgrade	-54,000.00
64	Capital Grants - State	Tchum Lake-BBQ Shelter	-25,850.00
65	Capital Grants - State	Berriwillock Community Centre-Feasibility	-27,000.00
66	Capital Grants - State	Green Lake Master Plan	-24,000.00
67	Capital Grants - State	Resheet-Seven Mile Rd (Seal Up)	-125,000.00
68	Capital Grants - State	Rehab-Seven Mile Rd Charlton RTR	-151,200.00
TOTAL			\$-9,102,212.08



BEST VALUE STATEMENT

In December 1999, the Victorian State Parliament passed the *Local Government (Best Value Principles) Act 1999*, which required Councils to review all their services against six Best Value principles.

The Best Value principles set out in Section 208B are:

1. All services provided by a Council must meet quality and cost standards;
2. All services provided by a Council must be responsive to the needs of the community;
3. Each service provided by a Council must be accessible to those members of the community for whom the service is intended;
4. A Council must achieve continuous improvement in the provision of services for its community;
5. A Council must develop a program of regular consultation with its community in relation to the services it provides; and
6. A Council must report regularly to its community on its achievements in relation to Best Value.

Service Improvement

Council is dedicated to the continuous improvement of its services and projects to ensure the needs of the community are met in the best manner possible. This means that the principles of Best Value are applied in our day-to-day assessment of services and projects.

Our objective is to provide value for internal and external customers by eliminating waste and duplication. We aim to provide the right service, in the right place, at the right time, by the right person and done right the first time. Where we do not meet these requirements we are honest and transparent in keeping the community informed as to why we could not achieve to the levels we expected.

A focus of service improvement in 2010/11 has been on procurement practices and procedures, tender documentation, 'just-in-time' inventory control and project planning. This focus will continue into 2011/12.

Community Consultation

Council is rightfully proud of its commitment to community consultation and involvement and the manner in which it meets this commitment.

Councillors and staff make themselves available to meet with the community on a continuous basis. The community is invited to meet with and make presentations to Councillors and senior staff a minimum of twice per month at varying locations.

All decisions by Council are made in open meetings and a comprehensive record of all Assembly of Council Meetings is provided within one or two days of each meeting. Council also convenes consultation meetings in townships and localities across the Buloke Shire on a regular basis.

The Buloke Shire also experimented further again this year with 'on-line' consultation which is a new electronic community conversation tool called 'Bang the Table'.

'Bang the Table' is an Australian developed internet tool for engaging people in electronic conversations. It allows you to read documents or sections of documents and post your comments about it. Others can read your comments and respond thus starting an electronic discussion about something of importance to you. The conversations are independently moderated to ensure everyone's views are given the same 'weight' and no single individual or pressure groups can sway opinion.

This new concept gives people access to information and to have their say. For further information on 'Bang the Table' visit the website www.bangthetable.com.

Reporting Achievements

Council regularly reported progress on its performance to the community through a variety of means. These include the Annual Report, regular articles in the local newspapers such as *'Community Matters'*, Flood Recovery Newsletters, on Council's website www.buloke.vic.gov.au and through publications such as the Council Plan and Budget papers. Publications were forwarded to key local organisations and feedback was invited.





Certification by the Chief Executive Officer

A. TRADE PRACTICES COMPLIANCE

State whether the Council is compliant or non-compliant. If non-compliant, justify or cite actions to redress.

Buloke Shire Council is Compliant

B. LOCAL LAWS COMPLIANCE

State whether Council is compliant or non-compliant. List all the local laws made or remade during 2010-2011 which impose a restriction on competition.

Buloke Shire Council is Compliant

C. COMPETITIVE NEUTRALITY COMPLIANCE

State whether Council is compliant or non-compliant for all significant businesses. List any significant businesses that are non-compliant

Buloke Shire Council is Compliant

I certify that:

- a) This statement has been prepared in accordance with the 2010-2011 National Competition Policy reporting guidelines, which is pursuant to the 2010 Statement: and
- b) This statement presents fairly the Council's implementation of the National Competition Policy.

Signed

Handwritten signature of Warwick Heine

Warwick Heine
Chief Executive Officer





COMMUNITY SATISFACTION

Local Government Community Satisfaction Survey

The Office of Local Government undertakes an annual state-wide survey of 27,000 Victorians across 78 municipalities, approximately 350 per municipality.

The purpose of the telephone survey is to measure community satisfaction with Council services.

The survey was undertaken by an independent market research consultancy and was conducted by telephone with the "head of household".

The survey focussed on nine service areas and four governance measures. Each of these is reported to show

progress and improvements in performance, the importance of Buloke Shire representation as well as an overall perception of performance.

Council's results in 2011 were down on the 2010 results in all four of the Local Government Indicators areas and all but two of the nine Specific Performance Areas. This is disappointing, but consistent with State wide results and the results for Small Shires for 2011, which are also all down in all four Local Government Performance Indicators Areas and in a number of the Specific Performance Areas.

Council's perceived strengths in 2011 remain predominantly in its ability to deliver services with the highest

satisfaction ratings being in the areas of Customer Contact, Human Services, Recreational Facilities and Waste Management.

Buloke's results are better than the median results of other councils in its group (small Shires) on all measures in the survey except Local Roads and Footpaths and Enforcement of Local Laws where its performance is poorer than others. An action plan to address these issues will be developed and implemented.

In State-wide terms Buloke's overall performance is higher than the State average and higher than that of other small Shires.

Local Government Indicators	2009	2010	2011	Change
Overall Performance	70	69	65	▼4
Advocacy	72	71	68	▼3
Community Engagement	70	68	63	▼5
Customer Contact	78	78	72	▼6
Specific Performance Areas	2009	2010	2011	Change
Overall Performance in Key Service Areas	69	68	65	▼3
Local Roads and Footpaths	56	54	47	▼7
Health and Human Services	77	76	75	▼1
Recreation Facilities	71	71	71	No change
Appearance in Public Areas	73	73	69	▼4
Traffic Management and Parking	71	71	68	▼3
Waste Management	76	75	76	▲1
Enforcement of Local Laws	68	66	64	▼2
Economic Development	62	63	58	▼5
Town Planning Policy and Approvals	67	68	61	▼7





FINANCIAL REPORT CONTENTS

FINANCIAL	
Comprehensive Income Statement	46
Balance Sheet	47
Statement of Changes in Equity	48
Cash Flow Statement	49
NOTES TO THE FINANCIAL STATEMENTS	
Introduction	50
Note 1 Significant accounting policies	50
Note 2 Rates and charges	58
Note 3 Statutory fees and fines	58
Note 4 User fees	58
Note 5 Grants	59
Note 6 Contributions	60
Note 7 Net gain/(loss) on disposal of property, infrastructure, plant and equipment	60
Note 8 Other income	60
Note 9 Employee benefits	60
Note 10 Materials and services	60
Note 11 Bad and doubtful debts	61
Note 12 Depreciation and amortisation	61
Note 13 Finance costs	61
Note 14 Other expenses	61
Note 15 Investments in associates	62
Note 16 Cash and cash equivalents	63
Note 17 Trade and other receivables	63
Note 18 Inventories	63
Note 19 Other assets	63
Note 20 Property, infrastructure, plant and equipment	64
Note 21 Trade and other payables	69
Note 22 Trust funds and deposits	69
Note 23 Provisions	70
Note 24 Interest bearing loans and borrowings	71
Note 25 Reserves	72
Note 26 Reconciliation of cash flow from operating activities to surplus or deficit	73
Note 27 Reconciliation of cash and cash equivalents	73
Note 28 Financing arrangements	73
Note 29 Restricted assets	73
Note 30 Superannuation	74
Note 31 Commitments	76
Note 32 Operating leases	77
Note 33 Contingent liabilities and contingent assets	77
Note 34 Financial instruments	78
Note 35 Auditors' remuneration	84
Note 36 Events occurring after balance date	84
Note 37 Related party transactions	85
Note 38 Income, expenses and assets by function/activities	86
Note 39 Financial ratios (Performance indicators)	87
Note 40 Capital expenditure	88
Note 41 Special committees and other activities	89
CERTIFICATION OF THE FINANCIAL REPORT	90
INDEPENDENT AUDITOR'S REPORT	91
STANDARD STATEMENTS	93
Balance Sheet	96
Statement of Cash Flows	98
Statement of Capital Works	100
Notes to the Standard Statements	102
CERTIFICATION OF THE STANDARD STATEMENTS	103
INDEPENDENT AUDITOR'S REPORT	104
PERFORMANCE STATEMENT	106
CERTIFICATION OF THE PERFORMANCE STATEMENT	112
INDEPENDENT AUDITOR'S REPORT	113

COMPREHENSIVE INCOME STATEMENT

For the Year Ended 30 June 2011

	Note	2011 \$'000	2010 \$'000
Income			
Rates and charges	2	8,860	8,387
Statutory fees and fines	3	30	35
User fees	4	648	627
Grants - recurrent	5	8,171	7,282
Grants - non-recurrent	5	789	853
Contributions - cash	6	321	193
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	7	1	(161)
Other income	8	352	1,221
Share of net profits / (losses) of associates and joint ventures accounted for by the equity method	15	50	22
Total income		<u>19,222</u>	<u>18,459</u>
Expenses			
Employee benefits	9	(10,121)	(10,051)
Materials and services	10	(6,319)	(5,749)
Bad and doubtful debts	11	(9)	(7)
Depreciation and amortisation	12	(6,399)	(6,340)
Finance costs	13	(123)	(93)
Other expenses	14	(315)	(458)
Total expenses		<u>(23,286)</u>	<u>(22,698)</u>
Surplus/(Deficit)		<u>(4,064)</u>	<u>(4,239)</u>
Other comprehensive income			
Net asset revaluation increment / (decrement)		(70,485)	1,118
Comprehensive result		<u>(74,549)</u>	<u>(3,121)</u>

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

BALANCE SHEET

As at 30 June 2011

	Note	2011 \$'000	2010 \$'000
Assets			
Current assets			
Cash and cash equivalents	16	1,220	735
Trade and other receivables	17	966	1,246
Inventories	18	142	126
Other assets	19	352	368
Total current assets		<u>2,680</u>	<u>2,475</u>
Non-current assets			
Investments in associates accounted for using the equity method	15	212	162
Property, infrastructure, plant and equipment	20	103,679	176,626
Total non-current assets		<u>103,891</u>	<u>176,788</u>
Total assets		<u>106,571</u>	<u>179,263</u>
Liabilities			
Current liabilities			
Trade and other payables	21	1,276	1,925
Trust funds and deposits	22	91	32
Provisions	23	1,796	1,753
Interest-bearing loans and borrowings	24	2,966	959
Total current liabilities		<u>6,129</u>	<u>4,669</u>
Non-current liabilities			
Provisions	23	1,334	1,382
Interest-bearing loans and borrowings	24	445	-
Total non-current liabilities		<u>1,779</u>	<u>1,382</u>
Total liabilities		<u>7,908</u>	<u>6,051</u>
Net Assets		<u>98,663</u>	<u>173,212</u>
Equity			
Accumulated surplus		42,487	46,059
Reserves	25	56,176	127,153
Total Equity		<u>98,663</u>	<u>173,212</u>

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

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2011

	Note	Asset			
		Total	Accumulated Surplus	Revaluation Reserve	Other Reserves
2011		2011	2011	2011	2011
		\$'000	\$'000	\$'000	\$'000
Balance at beginning of the financial year		173,212	46,059	126,656	497
Comprehensive result		(74,549)	(4,064)	(70,485)	-
Transfers to other reserves	25(b)	-	-	-	-
Transfers from other reserves	25(b)	-	492	-	(492)
Balance at end of the financial year		<u>98,663</u>	<u>42,487</u>	<u>56,171</u>	<u>5</u>

	Note	Asset			
		Total	Accumulated Surplus	Revaluation Reserve	Other Reserves
2010		2010	2010	2010	2010
		\$'000	\$'000	\$'000	\$'000
Balance at beginning of the financial year		176,333	49,702	125,538	1,093
Comprehensive result		(4,239)	(4,239)	-	-
Net asset revaluation increment (decrement)		1,118	-	1,118	-
Transfers to other reserves	25(b)	-	-	-	-
Transfers from other reserves	25(b)	-	596	-	(596)
Balance at end of the financial year		<u>173,212</u>	<u>46,059</u>	<u>126,656</u>	<u>497</u>

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

CASH FLOW STATEMENT

For the Year Ended 30 June 2011

	2011 Inflows/ (Outflows) \$'000	2010 Inflows/ (Outflows) \$'000
Cash flows from operating activities		
Rates	8,064	7,709
Statutory fees and fines	30	35
User charges and other fines (inclusive of GST)	1,539	1,413
Grants (inclusive of GST)	8,960	8,135
Contributions (inclusive of GST)	321	193
Interest	38	45
Other receipts (inclusive of GST)	314	1,115
Net GST refund/payment	185	(336)
Payments to suppliers (inclusive of GST)	(6,605)	(5,416)
Payments to employees (including redundancies)	(10,121)	(9,575)
Other payments	(315)	(458)
Net cash provided by (used in) operating activities	26 <u>2,410</u>	<u>2,860</u>
Cash flows from investing activities		
Payments for property, infrastructure, plant and equipment	(3,874)	(7,706)
Proceeds from sale of property, infrastructure, plant and equipment	55	113
Loans and advances to community organisations	-	-
Repayment of loans and advances from community organisations	-	-
Net cash provided by (used in) investing activities	<u>(3,819)</u>	<u>(7,593)</u>
Cash flows from financing activities		
Finance costs	(123)	(93)
Trust funds and deposits	59	-
Proceeds from interest bearing loans and borrowings	-	-
Repayment of interest bearing loans and borrowings	-	-
Net cash provided by (used in) financing activities	<u>(64)</u>	<u>(93)</u>
Net increase (decrease) in cash and cash equivalents	(1,473)	(4,826)
Cash and cash equivalents at the beginning of the financial year	(224)	4,602
Cash and cash equivalents at the end of the financial year	27 <u>(1,697)</u>	<u>(224)</u>
Financing arrangements	28	
Restrictions on cash assets	29	

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

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2011

Introduction

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

Additional Information

External Auditor - Auditor-General of Victoria

Internal Auditor - Mc Lean Delmo

Solicitors - Maddocks

- Radford Legal

- Karen Probst

- John R. Buman & Co

Bankers - Commonwealth Bank of Australia

- Bendigo and Adelaide Bank Limited

Website address - www.buloke.vic.gov.au

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

Note 1 Significant accounting policies (cont.)

- (a) Basis of accounting

This Financial Report has been prepared on the accrual and going concern basis.

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

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

All entities controlled by Council, such as Special Committees of Management, have been included in this financial report. All transactions between these entities and the Council have been eliminated in full. Details of entities not included in this Financial Report based on their materiality are detailed in note 41.

- (b) Change in accounting policies

There have been no changes in the accounting period to policies that would impact on the financial statements.

- (c) Revenue recognition

Rates, grants and contributions

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

Control over assets acquired from rates is obtained at the commencement of the rating year as it is an enforceable debt linked to the rateable property or, where earlier, upon receipt of the rates.

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

NOTES TO THE FINANCIAL REPORT CONTINUED

For the Year Ended 30 June 2011

Note 1 Significant accounting policies (cont.)

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

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

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

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

User fees and fines

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

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

Sale of property, plant and equipment, infrastructure

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

Trade and other receivables

Receivables are carried at amortised cost using the effective interest rate method. A provision for doubtful debts is recognised when there is objective evidence that an impairment loss has occurred.

Rental

Rents are recognised as revenue when the payment is due or the payment is received, whichever first occurs. Rental payments received in advance are recognised as a prepayment until they are due.

Interest

Interest is recognised progressively as it is earned.

Dividends

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

(d) Trade and other receivables and inventories

Trade and other receivables

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

Inventories

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

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

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

Where 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.

Artworks are not depreciated.

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

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

	Period
Property	
Buildings	
buildings	50 years
fittings	10 years
Leasehold improvements	
Plant and Equipment	
Plant	
plant, machinery and equipment	6 - 10 years
Machinery	
Infrastructure	
Roads	
road formation	100 years
sealed road pavements	60 years
unsealed road pavements	25 years
sealed road surfaces	13 - 15 years

NOTES TO THE FINANCIAL REPORT CONTINUED

For the Year Ended 30 June 2011

Note 1 Significant accounting policies (cont.)

(e)	Depreciation and amortisation of property, plant and equipment, infrastructure, intangibles (cont.)	
	Other Infrastructure	
	footpaths and cycleways	45 - 50 years
	kerb and channel	50 years
	drainage	100 years
	bridges	50 years
	landfill	10 years
	other structures	50 years
	other fittings	6 - 10 years
(f)	Repairs and maintenance	
	Routine maintenance, repair costs and minor renewal costs are expensed as incurred. Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.	
(g)	Borrowing costs	
	Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council. Except where specific borrowings are obtained for the purpose of specific asset acquisition, the weighted average interest rate applicable to borrowings at balance date, excluding borrowings associated with superannuation, is used to determine the borrowing costs to be capitalised.	
	Borrowing costs include interest on bank overdrafts, interest on borrowings, and finance lease charges.	
(h)	Recognition and measurement of assets	
	Acquisition	
	The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the amount for which the asset could be exchanged between knowledgeable willing parties in an arm's length transaction.	
	Where assets are constructed by Council, cost includes all materials used in construction, direct labour, borrowing costs incurred during construction, and an appropriate share of directly attributable variable and fixed overheads.	
	The following classes of assets have been recognised in note 20. In accordance with Council's policy, the threshold limits detailed below have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year:	
		Threshold Limit
		\$'000
	Property	
	Land	
	land	All
	land under roads	All
	land improvements	All
	Buildings	
	buildings	All
	building improvements	All
	leasehold building improvements	All
	Plant and Equipment	
	plant, machinery and equipment	1
	fixtures, fittings and furniture	1
	computers and telecommunications	1
	leased plant and equipment	1
	Infrastructure	
	Roads	
	road pavements and seals	All
	road substructure	All
	road formation and earthworks	All
	road kerb, channel and minor culverts	All
	Bridges	
	bridges deck	All
	bridges substructure	All
	footpaths and cycleways	All
	drainage	All
	recreational, leisure and community facilities	All
	waste management	All
	parks, open space and streetscapes	All
	off street car parks	All
	aerodromes	All
	Intangible assets	
	intangible assets	1

For the Year Ended 30 June 2011

Note 1 Significant accounting policies (cont.)

(h) Recognition and measurement of assets (cont.)

Revaluation

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

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

Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation surplus, 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 surplus for that class of asset, in which case the decrement is taken to the reserve to the extent of the remaining increments. Within the same class of assets, revaluation increments and decrements within the year are offset.

Land under roads

Council recognised the value of land under roads it controlled at 30 June 2008 at deemed cost. Land under roads acquired after 30 June 2008 is brought to account using the cost basis.

(i) Cash and cash equivalents

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

(j) Financial assets

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

(k) Investments

Investments (non-financial), other than investments in associates, are measured at cost.

(l) Accounting for investments in associates

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

For the Year Ended 30 June 2011

Note 1 Significant accounting policies (cont.)

(m) Tender deposits

Amounts received as tender deposits and retention amounts controlled by Council are recognised as Trust funds until they are returned or forfeited (refer to note 26).

(n) Employee benefits

Wages and salaries

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

Annual leave

Annual leave entitlements are accrued on a pro rata basis in respect of services provided by employees up to balance date.

Annual leave expected to be paid within 12 months is measured at nominal value based on the amount, including appropriate oncosts, expected to be paid when settled.

Annual leave expected to be paid later than one year has been measured at the present value of the estimated future cash outflows to be made for these accrued entitlements. Commonwealth bond rates are used for discounting future cash flows.

Long service leave

Long service leave entitlements payable are assessed at balance date having regard to expected employee remuneration rates on settlement, employment related oncosts and other factors including accumulated years of employment, on settlement, and experience of employee departure per year of service.

Long service leave expected to be paid within 12 months is measured at nominal value based on the amount expected to be paid when settled.

Long service leave expected to be paid later than one year has been measured at the present value of the estimated future cash outflows to be made for these accrued entitlements. Commonwealth bond rates are used for discounting future cash flows.

Classification of employee benefits

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

Superannuation

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

The superannuation expense for the reporting year is the amount of the statutory contribution the Council makes to the superannuation plan which provides benefits to its employees together with any movements (favourable/unfavourable) in the position of any defined benefits schemes. Details of these arrangements are recorded in note 30.

Retirement gratuities

There are no retirement gratuity benefits payable to employees.

For the Year Ended 30 June 2011

Note 1 Significant accounting policies (cont.)

(o) Leases

Finance leases

Leases of assets where substantially all the risks and rewards incidental to ownership of the asset are transferred to the Council are classified as finance leases. Finance leases are capitalised, recording an asset and a liability at the lower of the fair value of the asset and the present value of the minimum lease payments, including any guaranteed residual value. Lease payments are allocated between the reduction of the lease liability and the interest expense. Leased assets are depreciated on a straight line basis over their estimated useful lives to the Council where it is likely that the Council will obtain ownership of the asset or over the term of the lease, whichever is the shorter. Leased assets are currently being amortised over a 5 year period.

Operating leases

Lease payments for operating leases are required by the accounting standard to be recognised on a straight line basis, rather than expensed in the years in which they are incurred.

Leasehold improvements

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

(p) Allocation between current and non-current

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

(q) Agreements equally proportionately unperformed

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

(r) Website costs

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

(s) Goods and Services Tax (GST)

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

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

(t) Impairment of assets

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

(u) Rounding

Unless otherwise stated, amounts in the financial report have been rounded to the nearest thousand dollars. Figures in the financial statement may not equate due to rounding.

(v) Financial guarantees

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

NOTES TO THE FINANCIAL REPORT CONTINUED

For the Year Ended 30 June 2011

Note 1 Significant accounting policies (cont.)

(w) Pending Accounting Standards

The following Australian Accounting Standards have been issued or amended and are applicable to the Council but are not yet effective. They have not been adopted in preparation of the financial statements at reporting date.

<i>Standard / Interpretation</i>	<i>Summary</i>	<i>Applicable for annual reporting periods beginning or ending on</i>	<i>Impact on Local Government financial statements</i>
AASB 9: Financial Instruments and AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]	<p>These standards are applicable retrospectively and amend the classification and measurement of financial assets. Council has not yet determined the potential impact on the financial statements. Specific changes include:</p> <ul style="list-style-type: none"> * simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value; * removing the tainting rules associated with held-to-maturity assets; * simplifying the requirements for embedded derivatives; * removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost; * allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and * reclassifying financial assets where there is a change in an entity's business model as they are initially classified based on: <ol style="list-style-type: none"> a. the objective of the entity's business model for managing the financial assets; and b. the characteristics of the contractual cash flows. 	Applicable for annual reporting periods commencing on or after 1 January 2013.	These changes are expected to provide some simplification in the accounting for and disclosure of financial instruments.
AASB 124: Related Party Disclosures	This standard removes the requirement for government related entities to disclose details of all transactions with the government and other government related entities and clarifies the definition of a related party to remove inconsistencies and simplify the structure of the standard.	Applicable for annual reporting periods commencing on or after 1 January 2011.	Although this standard does not strictly apply to Local Government it is often used as guidance, as such there will be greater clarity on the disclosure of inter government transactions.
AASB 2010-4: Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16] and AASB 2009-5: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139]	These standards detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project.	Applicable for annual reporting periods commencing from 1 January 2011.	These amendments are not expected to impact Council.
AASB 2010-8: Amendments to Australian Accounting Standards — Group Cash-settled Share-based Payment Transactions [AASB 2]	These amendments clarify the accounting for group cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services when the entity has no obligation to settle the share-based payment transaction. The amendments incorporate the requirements previously included in Interpretation 8 and Interpretation 11 and as a consequence, these two Interpretations are superseded by the amendments.	Applicable for annual reporting periods commencing on or after 1 January 2011.	These amendments are not expected to impact Council.

NOTES TO THE FINANCIAL REPORT CONTINUED

For the Year Ended 30 June 2011

Note 1 Significant accounting policies (cont.)

(w) Pending Accounting Standards (Continued)

<i>Standard / Interpretation</i>	<i>Summary</i>	<i>Applicable for annual reporting periods beginning or ending on</i>	<i>Impact on Local Government financial statements</i>
AASB 2010-9: Amendments to Australian Accounting Standards — Additional Exemptions for First-time Adopters [AASB 1]	These amendments specify requirements for entities using the full cost method in place of the retrospective application of Australian Accounting Standards for oil and gas assets, and exempt entities with existing leasing contracts from reassessing the classification of those contracts in accordance with Interpretation 4 when the application of their previous accounting policies would have given the same outcome.	Applicable for annual reporting periods commencing on or after 1 January 2011.	These amendments are not expected to impact Council.
AASB 2010-10: Amendments to Australian Accounting Standards — Classification of Rights Issues [AASB 132]	These amendments clarify that rights, options or warrants to acquire a fixed number of an entity's own equity instruments for a fixed amount in any currency are equity instruments if the entity offers the rights, options or warrants pro-rata to all existing owners of the same class of its own non derivative equity instruments.	Applicable for annual reporting periods commencing on or after 1 February 2011.	These amendments are not expected to impact Council.
AASB 2010-12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]	This standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of International Financial Reporting Standards by the IASB. The standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures.	Applicable for annual reporting periods commencing on or after 1 January 2011.	These amendments are not expected to impact Council.
AASB 2010-13: Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1]	This standard makes amendments to AASB 1 arising from the issue of Interpretation 19. The amendments allow a first-time adopter to apply the transitional provisions in Interpretation 19.	Applicable for annual reporting periods commencing on or after 1 July 2011.	These amendments are not expected to impact Council.
AASB 2010-14: Amendments to Australian Interpretation — Prepayments of a Minimum Funding Requirement [AASB Interpretation 14]	This standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan.	Applicable for annual reporting periods commencing on or after 1 January 2011.	These amendments are not expected to impact Council.
AASB Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments	This Interpretation deals with how a debtor would account for the extinguishment of a liability through the issue of equity instruments. The Interpretation states that the issue of equity should be treated as the consideration paid to extinguish the liability, and the equity instruments issued should be recognised at their fair value unless fair value cannot be measured reliably in which case they shall be measured at the fair value of the liability extinguished. The Interpretation deals with situations where either partial or full settlement of the liability has occurred.	Applicable for annual reporting periods commencing on or after 1 July 2011.	This Interpretation is not expected to impact Council.

(x) Contingent assets and contingent liabilities and commitments

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

Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value and inclusive of the GST payable.

NOTES TO THE FINANCIAL REPORT CONTINUED

For the Year Ended 30 June 2011

	2011	2010
	\$ '000	\$ '000
Note 2		
<p>Council uses Capital Improved Value as the basis of valuation of all properties within the municipal district. The Capital Improved Value of a property is its estimated value including improvements at the date of valuation.</p>		
<p>The valuation base used to calculate general rates for 2010/11 was \$1.135 million (2009/10 \$948.45 million). The 2010/11 rate in the CIV dollar was a General Rate of 0.7182 cents (2009/10, 0.7245 cents) and a Farm Rate of 0.6823 cents (2009/10, 0.6956 cents).</p>		
	1,920	1,772
Residential		
Commercial	472	460
Farm/Rural	5,469	5,163
Municipal charge	232	230
Garbage charge	767	762
Total rates and charges	<u>8,860</u>	<u>8,387</u>
<p>The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2010, and the valuation will be first applied in the rating year commencing 1 July 2011.</p>		
<p>The date of the previous general revaluation of land for rating purposes within the municipal district was 1 January 2008 and the valuation first applied to the rating period commencing 1 July 2008.</p>		
Note 3		
Statutory fees and fines		
Infringements and costs	5	13
Election fines	-	1
Subdivision fees	2	1
Planning permits	17	14
Land information certificates	6	6
Total statutory fees and fines	<u>30</u>	<u>35</u>
Note 4		
User fees		
Recreation fees	17	53
Saleyard fees	106	64
Aged services fees	360	345
Registration fees	45	43
Building services fees	29	18
Truck wash fees	6	2
Waste disposal fees	45	54
Other fees and charges	40	48
Total user fees	<u>648</u>	<u>627</u>

NOTES TO THE FINANCIAL REPORT CONTINUED

For the Year Ended 30 June 2011

	2011	2010
	\$ '000	\$ '000
Note 5		
Grants		
Grants were received in respect of the following :		
Summary of grants		
Federally funded grants	6,187	6,093
State funded grants	2,773	2,042
Total	<u>8,960</u>	<u>8,135</u>
<i>Recurrent</i>		
Commonwealth Government - Roads to recovery	1,258	1,204
Victoria Grants Commission - unallocated	2,967	2,682
Victoria Grants Commission - local roads	1,962	1,826
School crossing supervisors	16	4
Youth development	25	29
Maternal and child health	142	132
Family and children	163	158
Food services	22	22
Home help/linkages	408	396
Senior citizen centres	50	47
Assessment/welfare support	211	100
Libraries	93	90
Local government improvement incentives	6	258
Community safety	12	12
Other	836	322
Total recurrent	<u>8,171</u>	<u>7,282</u>
<i>Non-recurrent</i>		
Commonwealth Government - Auslink	-	125
National livestock ID system	-	10
Community drought projects	-	61
RLCIP Project	789	184
Recreation	-	5
Other	-	468
Total non-recurrent	<u>789</u>	<u>853</u>
Conditions on grants		
Grants recognised as revenue during the year that were obtained on condition that they be expended in a specified manner that had not occurred at balance date were:		
Roadworks	1,217	477
Community	-	10
Other	270	111
Total	<u>1,487</u>	<u>598</u>
Grants which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were:		
Roadworks	(273)	(386)
Community	(10)	(34)
Other	(111)	(572)
	<u>(394)</u>	<u>(992)</u>
Net increase (decrease) in restricted assets resulting from grant revenues for the year:	<u>1,093</u>	<u>(394)</u>

NOTES TO THE FINANCIAL REPORT CONTINUED

For the Year Ended 30 June 2011

		2011 \$ '000	2010 \$ '000
Note 6	Contributions		
	Cash		
	Recreational, leisure and community facilities	65	68
	Community contributions	73	45
	Diesel fuel rebate	67	55
	Reimbursements	36	23
	Subsidies	11	-
	Valuation	69	2
	Total Contributions	<u>321</u>	<u>193</u>
Note 7	Net gain/(loss) on disposal of property, infrastructure, plant and equipment		
	Proceeds of sale	55	113
	Written down value of assets disposed	(54)	(274)
	Total	<u>1</u>	<u>(161)</u>
Note 8	Other income		
	Interest	38	45
	Interest on rates	73	61
	Waste sales	45	45
	Rent	20	20
	Works	75	110
	Workcover	-	66
	Insurance	7	45
	Other	94	829
	Total other income	<u>352</u>	<u>1,221</u>
Note 9	Employee benefits		
	Wages and salaries	8,472	8,280
	Annual leave and long service leave	4	801
	Superannuation	716	648
	Superannuation - additional call*	523	-
	Fringe benefits tax and work cover	406	322
	Total employee benefits	<u>10,121</u>	<u>10,051</u>
	* during the period Council was required to make an additional contribution to Vision Super to meet our obligations in relation to members of the defined benefit plan		
Note 10	Materials and services		
	Contract payments	317	251
	Fuel supplies	605	716
	Repairs and maintenance	488	582
	Utilities	372	495
	Information Technology	308	336
	Grants and contributions	604	600
	Consultants	720	911
	Materials	2,016	874
	Insurance	253	230
	Telephone	94	101
	Vehicle registrations	104	89
	Other	438	564
	Total materials and services	<u>6,319</u>	<u>5,749</u>

NOTES TO THE FINANCIAL REPORT CONTINUED

For the Year Ended 30 June 2011

	2011 \$ '000	2010 \$ '000
Note 11		
Bad and doubtful debts		
Rates debtors	-	-
Other debtors	9	7
Total bad and doubtful debts	<u>9</u>	<u>7</u>
Note 12		
Depreciation and amortisation		
<i>Property</i>		
Buildings	809	880
<i>Plant and Equipment</i>		
Plant, machinery and equipment	671	653
Fixtures, fittings and furniture	321	322
<i>Infrastructure</i>		
Roads	3,868	3,597
Bridges	81	77
Footpaths and cycleways	129	204
Drainage	62	84
Kerb and channel	170	249
Landfills	37	86
Other infrastructure	251	188
Total depreciation and amortisation	<u>6,399</u>	<u>6,340</u>
Note 13		
Finance costs		
Bank overdraft charges	108	54
Interest - Borrowings	15	39
Total	<u>123</u>	<u>93</u>
Less capitalised borrowing costs on qualifying assets	-	-
Total finance costs	<u>123</u>	<u>93</u>
Rate used to capitalise finance costs	6.06%	6.06%
Note 14		
Other expenses		
Auditors' remuneration	52	65
Councillors' allowances	141	144
Operating lease rentals	-	146
Business incentives	32	41
Photocopier software licence	90	62
Impairment losses	-	-
Total other expenses	<u>315</u>	<u>458</u>

NOTES TO THE FINANCIAL REPORT CONTINUED

For the Year Ended 30 June 2011

	2011 \$ '000	2010 \$ '000
Note 15		
Investments in associates		
Investments in associates accounted for by the equity method are:		
- Wimmera regional library corporation	212	162
Total	<u>212</u>	<u>162</u>

Wimmera regional library corporation

Background

Buloke Shire Council is one of six participating Councils with equity in the Regional Library Corporation. The Shire currently holds a 7.38% share in the equity of this corporation.

Council's share of accumulated surplus (deficit) at start of year	66	44
Reported surplus(deficit) for year	34	29
Transfers (to) from reserves	9	(5)
Variation - Change in equity	5	(2)
Council's share of accumulated surplus (deficit) at end of year	<u>114</u>	<u>66</u>

Council's share of reserves

Council's share of reserves at start of year	96	96
Transfers (to) from reserves	(9)	5
Variation - Change in Equity	11	(5)
Council's share of reserves at end of year	<u>98</u>	<u>96</u>

Movement in carrying value of specific investment

Carrying value of investment at start of year	162	140
Share of surplus (deficit) for year	34	29
Share of asset revaluation	-	-
Variation - Change in equity	16	(7)
Carrying value of investment at end of year	<u>212</u>	<u>162</u>

NOTES TO THE FINANCIAL REPORT CONTINUED

For the Year Ended 30 June 2011

	2011	2010
	\$ '000	\$ '000
Note 16		
Cash and cash equivalents		
Cash on hand	2	2
Cash at bank - NAB	27	24
Cash at bank - Bendigo	101	-
Term deposits	1,090	709
Total cash and cash equivalents	<u>1,220</u>	<u>735</u>
Councils cash and cash equivalents are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. These include:		
- Long service leave obligations as prescribes by the Local Government Act	1,090	950
- Reserve funds allocated for specific future purposes (Note 29)	1,487	394
- Trust funds and deposits (Note 22)	91	32
Restricted Funds	<u>2,668</u>	<u>1,376</u>
Total unrestricted cash and cash equivalents	<u>(1,448)</u>	<u>(641)</u>
Note 17		
Trade and other receivables		
<i>Current</i>		
Rates debtors	520	491
Other debtors	321	445
Provision for doubtful debts	(20)	(20)
Net GST receivable	145	330
Total trade and other receivables	<u>966</u>	<u>1,246</u>
Note 18		
Inventories		
Inventories held for distribution	142	126
Total inventories	<u>142</u>	<u>126</u>
Note 19		
Other assets		
<i>Current</i>		
Prepayments	336	368
Accrued income	16	-
Total	<u>352</u>	<u>368</u>

NOTES TO THE FINANCIAL REPORT CONTINUED

For the Year Ended 30 June 2011

Note 20	<i>Property, infrastructure, plant and equipment</i>	2011 \$ '000	2010 \$ '000
	<i>Summary</i>		
	at cost	16,228	19,424
	Less accumulated depreciation	7,049	6,126
		9,180	13,298
	at fair value as at 30 June 2008	12,138	206,626
	Less accumulated depreciation	7,019	66,599
		5,119	140,027
	at fair value as at 30 June 2009	-	1,796
	Less accumulated depreciation	-	764
		-	1,032
	at fair value as at 30 June 2010	48,282	48,291
	Less accumulated depreciation	26,825	26,022
		21,457	22,269
	at fair value as at 1 July 2011	191,406	-
	Less accumulated depreciation	123,482	-
		67,924	-
	Total	103,679	176,626
	<i>Property</i>		
	Land		
	at cost	63	-
	at fair value as at 30 June 2010	4,057	4,065
		4,120	4,065
	Land under roads		
	at cost	5	5
		5	5
	Total Land	4,125	4,070
	Buildings		
	at cost	775	-
	Less accumulated depreciation	4	-
		771	-
	at fair value as at 30 June 2010	44,225	44,226
	Less accumulated depreciation	26,825	26,022
		17,400	18,204
	Total Buildings	18,171	18,204
	Total Property	22,296	22,274

Valuation of land (excluding land under roads) and buildings were undertaken by a qualified independent valuer Mr Alan Harvey (Fellow, Australian Institute of Valuers) effective 1 July 2010. The valuation of buildings is at fair value based on current replacement cost less accumulated depreciation at 30 June 2010. The valuation of land is at fair value, being market value based on highest and best use permitted by relevant land planning provisions.

Land under roads is valued at deemed cost. Deemed cost is based on Council valuations at 30 June 2008 for land under roads in existence at that date and at the date acquired for subsequent acquisitions using site values adjusted for englobo (underdeveloped and/or unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services.

NOTES TO THE FINANCIAL REPORT CONTINUED

For the Year Ended 30 June 2011

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

<i>Plant and Equipment</i>	2011 \$ '000	2010 \$ '000
Plant, machinery and equipment		
at cost	8,992	8,515
Less accumulated depreciation	4,792	4,142
	<u>4,201</u>	<u>4,373</u>
Fixtures, fittings and furniture		
at cost	2,242	2,125
Less accumulated depreciation	1,632	1,311
	<u>610</u>	<u>814</u>
<i>Total Plant and Equipment</i>	<u>4,811</u>	<u>5,187</u>
<i>Infrastructure</i>		
Roads		
Roads formation		
at fair value as at 30 June 2008	-	39,669
Less accumulated depreciation	-	9,821
	<u>-</u>	<u>29,848</u>
at fair value as at 1 July 2010	15,415	-
Less accumulated depreciation	100	-
	<u>15,315</u>	<u>-</u>
Roads pavement		
at cost	1,069	5,042
Less accumulated depreciation	-	34
	<u>1,069</u>	<u>5,008</u>
at fair value as at 30 June 2008	-	106,692
Less accumulated depreciation	-	28,026
	<u>-</u>	<u>78,666</u>
at fair value as at 1 July 2010	144,761	-
Less accumulated depreciation	101,283	-
	<u>43,478</u>	<u>-</u>
Roads seal		
at cost	641	1,332
Less accumulated depreciation	-	38
	<u>641</u>	<u>1,294</u>
at fair value as at 30 June 2008	-	28,238
Less accumulated depreciation	-	12,705
	<u>-</u>	<u>15,533</u>
at fair value as at 1 July 2010	14,406	-
Less accumulated depreciation	12,891	-
	<u>1,515</u>	<u>-</u>

NOTES TO THE FINANCIAL REPORT CONTINUED

For the Year Ended 30 June 2011

Note 20	<i>Property, infrastructure, plant and equipment (cont.)</i>	2011 \$'000	2010 \$'000
	Bridges		
	at cost	152	152
	Less accumulated depreciation	5	4
		<u>147</u>	<u>148</u>
	at fair value as at 30 June 2008	3,927	3,927
	Less accumulated depreciation	2,495	2,415
		<u>1,432</u>	<u>1,512</u>
	Footpaths and cycleways		
	at cost	-	120
	Less accumulated depreciation	-	3
		<u>-</u>	<u>117</u>
	at fair value as at 30 June 2008	-	7,831
	Less accumulated depreciation	-	4,032
		<u>-</u>	<u>3,799</u>
	at fair value as at 1 July 2010	6,032	-
	Less accumulated depreciation	2,885	-
		<u>3,147</u>	<u>-</u>
	Kerb and channel		
	at cost	-	142
	Less accumulated depreciation	-	3
		<u>-</u>	<u>139</u>
	at fair value as at 30 June 2008	-	12,057
	Less accumulated depreciation	-	5,138
		<u>-</u>	<u>6,919</u>
	at fair value as at 1 July 2010	8,514	-
	Less accumulated depreciation	5,284	-
		<u>3,230</u>	<u>-</u>
	Drainage		
	at cost	36	36
	Less accumulated depreciation	1	1
		<u>35</u>	<u>35</u>
	at fair value as at 30 June 2008	8,211	8,212
	Less accumulated depreciation	4,524	4,462
		<u>3,687</u>	<u>3,750</u>
	Landfill		
	at cost	1,035	1,009
	Less accumulated depreciation	615	578
		<u>420</u>	<u>431</u>
	Other		
	at cost	-	424
	Less accumulated depreciation	-	12
		<u>-</u>	<u>412</u>
	at fair value as at 30 June 2009	-	1,796
	Less accumulated depreciation	-	764
		<u>-</u>	<u>1,032</u>
	at fair value as at 30 June 2011	2,277	-
	Less accumulated depreciation	1,039	-
		<u>1,238</u>	<u>-</u>
	<i>Total Infrastructure</i>	<u>75,354</u>	<u>148,643</u>
	Valuation of infrastructure assets has been determined in accordance with an independent valuation undertaken by Peter Moloney, Dip Civil Engineering (FIT), Member Institute of Engineers (Aust) MIE, as at July 1 2010.		
	The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.		
	<i>Works in progress</i>		
	Works in progress at cost	1,218	522
	<i>Total Works in progress</i>	<u>1,218</u>	<u>522</u>
	<i>Total property, infrastructure, plant and equipment</i>	<u>103,679</u>	<u>176,626</u>

NOTES TO THE FINANCIAL REPORT CONTINUED

For the Year Ended 30 June 2011

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

2011	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 25)	Depreciation and amortisation (note 12)	Written down value of disposals	Impairment losses recognised in profit or loss (a)	Transfers	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Property</i>								
land	4,065	63	-	-	8	-	-	4,120
land under roads	5	-	-	-	-	-	-	5
Total land	4,070	63	-	-	8	-	-	4,125
buildings	18,204	775	-	809	-	-	-	18,171
Total buildings	18,204	775	-	809	-	-	-	18,171
Total property	22,274	838	-	809	8	-	-	22,296
<i>Plant and Equipment</i>								
plant, machinery and equipment	4,373	545	-	671	46	-	-	4,201
fixtures, fittings and furniture	814	117	-	321	-	-	-	610
Total plant and equipment	5,187	662	-	992	46	-	-	4,811
<i>Infrastructure</i>								
roads	130,349	1,710	(66,173)	3,868	-	-	-	62,018
bridges	1,660	-	-	81	-	-	-	1,579
footpaths and cycleways	3,916	-	(641)	129	-	-	-	3,147
kerb and channel	7,058	-	(3,658)	170	-	-	-	3,230
drainage	3,785	-	-	62	-	-	-	3,722
landfill	431	26	-	37	-	-	-	420
other infrastructure	1,444	59	(13)	251	-	-	-	1,238
Total infrastructure	148,643	1,795	(70,485)	4,598	-	-	-	75,354
<i>Works in progress</i>								
works in progress at cost	522	696	-	-	-	-	-	1,218
Total works in progress	522	696	-	-	-	-	-	1,218
Total property, plant and equipment, infrastructure	176,626	3,991	(70,485)	6,399	54	-	-	103,679

(a) Impairment losses

Impairment losses are recognised in the comprehensive income statement under other expenses.

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

NOTES TO THE FINANCIAL REPORT CONTINUED

For the Year Ended 30 June 2011

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

2010	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 25)	Depreciation and amortisation (note 12)	Written down value of disposals	Impairment losses recognised in profit or loss	Transfers	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Property</i>								
land	3,218	8	839	-	-	-	-	4,065
land under roads	5	-	-	-	-	-	-	5
Total land	3,223	8	839	-	-	-	-	4,070
buildings	17,649	1,272	279	880	116	-	-	18,204
Total buildings	17,649	1,272	279	880	116	-	-	18,204
Total property	20,872	1,280	1,118	880	116	-	-	22,274
<i>Plant and Equipment</i>								
plant, machinery and equipment	4,044	1,124	-	653	142	-	-	4,373
fixtures, fittings and furniture	933	219	-	322	16	-	-	814
Total plant and equipment	4,977	1,343	-	975	158	-	-	5,187
<i>Infrastructure</i>								
roads	130,849	3,097	-	3,597	-	-	-	130,349
bridges	1,737	-	-	77	-	-	-	1,660
footpaths and cycleways	4,079	41	-	204	-	-	-	3,916
kerb and channel	7,307	-	-	249	-	-	-	7,058
drainage	3,869	-	-	84	-	-	-	3,785
landfills	502	15	-	86	-	-	-	431
other infrastructure	1,208	424	-	188	-	-	-	1,444
Total infrastructure	149,551	3,577	-	4,485	-	-	-	148,643
<i>Works in progress</i>								
works in progress at cost	72	444	-	-	-	-	6	522
other	6	-	-	-	-	-	(6)	-
Total works in progress	78	444	-	-	-	-	-	522
Total property, infrastructure, plant and equipment.	175,478	6,644	1,118	6,340	274	-	-	176,626

(a) Impairment losses

Impairment losses are recognised in the comprehensive income statement under other expenses.

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

NOTES TO THE FINANCIAL REPORT CONTINUED

For the Year Ended 30 June 2011

	2011	2010
	\$ '000	\$ '000
Note 21		
Trade and other payables		
Trade payables	1,149	1,693
Net GST payable	67	54
Accrued expenses	60	177
PAYG / Fringe benefits	-	1
Total trade and other payables	<u>1,276</u>	<u>1,925</u>
Note 22		
Trust funds and deposits		
Grant funds held on behalf of community groups	40	2
Other funds held on behalf of third parties	15	14
Other refundable deposits	36	16
Total trust funds and deposits	<u>91</u>	<u>32</u>

NOTES TO THE FINANCIAL REPORT CONTINUED

For the Year Ended 30 June 2011

Note 23	Provisions	Annual leave	Long service leave	Accrued employee expenses	Landfill restoration	Pit restoration	Total
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
	2011						
	Balance at beginning of the financial year	760	1,198	313	709	155	3,135
	Additional provisions	-	60	10	-	-	70
	Amounts used	(51)	-	-	(17)	(7)	(75)
	Increase 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	709	1,258	323	692	148	3,130
	2010						
	Balance at beginning of the financial year	679	998	443	689	155	2,964
	Additional provisions	81	200	-	20	-	301
	Amounts used	-	-	(130)	-	-	(130)
	Increase 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	760	1,198	313	709	155	3,135
						2011	2010
	(a) Employee benefits					\$'000	\$'000
	Current (i)						
	Annual leave					422	422
	Long service leave					903	863
	Accrued employee expenses					323	313
						<u>1,648</u>	<u>1,598</u>
	Non-current (ii)						
	Annual leave					287	335
	Long service leave					355	338
						<u>642</u>	<u>673</u>
	Aggregate carrying amount of employee benefits:						
	Current					1,648	1,598
	Non-current					642	673
						<u>2,290</u>	<u>2,271</u>
	The following assumptions were adopted in measuring the present value of employee benefits:						
	Weighted average increase in employee costs					4.60%	4.50%
	Weighted average discount rates					4.70%	5.23%
	Weighted average settlement period					12	12
	(i) Current						
	All annual leave and the long service leave entitlements representing 10 or more years of continuous service						
	- Short-term employee benefits, that fall due within 12 months after the end of the period measured at nominal value					993	539
	- Other long-term employee benefits that do not fall due within 12 months after the end of the period measured at present value.					655	1,059
						<u>1,648</u>	<u>1,598</u>
	(ii) Non-current						
	Long service leave representing less than 10 years of continuous service measured at present value					642	673
						<u>642</u>	<u>673</u>
	(b) Other provisions						
	(i) Current						
	Pit restorations measured at present value					148	155
						<u>148</u>	<u>155</u>
	Under provisions of the <i>Amalgamated Extractive Industries Development Act</i> (1995) in the <i>Mineral Resources (Sustainable Development) Act</i> (1990), Council is obliged to restore gravel pits currently operated under Work Authority Permits. The forecast life of gravel pits (currently under review) 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						
	(ii) Non-current						
	Landfill restorations measured at present value					692	709
						<u>692</u>	<u>709</u>

Council is obligated to restore landfill sites to a particular standard. Current engineering projections indicate that the landfill sites will cease operation on a staged basis as sites reach capacity. This time period will vary according to the size and actual usage of the sites. Restoration work is expected to commence shortly after the applicable site is closed. The forecast life of the landfill sites are based on current estimates of remaining capacity and the forecast rate of infill. The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the sites to a suitable standard and budgeted costs for that work. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

NOTES TO THE FINANCIAL REPORT CONTINUED

For the Year Ended 30 June 2011

	2011	2010
	\$'000	\$'000
Note 24		
Interest-bearing loans and borrowings		
<i>Current</i>		
Bank Overdraft	2,917	959
Superannuation loan liability	49	-
	<u>2,966</u>	<u>959</u>
<i>Non-current</i>		
Superannuation loan liability	445	-
	<u>445</u>	<u>-</u>
Total	<u>3,411</u>	<u>959</u>
The maturity profile for Council's borrowings is:		
Not later than one year	-	959
Later than one year and not later than five years	-	-
Later than five years	-	-
Total	<u>-</u>	<u>959</u>
Aggregate carrying amount of interest-bearing loans and borrowings:		
Current	2,966	959
Non-current	445	-
Total interest-bearing loans and borrowings	<u>3,411</u>	<u>959</u>

NOTES TO THE FINANCIAL REPORT CONTINUED

For the Year Ended 30 June 2011

Note 25 Reserves

	Balance at beginning of reporting period	Increment (decrement)	Transfer to accumulated surplus	Balance at end of reporting period
	\$'000	\$'000	\$'000	\$'000
(a) Asset revaluation reserve				
2011				
Property				
Land	1,746	-		1,746
Buildings	6,286	-		6,286
	<u>8,032</u>	<u>-</u>		<u>8,032</u>
Infrastructure				
Roads	107,814	(66,173)		41,641
Bridges	32	-		32
Footpaths and cycleways	3,315	(641)		2,674
Kerb and channel	5,168	(3,658)		1,510
Drainage	1,919	-		1,919
Other infrastructure	376	(13)		363
	<u>118,624</u>	<u>(70,485)</u>		<u>48,139</u>
Total asset revaluation reserve	<u>126,656</u>	<u>(70,485)</u>		<u>56,171</u>
2010				
Property				
Land	907	839	-	1,746
Buildings	6,007	279	-	6,286
	<u>6,914</u>	<u>1,118</u>	<u>-</u>	<u>8,032</u>
Infrastructure				
Roads	107,814	-	-	107,814
Bridges	32	-	-	32
Footpaths and cycleways	3,315	-	-	3,315
Kerb and channel	5,168	-	-	5,168
Drainage	1,919	-	-	1,919
Other infrastructure	376	-	-	376
	<u>118,624</u>	<u>-</u>	<u>-</u>	<u>118,624</u>
Total asset revaluation reserve	<u>125,538</u>	<u>1,118</u>	<u>-</u>	<u>126,656</u>
	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
	\$'000	\$'000	\$'000	\$'000
(b) Other reserves				
2011				
General Reserve	5	-	-	5
Plant replacement reserve	492	-	(492)	-
Total Other reserves	<u>497</u>	<u>-</u>	<u>(492)</u>	<u>5</u>
2010				
General Reserve	5	-	-	5
Plant replacement reserve	1,088	-	(596)	492
Total Other reserves	<u>1,093</u>	<u>-</u>	<u>(596)</u>	<u>497</u>

NOTES TO THE FINANCIAL REPORT CONTINUED

For the Year Ended 30 June 2011

	2011	2010
	\$'000	\$'000
Note 26	Reconciliation of cash flows from operating activities to surplus (deficit)	
	(4,064)	(4,239)
	Deficit	
	6,399	6,340
	Depreciation/amortisation	
	(1)	161
	Net gain/(loss) on disposal of property, infrastructure, plant and equipment	
	(50)	(22)
	Movement in carrying value of associated entities	
	<i>Change in assets and liabilities:</i>	
	280	(284)
	(Increase)/Decrease in trade and other receivables	
	32	57
	(Increase)/Decrease in prepayments	
	(16)	304
	(Increase)/Decrease in accrued income	
	(652)	333
	Increase/(Decrease) in trade and other payables	
	449	-
	Increase/(Decrease) in other liabilities	
	59	-
	Increase/(Decrease) in trust funds and deposits	
	(16)	39
	(Increase)/Decrease in inventories	
	(19)	20
	Increase/(Decrease) in provisions	
	9	151
	Increase/(Decrease) in employee benefits	
	<u>2,410</u>	<u>2,860</u>
	Net cash provided by/(used in) operating activities	
Note 27	Reconciliation of cash and cash equivalents	
	1,220	735
	Cash and cash equivalents (see note 16)	
	2,917	959
	Less bank overdraft	
	<u>(1,697)</u>	<u>(224)</u>
	Total reconciliation of cash and cash equivalents	
Note 28	Financing arrangements	
	5,000	1,400
	Bank overdraft	
	2,917	959
	Used facilities	
	<u>2,083</u>	<u>441</u>
	Unused facilities	
Note 29	Restricted assets	
	Council has cash and cash equivalents (note 16) that are subject to restrictions. As at the reporting date, Council had legislative restrictions in relation to employee entitlements (Long Service Leave) and reserve funds (Recreational Lands Reserves).	
	91	32
	Trust funds and deposits (note 22)	
	1,104	950
	Long service leave (note 23)	
	1,487	394
	Unexpended grants	
	<u>2,682</u>	<u>1,376</u>
	Total restricted assets	
	Restricted asset for long service leave is based on the Local Government (Long Service Leave) Regulations 2002 and does not necessarily equate to the long service leave liability disclosed in note 23 due to a different basis of calculation prescribed by the regulation.	

For the Year Ended 30 June 2011

Note 30 - Superannuation

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

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

Defined Benefit Plan

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

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

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

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

Accounting Standard Disclosure

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

	31-Dec-08
	\$'000
Net Market Value of Assets	3,630,432
Accrued Benefits (per accounting standards)	3,616,422
Difference between Assets and Accrued Benefits	14,010
Vested Benefits	3,651,588

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

Net Investment Return	8.50% p.a.
Salary Inflation	4.25% p.a.
Price Inflation	2.75% p.a.

	2011	2010
	\$'000	\$'000
Fund		
Defined benefits fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	125	126
	125	126
Employer contributions payable to Local Authorities Superannuation Fund (Vision Super) at reporting date	-	-
	-	-

NOTES TO THE FINANCIAL REPORT CONTINUED

For the Year Ended 30 June 2011

Note 30 - Superannuation

	2011	2010
	\$'000	\$'000
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	420	384
Employer contributions to AMP Custom Super		5
Employer contributions to AMP Flexible Lifetime Super	6	9
Employer contributions to ANZ ACF Synergy Super	1	-
Employer contributions to Australian Super	21	20
Employer contributions to BT Personal Lifetime Super	3	1
Employer contributions to BT Super for Life	-	2
Employer contributions to Care Super	-	-
Employer contributions to Chronos Pty Ltd	6	-
Employer contributions to Colonial Select Personal	1	-
Employer contributions to Commonwealth Super Select	2	2
Employer contributions to Danjopa Super Fund	1	-
Employer contributions to ESS Super	4	-
Employer contributions to Health Super P/L Super Fund	8	2
Employer contributions to HESTA Super Fund	11	10
Employer contributions to Hostplus Super Fund	18	11
Employer contributions to ING Master Fund	2	2
Employer contributions to Lifetrack Super Fund	6	6
Employer contributions to LUCRF Super Fund	5	13
Employer contributions to Master Super	8	8
Employer contributions to MLC Master Key Super Fund	5	1
Employer contributions to MTAA Super Fund	6	-
Employer contributions to Oasis Superannuation	1	-
Employer contributions to Plum Super	5	1
Employer contributions to Portfolio Care Super	-	3
Employer contributions to Prime Super Fund	1	2
Employer contributions to R.E.I Super	4	1
Employer contributions to Recruitment Super	5	4
Employer contributions to REST Master Super Fund	13	9
Employer contributions to Spectrum super	5	5
Employer contributions to Summit Personal Super	3	-
Employer contributions to TADA Holdings Pty Ltd	1	-
Employer contributions to TOI Superannuation Fund	2	-
Employer contributions to Tower Super Fund	4	4
Employer contributions to TWU Super Fund	5	4
Employer contributions to Unisuper	2	2
Employer contributions to Vic Super	6	2
Employer contributions to Wrattontully Reds Super Fund	-	9
	591	522

NOTES TO THE FINANCIAL REPORT CONTINUED

For the Year Ended 30 June 2011

Note 31 Commitments

The Council has entered into the following commitments

2011	Not later than 1 year \$'000	Later than 1	Later than 2	Later than 5 years \$'000	Total \$'000
		year and not later than 2 years \$'000	years and not later than 5 years \$'000		
<i>Operating</i>					
Recycling	199	205	653	-	1,057
Garbage collection	190	196	624	-	1,010
Defined benefits super liability	49	49	147	249	494
Information systems and technology	109	-	-	-	109
Photocopier management agreement	82	84	258	-	424
Insurances	625	-	-	-	625
Electricity	179	184	570	-	933
Valuation Services	114	103	-	-	217
Total	1,547	821	2,252	249	4,869
<i>Capital</i>					
Roads	-	-	-	-	-
Total	-	-	-	-	-

2010	Not later than 1 year \$'000	Later than 1	Later than 2	Later than 5 years \$'000	Total \$'000
		year and not later than 2 years \$'000	years and not later than 5 years \$'000		
<i>Operating</i>					
Recycling	190	194	-	-	384
Garbage collection	174	178	-	-	352
Information systems and technology	66	-	-	-	66
Photocopier management agreement	22	65	195	-	282
Insurances	580	-	-	-	580
Electricity	93	95	300	-	488
Valuation Services	37	77	-	-	114
Total	1,162	609	495	-	2,266
<i>Capital</i>					
Roads	600	-	-	-	600
Total	600	-	-	-	600

NOTES TO THE FINANCIAL REPORT CONTINUED

For the Year Ended 30 June 2011

	2011 \$'000	2010 \$'000
Note 32 Operating leases		
Operating lease commitments		
At the reporting date, the Council had the following obligations under non-cancellable operating leases for the lease of equipment and land and buildings for use within Council's activities (these obligations are not recognised as liabilities):		
Not later than one year	-	62
	<u>-</u>	<u>62</u>

Note 33 Contingent liabilities and contingent assets

Contingent liabilities

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme to ensure that the liabilities of the fund are covered by the assets of the fund. As a result of the increased volatility in financial markets the likelihood of making such contributions in future periods has increased. At this point in time it is not known if additional contributions will be required, their timing or potential amount.

As these matters are yet to be finalised, and the financial outcomes are unable to be reliably estimated, no allowance for these contingencies has been made in the financial report.

Contingent Assets

Nil

NOTES TO THE FINANCIAL REPORT CONTINUED

For the Year Ended 30 June 2011

Note 34 Financial Instruments
(a) Accounting Policy, terms and conditions

Recognised financial instruments	Note	Accounting Policy	Terms and Conditions
Financial assets			
Cash and cash equivalents	16	Cash on hand and at bank and money market call account are valued at face value. Interest is recognised as it accrues. Investments and bills are valued at cost. Investments are held to maximise interest returns of surplus cash. Interest revenues are recognised as they accrue. Managed funds are measured at market value.	Cash on hand is not interest bearing. Cash at bank returning a floating interest rate of 5.96% (1.75% in 2009/2010). The interest rate at balance date was 5.92% (6.69% in 2009/2010). Interest rate at balance date for term deposits ranged from 5.65% to 6.15% (4.0% to 6.15% in 2009/2010).
Trade and other receivables			
Other debtors	17	Receivables are carried at amortised cost using the effective interest method. A provision for doubtful debts is recognised when there is objective evidence that an impairment loss has occurred. Collectability of overdue accounts is assessed on an ongoing basis.	General debtors are unsecured and no interest is charged. Credit terms are based on 30 days.
Financial Liabilities			
Trade and other payables	21	Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date whether or not invoices have been received.	General Creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.
Interest-bearing loans and borrowings	28	Loans are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and recognised as part of payables. Finance leases are accounted for at their principal amount with the lease payments discounted to present value using the interest rates implicit in the leases.	Borrowings are secured by way of mortgages over the general rates of the Council. The weighted average interest rate on borrowings is 8.0% (6.055% in 2009/2010). As at balance date, the Council had no finance leases.
Bank overdraft	28	Overdrafts are recognised at the principal amount. Interest is charged as an expense as it accrues.	The overdraft is subject to annual review. It is secured by a mortgage over the Council's general rates and is repayable on demand. Interest rates on utilised overdraft were 9.74% (10.54% in 2009/2010). The interest rate as at balance date was 9.74% (10.54% in 2009/2010).

NOTES TO THE FINANCIAL REPORT CONTINUED

For the Year Ended 30 June 2011

Note 34 Financial instruments (cont.)

(b) Interest Rate Risk

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

2011

	Fixed interest maturing in:					Total \$'000
	Floating interest rate \$'000	1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000	Non-interest bearing \$'000	
<i>Financial assets</i>						
Cash and cash equivalents	1,218	-	-	-	2	1,220
Other financial assets	-	-	-	-	-	-
Trade and other receivables	-	-	-	-	966	966
Other assets	-	-	-	-	-	-
Total financial assets	1,218	-	-	-	968	2,186
Weighted average interest rate	6.69%	5.65%				
<i>Financial liabilities</i>						
Trade and other payables	-	-	-	-	1,276	1,276
Trust funds and deposits	-	-	-	-	91	91
Interest-bearing loans and borrowings	-	2,966	196	249	-	3,411
Total financial liabilities	-	2,966	196	249	1,367	4,778
Weighted average interest rate		6.41%	6.20%	6.42%		
Net financial assets (liabilities)	1,218	(2,966)	(196)	(249)	(399)	(2,592)

2010

	Fixed interest maturing in:					Total \$'000
	Floating Interest rate \$'000	1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000	Non-interest bearing \$'000	
<i>Financial assets</i>						
Cash and cash equivalents	733	733	-	-	2	735
Trade and other receivables	-	-	-	-	755	755
Total financial assets	733	733	-	-	757	1,490
Weighted average interest rate	1.75%	5.80%				
<i>Financial liabilities</i>						
Trade and other payables	-	-	-	-	1,925	1,925
Trust funds and deposits	-	-	-	-	32	32
Interest-bearing loans and borrowings	959	959	-	-	-	959
Total financial liabilities	959	959	-	-	1,957	2,916
Weighted average interest rate		6.06%				
Net financial assets (liabilities)	(226)	(226)	-	-	(1,200)	(1,426)

NOTES TO THE FINANCIAL REPORT CONTINUED

For the Year Ended 30 June 2011

Note 34 Financial Instruments (cont.)

(c) Net Fair Values

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

Financial Instruments	Total carrying amount as per Balance Sheet		Aggregate net fair value	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<i>Financial assets</i>				
Cash and cash equivalents	1,220	735	1,220	735
Trade and other receivables	446	755	446	755
Other assets	-	-	-	-
Total financial assets	1,666	1,490	1,666	1,490
<i>Financial liabilities</i>				
Trade and other payables	1,149	1,925	1,149	1,925
Trust funds and deposits	91	32	91	32
Interest-bearing loans and borrowings	3,411	959	3,411	959
Total financial liabilities	4,651	2,916	4,651	2,916

(d) Credit Risk

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

(e) Risks and mitigation

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

Market risk

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

For the Year Ended 30 June 2011

Note 34 Financial Instruments (cont.)

Interest rate risk

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

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

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

We manage the interest rate exposure on our debt portfolio by appropriate budgeting strategies and obtaining approval for borrowings from the Department of Planning and Community Development each year.

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

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

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

Credit risk

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

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

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

We may also be subject to credit risk for transactions which are not included in the balance sheet, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in note 33.

NOTES TO THE FINANCIAL REPORT CONTINUED

For the Year Ended 30 June 2011

Note 34 Financial Instruments (cont.)

	2011	2010
	\$'000	\$'000
Movement in Provisions for Doubtful Debts		
Balance at the beginning of the year	20	15
New Provisions recognised during the year	-	5
Amounts already provided for and written off as uncollectible	-	-
Amounts provided for but recovered during the year	-	-
Balance at end of year	<u>20</u>	<u>20</u>

Ageing of Trade and Other Receivables

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

	2011	2010
	\$'000	\$'000
Current (not yet due)	94	202
Past due by up to 30 days	71	83
Past due between 31 and 180 days	2	6
Past due between 181 and 365 days	65	6
Past due by more than 1 year	89	148
Total Trade & Other Receivables	<u>321</u>	<u>445</u>

Ageing of individually impaired Trade and Other Receivables

The ageing of trade and other receivables that have been individually determined as impaired at reporting date were:

	2011	2010
	\$'000	\$'000
Current (not yet due)	-	-
Past due by up to 30 days	-	-
Past due between 31 and 180 days	-	-
Past due between 181 and 365 days	-	-
Past due by more than 1 year	-	41
Total Trade & Other Receivables	<u>-</u>	<u>41</u>

Liquidity risk

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

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

To help reduce these risks we:

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

The Council's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

NOTES TO THE FINANCIAL REPORT CONTINUED

For the Year Ended 30 June 2011

Note 34 Financial Instruments (cont.)

The table below lists the contractual maturities for Financial Liabilities

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

2011	6 months or less	6-12 months	1-2 years	2-5 years	>5 years	Contracted Cash Flow	Carrying Amount
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trade and other payables	1,276	-	-	-	-	1,276	1,276
Trust funds and deposits	-	91	-	-	-	91	91
Interest-bearing loans and borrowings	2,917	49	49	150	246	3,411	3,411
Total financial liabilities	4,193	140	49	150	246	4,778	4,778

2010	6 mths or less	6-12 months	1-2 years	2-5 years	>5 years	Contracted Cash Flow	Carrying Amount
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trade and other payables	1,925	-	-	-	-	1,925	1,925
Trust funds and deposits	-	32	-	-	-	32	32
Interest-bearing loans and borrowings	959	-	-	-	-	959	959
Total financial liabilities	2,884	32	-	-	-	2,916	2,916

NOTES TO THE FINANCIAL REPORT CONTINUED

For the Year Ended 30 June 2011

Note 34 Financial Instruments (cont.)

(f) Sensitivity disclosure analysis

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

- A parallel shift of + 1% and -2% in market interest rates (AUD) from year-end rates of 4.4%.

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

		Interest rate risk			
		-2 %		+1 %	
		-200 basis points		+100 basis points	
		Profit	Equity	Profit	Equity
2011	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets:					
Cash and cash equivalents	1,220	24	24	12	12
Trade and other receivables	966	-	-	-	-
Financial liabilities:					
Interest-bearing loans and borrowings	3,411	-	-	-	-

		Interest rate risk			
		-2 %		+1 %	
		-200 basis points		+100 basis points	
		Profit	Equity	Profit	Equity
2010	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets:					
Cash and cash equivalents	735	15	15	7	7
Trade and other receivables	1,266	-	-	-	-
Financial liabilities:					
Interest-bearing loans and borrowings	959	-	-	-	-

2011
\$'000

2010
\$'000

Note 35 Auditors' remuneration

Audit fee to conduct external audit - Victorian Auditor-General - Current year	20	19
Audit fee to conduct external audit - Victorian Auditor-General - Prior year	30	29
Internal audit fees - Mc Lean Delmo	2	17
	<u>52</u>	<u>65</u>

Note 36 Events occurring after balance date

No matters have occurred after balance date that warrant disclosure in this report.

NOTES TO THE FINANCIAL REPORT CONTINUED

For the Year Ended 30 June 2011

Note 37 Related party transactions

(i) Responsible Persons

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

Councillors	Leo Tellefson (Mayor)
	Harold Flett
	Reid Mather
	Stuart McLean
	David Pollard
	Gail Sharp
	Ellen White

Chief Executive Officer Warwick Heine

(ii) Remuneration of Responsible Persons

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

	2011 No.	2010 No.
\$10,000 - \$19,999	6	6
\$30,000 - \$39,999	-	-
\$50,000 - \$59,999	1	-
\$60,000 - \$69,999	-	1
\$170,000 - \$179,999	1	1
	<u>8</u>	<u>8</u>

	2011 \$'000	2010 \$'000
Total Remuneration for the reporting year for Responsible Persons included above amounted to:	332	343

(iii) No retirement benefits have been made by the Council to a Responsible Person. (2009/10, Nil).

(iv) No loans have been made, guaranteed or secured by the Council to a Responsible Person during the reporting year (2009/10, Nil).

(v) Other Transactions

No transactions other than remuneration payments or the reimbursement of approved expenses were entered into by Council with Responsible Persons, or Related Parties of such Responsible Persons during the reporting year (2009/10, Nil).

(vi) Senior Officers Remuneration

A Senior Officer other than a Responsible Person, is an officer of Council whose total annual remuneration exceeds \$120,000, or if remuneration is less than \$120,000 has management responsibilities and reports directly to the Chief Executive Officer.

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

Income Range:	2011 No.	2010 No.
<\$124,000	6	8
\$124,001 - \$129,999	1	-
\$130,000 - \$139,999	1	-
	<u>8</u>	<u>8</u>

Total Remuneration for the reporting year for Senior Officers included above, amounted to	812	664
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NOTES TO THE FINANCIAL REPORT CONTINUED

For the Year Ended 30 June 2011

Note 38 Income, expenses and assets by function/activities

	Grant Revenue 2011 \$'000	Other Revenue 2011 \$'000	Total 2011 \$'000	Total 2010 \$'000
INCOME				
Rates Revenue		8,093	8,093	7,395
Corporate Services	3,001	333	3,334	3,099
Community Services	1,281	558	1,839	1,584
Economic Services	46	4	50	165
Assets and Infrastructure	1,038	181	1,219	2,091
Works and Construction	588	1,092	1,680	981
Road Works	3,006	-	3,006	3,031
Proceeds from disposal of property, plant and equipment	-	55	55	113
Total Revenue as per Income Statement	<u>8,960</u>	<u>10,316</u>	<u>19,276</u>	<u>18,459</u>
EXPENSES				
Corporate Services			4,981	4,846
Community Services			2,180	2,176
Economic Services			261	390
Assets and Infrastructure			2,340	4,330
Works and Construction			6,801	3,568
Road Works			6,722	7,114
Written down value of assets sold			54	274
Total Expenditure as per Income Statement			<u>23,339</u>	<u>22,698</u>
SURPLUS/(DEFICIT) FOR THE YEAR			<u>(4,064)</u>	<u>(4,239)</u>

Allocation of Assets

Assets have been attributed to the following functions/activities:

	2011 \$'000	2010 \$'000
Economic Development	2,305	2,596
Assets and Infrastructure	55,844	129,599
Community	4,125	3,115
Corporate	6,704	6,910
Recreation & Culture	34,701	34,406
	<u>103,679</u>	<u>176,626</u>

NOTES TO THE FINANCIAL REPORT CONTINUED

For the Year Ended 30 June 2011

Note 39	Financial ratios (Performance indicators)	2011	2011	2010	2010	2009	2009
		\$'000	(%)	\$'000	(%)	\$'000	(%)

- (a) Debt servicing ratio (to identify the capacity of Council to service its outstanding debt)

<u>Debt servicing costs</u>	123	=	0.64%	93	=	0.50%	13	=	0.06%
Total revenue	19,222			18,459			20,345		

Debt servicing costs refer to the payment of interest on loan borrowings, finance lease, and bank overdraft.

The ratio expresses the amount of interest paid as a percentage of Council's total revenue.

- (b) Debt commitment ratio (to identify Council's debt redemption strategy)

<u>Debt servicing & redemption costs</u>	123	=	1.39%	93	=	1.11%	185	=	2.31%
Rate revenue	8,860			8,387			8,013		

The ratio expresses the percentage of rate revenue utilised to pay interest and redeem debt principal.

- (c) Revenue ratio (to identify Council's dependence on non-rate income)

<u>Rate revenue</u>	8,860	=	46.09%	8,387	=	45.44%	8,013	=	39.39%
Total revenue	19,222			18,459			20,345		

The level of Council's reliance on rate revenue is determined by assessing rate revenue as a proportion of the total revenue of Council.

- (d) Debt exposure ratio (to identify Council's exposure to debt)

<u>Total indebtedness</u>	5,226	=	24.38%	4,675	=	16.08%	3,724	=	12.85%
Total realisable assets	21,432			29,082			28,987		

Any liability represented by a restricted asset (note 29) is excluded from total indebtedness.

The following assets are excluded from total assets when calculating Council's realisable assets:

land and buildings on Crown land; restricted assets; heritage assets; total infrastructure assets and Council's investment in associate.

This ratio enables assessment of Council's solvency and exposure to debt. Total indebtedness refers to the total liabilities of Council. Total liabilities are compared to total realisable assets which are all Council assets not subject to any restriction and are able to be realised. The ratio expresses the percentage of total liabilities for each dollar of realisable assets.

NOTES TO THE FINANCIAL REPORT CONTINUED

For the Year Ended 30 June 2011

Note 39	Financial ratios (Performance indicators) (cont.)	2011 \$'000	2011 (%)	2010 \$'000	2010 (%)	2009 \$'000	2009 (%)
	(e) Working capital ratio (to assess Council's ability to meet current commitments)						
	<u>Current assets</u>	2,680		2,475		5,452	
	Current liabilities	6,129	= 43.73%	4,669	= 53.01%	3,035	= 179.64%

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

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

<u>Current assets</u>	2,680		2,475		5,437	
Current liabilities	5,136	= 52.18%	4,130	= 59.93%	4,697	= 115.75%

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

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

	Note	2011 \$'000	2010 \$'000
Note 40	Capital expenditure		
	Capital expenditure areas		
	Roads	1,710	3,120
	Land and buildings	838	1,624
	Plant and equipment	545	1,124
	Furniture and equipment	117	219
	Landfills	26	15
	Other infrastructure	755	542
	Total capital works	<u>3,991</u>	<u>6,644</u>
	Represented by:		
	Asset renewal	(a) 2,372	4,824
	Asset upgrade	(b) 838	1,065
	Asset expansion	(c) 781	755
	Total capital works	<u>3,991</u>	<u>6,644</u>

NOTES TO THE FINANCIAL REPORT CONTINUED

For the Year Ended 30 June 2011

	Note	2011 \$'000	2010 \$'000
Note 40			
Capital expenditure (continued)			
Property, plant and equipment, infrastructure movement			
<p>The movement between the previous year and the current year in property, plant and equipment, infrastructure as shown in the Balance Sheet links to the net of the following items:</p>			
Total capital works		3,991	6,644
Asset revaluation movement	25(a)	(70,485)	1,118
Depreciation/amortisation	12	(6,399)	(6,340)
Written down value of assets sold	20	(54)	(274)
Net movement in property, plant and equipment, infrastructure	20	<u>(72,947)</u>	<u>1,148</u>

(a) Renewal

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

(b) Upgrade

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

(c) Expansion

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

Note 41 Special committees and other activities

The Council's assets that are managed by committees of management are:

- Berrillock Swimming Pool
- Birchip Community Housing Committee
- Birchip Community Leisure Centre Inc.
- Birchip Hall and Aerodrome Paddock
- Birchip Recreation Reserve
- Birchip Swimming Pool
- Charlton Memorial Hall
- Charlton Park
- Charlton Swimming Pool
- Culgoa Hall Committee
- Donald Hall
- Wycheproof Court House

CERTIFICATION OF THE FINANCIAL REPORT

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

William Ryan (Bachelor of Business)

Principal Accounting Officer

Date :

10/10/2011

Donald



In our opinion the accompanying financial statements present fairly the financial transactions of Buloke Shire Council for the year ended 30 June 2011 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 on 10/10/2011 to certify the financial statements in their final form.

Leo Tellefson (Mayor)

Councillor

Date :

10/10/2011

Donald



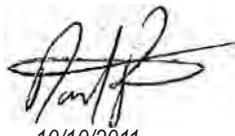
David Pollard (Deputy Mayor)

Councillor

Date :

10/10/2011

Donald



Warwick Heine

Chief Executive Officer

Date :

10/10/2011

Donald



VAGO

Victorian Auditor-General's Office
INDEPENDENT AUDITOR'S REPORT
To the Councillors, Buloke Shire Council

The Financial Report

The accompanying financial report for the year ended 30 June 2011 of the Buloke Shire Council which comprises of comprehensive income statement, balance sheet, statement of changes in equity, cash flow statement, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the certification of the financial report has been audited.

The Councillors' Responsibility for the Financial Report

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

- the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the financial reporting requirements of the *Local Government Act 1989*

This responsibility includes:

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

Auditor's Responsibility

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

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

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

1

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Auditing in the Public Interest

VAGO

Victorian Auditor-General's Office

Independent Auditor's Report (continued)

Independence

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

Basis for Qualified Opinion

Buloke Shire Council has reported a net deficit of \$4.1 million for the year ending 30 June 2011, and a net working capital deficit of \$3.449 million, including a bank overdraft of \$2.917 million, as at 30 June 2011. The Council's 2011-12 budget was adopted by Council on 10 October 2011, however it forecasts a deficit in cash flows from operating activities, and a net decrease in cash held at 30 June 2012, to be financed through the existing overdraft bank facility.

These conditions indicate a material uncertainty that may cast significant doubt on the Council's ability to continue as a going concern and therefore, the Council may be unable to realise its assets and discharge its liabilities in the normal course of business. Contrary to the requirements of Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, the Council has not disclosed this situation in the financial report.

Qualified Opinion

In my opinion, except for the possible effects in the Basis for Qualified Opinion paragraph, the financial report presents fairly, in all material respects, the financial position of the Buloke Shire Council as at 30 June 2011, and its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, including the Australian Accounting Interpretations, and the financial reporting requirements of the *Local Government Act 1989*.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of the Buloke Shire Council for the year ended 30 June 2011 included both in the Buloke Shire Council's annual report and on the website. The Councillors of the Buloke Shire Council are responsible for the integrity of the Buloke Shire Council's website. I have not been engaged to report on the integrity of the Buloke Shire Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this statement. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in the website version of the financial report.

MELBOURNE
21 October 2011



J D R Pearson
Auditor-General

2

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Auditing in the Public Interest

STANDARD STATEMENTS

BULOKE SHIRE COUNCIL STANDARD INCOME STATEMENT For the Year Ended 30 June 2011

	Revised Budget 2011 \$'000	Actual 2011 \$'000	Budget 2011 \$'000	Variances \$'000	%	Ref
REVENUES						
Rates and Charges	8,072	8,093	8,072	21	0.26	
Statutory fees and fines	100	30	98	(68)	(69.39)	1
User fees	1,320	1,415	1,384	31	2.24	
Internal plant hire	-	-	3,660	(3,660)	(100.00)	2
Grants - Operating	4,284	4,952	3,135	1,817	57.96	3
Grants - Capital	4,133	4,008	4,343	(335)	(7.71)	4
Interest	97	111	92	19	20.65	5
Other	2,071	612	1,407	(795)	(56.50)	6
Revenues from ordinary activities	20,077	19,221	22,191	(2,970)	(13.38)	
EXPENSES						
Employee Costs	10,217	10,121	8,065	2,056	25.49	7
Materials and Consumables	5,880	6,319	5,296	1,023	19.32	8
Bad and Doubtful Debts	37	9	37	(28)	(75.68)	9
Depreciation	6,412	6,399	6,593	(194)	(2.94)	10
Internal plant hire	-	-	1,776	(1,776)	(100.00)	11
Finance costs	102	123	335	(212)	(63.28)	12
Other expenses	1,058	315	980	(665)	(67.86)	13
Expenses from ordinary activities	23,706	23,286	23,082	204	0.88	
Net Surplus (Deficit) from Operations	(3,629)	(4,065)	(891)	(3,174)	356.23	
Proceeds from Sale of assets	91	55	600	(545)	(90.83)	14
Written Down Value of assets sold	-	54	250	(196)	(78.40)	15
Net gain on disposal of property, plant infrastructure and equipment	91	1	350	(349)	(99.71)	
Surplus/(deficit) for the year	(3,538)	(4,064)	(541)	(3,523)	651.20	

STANDARD INCOME STATEMENT COMPARISON REPORT

YEAR ENDED 30 JUNE 2011

Standard Income Statement Variation Explanation Report

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

Ref	Item	Commentary
Revenues		
1	Statutory fees and fines	Budget figure included several revenue items which are now classified as User Charges.
2	Internal Plant Hire	Change to accounting treatment. Internal plant hire income, offset against internal plant hire expenditure.
3	Grants - Operating	Victorian Grants Commission transferred portion of the 2011/2012 grants allocation to the Shire in June 2011.
4	Grants - Capital	Variance due to a combination of some grant income not yet having been received and grant applications not yet approved.
5	Interest	Rates and Charges interest calculated was greater than was forecast in the budget, due to greater level of later than normal payment by some ratepayers. Council decided to extend payment deadlines to compensate ratepayers who were severely impacted by the flood events
6	Other	Changed accounting treatment for Labour oncost, with on costs being charged against employee costs and not classified as revenue item.
Expenses		
7	Employee Costs	Shire has employed a number of additional staff during 2010/2011, to enable flood recovery works to be carried out and also to fill positions where contact personnel were carrying out duties. Capital works projects were well below budget targets due to floods and a substantial amount of labour costs that would normally costed to capital jobs did not get completed. This resulted in a substantial increase in labour costs caused by reduced access to road work sites due to flood impacts.
8	Materials and Consumables	Additional expenditure incurred following the January flood event and for spraying of locusts. In addition, additional expense types were transferred from Other Expenditure to better align costs in a more logical manner going forward.
9	Bad and Doubtful Debts	Less than predicted defaults on outstanding debtor accounts. The sale of council properties for unpaid rates realised more funds than anticipated. As a result, properties that were expected to generate a shortfall in reaching the amount owed reached the level required to clear the debt.
10	Depreciation	Landfill depreciation was less than forecast in budget due to closure of filled cells. Footpath depreciation reduced following Maloney revaluation.
11	Internal Plant Hire	Change to accounting treatment. Internal plant hire income, offset against internal plant hire expenditure. Therefore revenue reduced and a corresponding reduction in expenses also occurred.
12	Finance Costs	Budget estimate for overdraft was made on anticipation of longer periods of use of the facility. The reduction in capital works levels meant that less funds were needed to fund these activities with short term funds until grant funds were received.

STANDARD INCOME STATEMENT COMPARISON REPORT

YEAR ENDED 30 JUNE 2011

13	Other expenses	Change to accounting categorisations. Majority of accounts formerly classified as Other expenditure, now classified with Materials and Consumables.
14	Proceeds from sale of assets	Asset sales were substantially less than anticipated due to flood rectification works taking priority.
15	Written down value of assets sold	Asset sales were substantially less than anticipated due to flood rectification works taking priority.

STANDARD STATEMENTS CONTINUED

BULOKE SHIRE COUNCIL

STANDARD BALANCE SHEET AS AT 30 JUNE 2011

	Revised Budget 2011 \$'000	Actual 2011 \$'000	Budget 2011 \$'000	Variances \$'000	%	Ref
CURRENT ASSETS						
Cash assets	(1,400)	1,220	754	466	61.80	16
Receivables	1,719	966	1,940	(974)	(50.21)	17
Other Assets	64	352	755	(403)	(53.38)	18
Inventory	153	142	195	(53)	(27.18)	19
Total current assets	536	2,680	3,644	(964)	(26.45)	
NON CURRENT ASSETS						
Receivables	6	-	6	(6)	(100.00)	20
Investments in associates	162	212	144	68	47.22	21
Property, Infrastructure, Plant and Equipment	100,252	103,679	183,794	(80,115)	(43.59)	22
Total non-current assets	100,420	103,891	183,944	(80,053)	(43.52)	
TOTAL ASSETS	100,956	106,571	187,588	(81,017)	(43.19)	
CURRENT LIABILITIES						
Payables	1,375	1,276	134	1,142	852.24	23
Trust Funds	17	91	73	18	24.66	24
Provisions	1,493	1,796	1,750	46	2.63	
Interest bearing liabilities	-	2,966	5,343	(2,377)	(44.49)	26
Total current liabilities	2,885	6,129	7,300	(1,171)	(16.04)	
NON CURRENT LIABILITIES						
Provisions	-	1,334	207	1,127	544.44	25
Interest bearing liabilities	1,324	445	-	445	-	26
Total non current liabilities	1,324	1,779	207	1,572	759.42	
TOTAL LIABILITIES	4,209	7,908	7,507	401	5.34	
NET ASSETS	96,747	98,663	180,081	(81,418)	(45.21)	
EQUITY						
Accumulated surplus	43,013	42,487	47,349	(4,862)	(10.27)	27
Asset Revaluation Reserves	53,734	56,176	132,732	(76,556)	(57.68)	28
TOTAL EQUITY	96,747	98,663	180,081	(81,418)	(45.21)	

STANDARD STATEMENTS CONTINUED

BULOKE SHIRE COUNCIL STANDARD BALANCE SHEET COMPARISON REPORT YEAR ENDED 30 JUNE 2011

Variation Explanation Report

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

Ref	Item	Commentary
16	Cash Assets	Increase in the Long Service Leave Investment and funds held in trust.
17	Current Receivables	Variance attributed to greater than expected rate of payments by sundry debtors and also GST receivable being less than forecast due to reduced capital works spending.
18	Other Assets	The level of prepayments was less than anticipated as the tight cash situation did not allow for payment of a number of services that are normally paid either annually or quarterly in advance were left unpaid.
19	Inventory	Inventory levels were lower than normal as the level of works major capital works being undertaken was severely reduced. Additionally, improved procurement practices have resulted in inventory levels being reduced.
20	Non Current Receivables	Any remaining non current receivables were finalised during 2010/2011.
21	Investments in Associates	Financial performance of the Wimmera Regional Library Corporation, of which Buloke Shire is a shareholder, exceeded budget expectations.
22	Property, Infrastructure, Plant and Equipment.	The majority of the variance in property plant and equipment relates to the revaluation of road assets to align with the Moloney system. Following the revaluation it was determined that the unit prices for roads were previously overstated and adjustments were made to align the value of the assets with the new unit prices. Additionally, the road assets were written down following a condition review following the flood events. On a smaller scale the failure to complete the desired level of capital works expenditure meant these assets were not included as expected.
23	Payables	Payables were higher than anticipated as the additional funds required for flood works were not reimbursed to any significant level during the financial year. The flood events were unexpected and not included in original budget projections.
24	Trust Funds	The increase in the level of Trust Funds is due to council holding monies on behalf of outside groups that were donated to assist in flood repairs and rectification works .
25	Non Current Provisions	Budget only allowed for annual leave provision. Variance due to landfill and long service leave provisions not being included in budget. Level of actual provision in line with previous year balance.
26	Interest Bearing Liabilities	This is partly a result of the additional call for defined benefits superannuation liabilities. Council has elected to pay the total liability over the next ten years. The level of the overdraft was substantially lower than anticipated at the end of the year as capital works expenses were substantially lower due to the floods impeding progress with the works.
27	Accumulated Surplus	The over budget decrease in accumulated surplus is due to in excess of \$2 million in unbudgeted expenses for flood rectification and Locust control.
28	Asset Revaluation Reserve	The reduction in reserves closely corresponds to the reduction in road assets as a result of the roads revaluation.

STANDARD STATEMENTS CONTINUED

BULOKE SHIRE COUNCIL STANDARD STATEMENT OF CASH FLOWS For the Year Ended 30 June 2011

	Revised Budget 2011 \$'000	Actual 2011 \$'000	Budget 2011 \$'000	Variations \$'000	%	Ref
Receipts						
Rates	8,764	8,064	8,072	(8)	(0.00)	
Operating grants and contributions	4,284	5,273	3,135	2,138	0.68	29
Capital grants and contributions	4,133	4,008	4,343	(335)	(0.08)	30
Interest	97	38	92	(54)	(0.59)	31
User charges & Statutory Fees	1,420	1,569	1,479	90	0.06	
Other revenue	1,470	499	1,355	(856)	(0.63)	32
Total Receipts	20,168	19,451	18,476	975	0.05	
Payments						
Employee costs	(10,919)	(10,121)	(7,721)	(2,400)	0.31	33
Materials and consumables	(4,408)	(4,188)	(4,260)	72	(0.02)	
External contracts	(1,526)	(1,598)	(1,084)	(514)	0.47	34
Utilities	(439)	(466)	(355)	(111)	0.31	35
Other expenses	(1,133)	(668)	(1,557)	889	(0.57)	36
Total Payments	(18,425)	(17,041)	(14,977)	(2,064)	0.14	
Net cash provided by operating activities	1,743	2,410	3,499	(1,089)	(0.31)	
Cash Flows from Investing Activities						
Proceeds from Sale of Property, Plant and Equipment	83	55	600	(545)	(0.91)	37
Repayment of Loans and Advances	-	-	-	-	-	
Payments for Property, Plant and Equipment	(2,900)	(3,874)	(7,215)	3,341	(0.46)	38
Net Cash Provided in Investment Activities	(2,817)	(3,819)	(6,615)	2,796	(0.42)	
Cash Flows from Financing Activities						
Finance Costs	(102)	(123)	(335)	212	(0.63)	39
Trust funds and deposits	-	59	-	59	-	40
Net Cash Inflow (Outflow) from Financing Activities	(102)	(64)	(335)	271	(80.90)	
Net Increase (Decrease) in cash and cash equivalents	(1,176)	(1,473)	(3,451)	1,978	(57.32)	
Cash and cash equivalents at beginning of year	(224)	(224)	(224)	-	-	
Cash and cash equivalents at end of the period	(1,400)	(1,697)	(3,675)	1,978	(53.82)	

**BULOKE SHIRE COUNCIL
STANDARD CASH FLOW STATEMENT
COMPARISON REPORT
YEAR ENDED 30 JUNE 2011**

Variation Explanation Report

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

Ref	Item	Commentary
29	Operating grants and contributions	Advance Grants Commission allocation payment to Shire, of \$752k in June 2011.
30	Capital grants and contributions	Variance reflects uncertainty concerning success in grant funding applications.
31	Interest	Less than expected income due to lower cash reserves for most of the year.
32	Other revenue	
33	Employee costs	
34	External Contracts	Requirement for external plant hire and additional contractor expertise.
35	Utilities	
36	Other Expenses	
37	Proceeds from Sale of Property, Plant and Equipment	Fewer sales of obsolete plant and Shire owned property than anticipated due to flood rectification works taking priority.
38	Payments for Property, Plant and Equipment	Shire was unable to complete the capital works program following the flood events experienced in September 2010 and January 2011.
39	Finance Costs	Finance costs are lower than expected as less monies were expended on capital works than budgeted making resulting in lower interest costs.
40	Trust funds and deposits	Unbudgeted funding held in trust for flood recovery projects and other purposes.

**BULOKE SHIRE COUNCIL
STANDARD STATEMENT OF CAPITAL WORKS
YEAR ENDED 30 JUNE 2011**

	Revised Budget 2011	Actual 2011	Budget 2011	Variances		
CAPITAL WORKS AREA	\$'000	\$'000	\$'000	\$'000	%	Ref.
Roads	1,382	1,710	2,516	806	32.03	1
Plant and equipment	515	545	540	(5)	(0.93)	
Land and buildings	1,297	838	1,943	1,105	56.89	2
IT and communications	216	223	237	14	5.91	
Drainage	-	-	102	102	100.00	3
Other	35	675	175	(500)	(285.89)	4
Total Capital Works	3,445	3,991	5,513	1,522	27.61	
Represented by :						
Renewal	1,765	2,372	3,497	1,125	32.17	
Upgrade	1,142	838	1,313	475	36.20	
New assets	538	781	703	(78)	(11.14)	
Total Capital Works	3,445	3,991	5,513	1,522	27.61	

**Property, Plant and Equipment and
Infrastructure movement Reconciliation**

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

Total capital works	3,445	3,991	5,513	1,522	27.61
Asset revaluation movement	(72,928)	(70,485)	105	70,590	67,228.57
Depreciation	(6,412)	(6,399)	(6,593)	(194)	2.94
Written down value of assets sold	(81)	(54)	250	304	121.60
Movement in present value	-	-	-	-	-
Transfers	-	-	-	-	-
Net movement in property, plant and equipment and infrastructure	(75,976)	(72,947)	(725)	72,222	(9,961.65)

**BULOKE SHIRE COUNCIL
STANDARD STATEMENT OF CAPITAL WORKS
COMPARISON REPORT
YEAR ENDED 30 JUNE 2011**

Variation Explanation Report

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

Ref	Item	Commentary
1	Roads	Reduced works were a direct result of floods preventing road crews to access the work sites.
2	Land and buildings	Reduced works were a direct result of floods as tradesmen were in short supply and council deemed it more important for existing local resources to be used to assist residents with flooded homes.
3	Drainage	Works on drains were put on hold due to other more important flood rectification works.
4	Other	Increased expenditure due to exflood related projects not previously budgeted.

BULOKE SHIRE COUNCIL

Notes to the Financial Report for the year ended 30 June 2011

Notes to the Standard Statements

Basis of preparation of Standard Statements

Council is required to prepare and include audited Standard Statements within its Annual Report. Four Statements are required - Standard Income Statement, Standard Balance Sheet, Standard Cash Flow Statement, and a Standard Capital Works Statement, together with explanatory notes.

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

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

The Standard Statements are not a substitute for the General Purpose Financial Statements. They have not been prepared in accordance with all Australian Accounting Standards or other authoritative Professional Pronouncements.

The Standard Statements compare council's financial plan, expressed through its budget, with actual performance. The Local Government Act 1989 requires explanation of any material variances. The Council has adopted a materiality threshold of ten per cent or positive or negative dollar variance of \$100,000. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures included in the Statements are those adopted by Council on 22nd June 2010. The budget was based on assumptions that were relevant at the time of adoption of the budget. The Council set guidelines and parameters for revenue and expense targets in this budget in order to meet council's business plan and financial performance targets for both the short and long term. The budget did not reflect any changes to equity resulting from assets revaluations, as their impacts were not considered predictable.

Detailed information on the actual financial results are contained in the General Purpose Financial Statements. The detailed budget can be obtained by contacting council. The Standard Statements must be read with reference to these documents.

CERTIFICATION OF THE STANDARD STATEMENTS

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

William Ryan (Bachelor of Business)

Principal Accounting Officer

Date :

10/10/2011

Donald



In our opinion the accompanying financial statements present fairly the financial transactions of Buloke Shire Council for the year ended 30 June 2011 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 on 10/10/2011 to certify the financial statements in their final form.

Leo Tellefson (Mayor)

Councillor

Date :

10/10/2011

Donald



David Pollard (Deputy Mayor)

Councillor

Date :

10/10/2011

Donald



Warwick Heine

Chief Executive Officer

Date :

10/10/2011

Donald



VAGO

Victorian Auditor-General's Office
INDEPENDENT AUDITOR'S REPORT
To the Councillors, Buloke Shire Council

The Standard Statements

The accompanying standard statements for the year ended 30 June 2011 of the Council which comprises of standard income statement, standard balance sheet, standard statement of cash flows, standard statement of capital works, the related notes and the certification of the standard statements have been audited.

The Councillors' Responsibility for the Standard Statements

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

- the standard statements in accordance with the basis of preparation as described in the basis of preparation of standard statements and the requirements of the *Local Government Act 1989*.

This responsibility includes:

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

Auditor's Responsibility

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

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

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

1

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Auditing in the Public Interest

VAGO

Victorian Auditor-General's Office

Independent Auditor's Report (continued)

Independence

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

Auditor's Opinion for Standard Statements

In my opinion:

- (a) the standard statements present fairly, in all material respects, in accordance with the basis of preparation as described in the basis of preparation of standard statements and comply with the requirements of the *Local Government Act 1989*.

Basis of Accounting for Standard Statements

Without modifying my opinion, I draw attention to the basis of preparation of standard statements, which describes the basis of accounting. The standard statements are prepared to meet the requirements of the *Local Government Act 1989*. As a result, the standard statements may not be suitable for another purpose.

Matters Relating to the Electronic Publication of the Audited Standard Statements

This auditor's report relates to the standard statements of the Buloke Shire Council for the year ended 30 June 2011 included both in the Buloke Shire Council's annual report and on the website. The Councillors of the Buloke Shire Council are responsible for the integrity of the Buloke Shire Council's website. I have not been engaged to report on the integrity of the Buloke Shire Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this statement. If users of the standard statements are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited standard statements to confirm the information contained in the website version of the standard statements.

MELBOURNE
21 October 2011



D D R Pearson
Auditor-General

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Auditina in the Public Interest

PERFORMANCE STATEMENT

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

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

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

ANNUAL MEASURES AND TARGETS

Listed on the following pages are Council's Strategic Objectives, Strategic Statements, Indicators and Activities for the 2010-2011 year.

How we have measured our indicators:

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

STRATEGIC OBJECTIVES, STRATEGIES, STRATEGIC INDICATORS & PERFORMANCE MEASURES FOR 2010-2011

1. OUR COMMUNITY

Strategic Statements:

- A Buloke community where people of all ages, backgrounds and abilities, are embraced and supported and can access the Council services they need to help live happy and fulfilling lives.
- A Buloke community connected and involved in shaping decisions that affect them.

2010-2011 Strategic Indicator	Performance Measure	Performance Target	Outcome	Status
Community satisfaction with Council's overall performance	Maintain satisfaction	70	65	Target not met
Community satisfaction with Council's engagement in decision making on key local issues	Maintain satisfaction	70	63	Target not met
Increase in the annual number of visits recorded to Council's website	Increase site visitation	6,205	14,520	Target met and exceeded
Average number of Home and Community Care hours of service provided per month	Increase in annual hours of service	1,250	1,429	Target met and exceeded
Community satisfaction with Health and Human Services	Maintain satisfaction	76	75	Target not met
Number of grants applied for or facilitated by Council staff annually	Number of grant applications maintained or increased	42	68	Target met and exceeded
Total value of grants applied for or facilitated by Council staff annually	Value of grant applications maintained or increased	\$8.268 M	\$9.102 M	Target met and exceeded

STRATEGIC OBJECTIVES, STRATEGIES, STRATEGIC INDICATORS & PERFORMANCE MEASURES FOR 2010-2011

2. OUR LOCAL ECONOMY

Strategic Statements:

- A local economy in which the contribution of the agricultural sector and business sector is recognised and their continued growth actively encouraged and supported.
- A local economy in which new investment and new employment opportunities are actively encouraged and supported.

2010-2011 Strategic Indicator	Performance Measure	Performance Target	Outcome	Status
Number of jobs in Buloke	Number of jobs maintained or increased	2,646	2,646	Target met/achieved
Number of local workforce employed in Buloke jobs	Percentage of local workforce employed in Buloke maintained or increased	2,403	2,403	Target met/achieved
Number of regional workforce employed in Buloke jobs	Percentage of local workforce from within the region maintained or increased	243	243	Target met/achieved
Community satisfaction with Economic Development	Maintain satisfaction	62	58	Target not met
Total participants in local economy support events	Number of participants maintained	350	394	Target met and exceeded
Level of commercial and industrial development within the Shire of Buloke (\$)	Value of building approvals maintained or increased	\$2.194 M	\$2.084 M	Target not met (22 Commercial & Industrial Building Approvals)

STRATEGIC OBJECTIVES, STRATEGIES, STRATEGIC INDICATORS & PERFORMANCE MEASURES FOR 2010-2011

3. OUR BUILT ENVIRONMENT

Strategic Statements:

- A Shire planned to meet the current and future needs of the agricultural sector while maintaining and enhancing its natural environment.
- A Shire where roads, drains and public spaces, community facilities, parks and other essential infrastructure are fit for purpose, well maintained and contribute to the well-being of the community.

2010-2011 Strategic Indicator	Performance Measure	Performance Target	Outcome	Status
Community satisfaction with town planning and policy approvals	Maintain satisfaction	67	61	Target not met
Community satisfaction with recreational facilities	Maintain satisfaction	71	71	Target met/achieved
Customer satisfaction with local roads and footpaths	Maintain satisfaction	55	47	Target not met
Community satisfaction with the appearance of public areas	Maintain satisfaction	72	69	Target not met
100% of planning applications processed within the statutory limit	No applications outside of statutory limit	100%	95%	Target not met (2 permits over 60 days)
Average number of Service Requests and Work Orders received per month	Number of requests received increased	211	323	Target met and exceeded

STRATEGIC OBJECTIVES, STRATEGIES, STRATEGIC INDICATORS & PERFORMANCE MEASURES FOR 2010-2011

4. OUR NATURAL ENVIRONMENT

Strategic Statements:

- A Shire working with the community to reduce our carbon footprint, protect and enhance the natural environment and share experiences and information.

2010-2011 Strategic Indicator	Performance Measure	Performance Target	Outcome	Status
Town garbage collection, measured as kilograms per household	Decrease in kilograms collected per household	730 kilograms	653 kilograms	Target not met
Recyclables collection, measured as kilograms per household	Increase in kilograms collected from household	291 kilograms	195.5 kilograms	Target not met
Usage figures				
Energy – MW	Reduction in energy, water, petrol, diesel and LPG gas usage	Energy – 0.267500 MW	903.1 MW	Target not met
Water – ML		Water – 0.65500 ML	48.2 ML	Target not met
Petrol – L		Petrol – 79,184 L	67,609 L	Target met and exceeded
Diesel – L		Diesel – 476,969 L	457,366 L	Target met and exceeded
LPG – L		LPG – 61,336 L	72,617 L	Target not met

STRATEGIC OBJECTIVES, STRATEGIES, STRATEGIC INDICATORS & PERFORMANCE MEASURES FOR 2010-2011

5. OUR PEOPLE AND ORGANISATION

Strategic Statements:

- An organisation that is responsive to the evolving needs of the community.
- An organisation that is responsibly governed with a strong emphasis on astute financial and risk management.
- An organisation that values and supports the development of its people and strives to be an employer of choice.

2010-2011 Strategic Indicator	Performance Measure	Performance Target	Outcome	Status
Conduct regular Audit Committee Meetings	Minimum 4 meetings per annum	4	4	Target met
Level of rates levied (rates per assessment) compared with neighbouring municipalities	Current ratio maintained or reduced	102%	105.23%	Target not met
Community satisfaction with the advocacy performance of Council	Maintain satisfaction	72	68	Target not met
Community satisfaction with Council's interaction and responsiveness in dealing with the public	Maintain satisfaction	78	72	Target not met
Number of workforce entry level positions (traineeships, apprenticeships, students and graduates) created annually	Number of positions available annually maintained or increased	8	5	Target not met

CERTIFICATION OF PERFORMANCE STATEMENT

In my opinion the accompanying performance statement of the Buloke Shire Council in respect of 2010/2011 financial year, is presented fairly and in accordance with the *Local Government Act 1989*.

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

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



William Andrew Ryan (B.Bus)
Principal Accounting Officer
Date: 10 October 2011.
Donald



Leo Tellefson
Mayor
Date: 10 October 2011.
Donald



David Pollard
Councillor
Date: 10 October 2011.
Donald



Warwick Heine
Chief Executive Officer
Date: 10 October 2011.
Donald

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Victorian Auditor-General's Office

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Buloke Shire Council

The Performance Statement

The accompanying performance statement for the year ended 30 June 2011 of the Buloke Shire Council which comprises the statement, the related notes and the certification of the performance statement has been audited.

The Councillors' Responsibility for the Performance Statement

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

Auditor's Responsibility

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

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

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

Independence

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

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Auditing in the Public Interest

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Victorian Auditor-General's Office

Independent Auditor's Report (continued)

Auditor's Opinion

In my opinion, the performance statement of the Buloke Shire Council in respect of the 30 June 2011 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

Matters Relating to the Electronic Publication of the Performance Statement

This auditor's report relates to the performance statement of the Buloke Shire Council for the year ended 30 June 2011 included both in the Buloke Shire Council's annual report and on the website. The Councillors of the Buloke Shire Council are responsible for the integrity of the Buloke Shire Council's website. I have not been engaged to report on the integrity of the Buloke Shire Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this statement. If users of the performance statement are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited performance statement to confirm the information contained in the website version of the performance statement.

MELBOURNE
21 October 2011


D D R Pearson
Auditor-General



2010-2011



BULOKE
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