

ANNUAL REPORT 2016-2017



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INTRODUCTION

SNAPSHOT OF COUNCIL

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

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

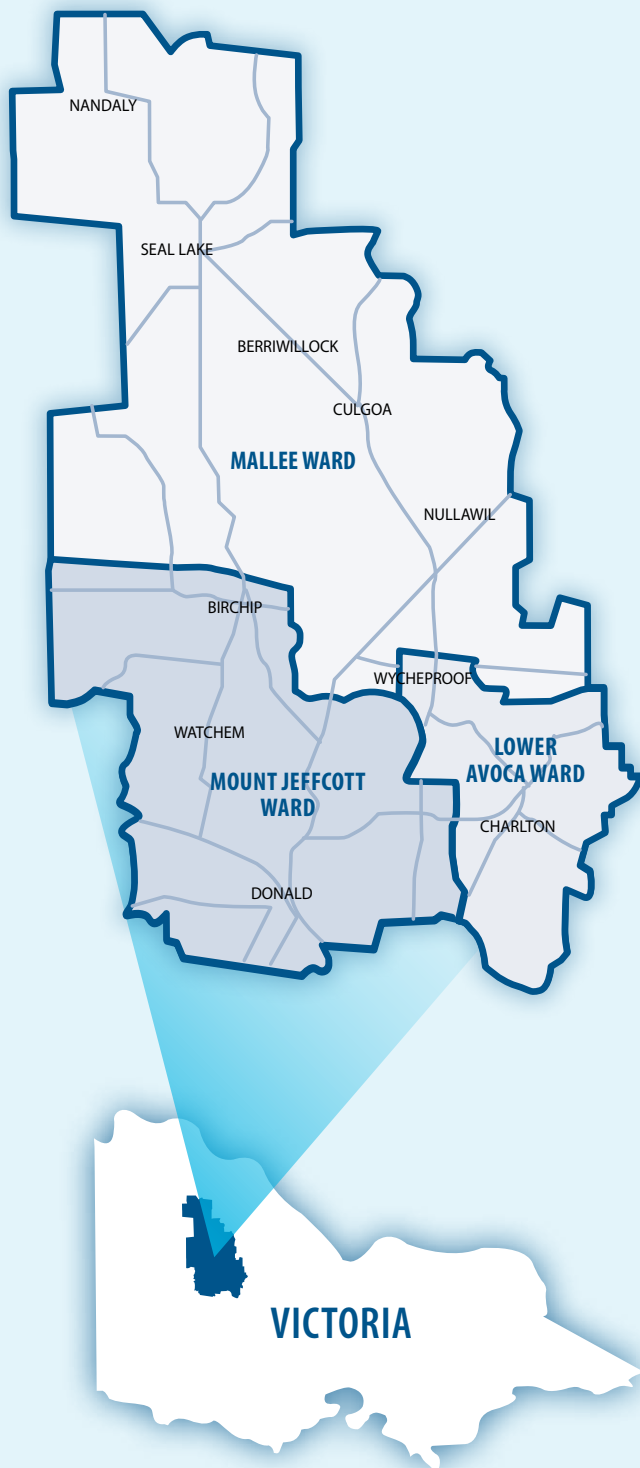
Buloke is a predominantly rural area. The main townships are Birchip, Charlton, Donald, Sea Lake and Wycheproof. The Shire also comprises of the smaller townships of Berrillock, Culgoa, Nandaly, Nullawil and Watchem.

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

The two main highways servicing the Buloke are the Calder Highway and the Sunraysia Highway. Both highways run north and south through the Shire.

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

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



OUR VISION

SHAPING OUR FUTURE TOGETHER

OUR VALUES

COUNCIL ADDRESSES ITS
KEY VALUES THROUGH:

- GOOD COMMUNICATION
- TRANSPARENCY IN DECISION MAKING
- ACCOUNTABILITY FOR ACTIONS
- WORKING COLLABORATIVELY WITH PARTNERS
- TAKING RESPONSIBILITY
- BEING RESPONSIVE AND TIMELY

HIGHLIGHTS FOR THE YEAR

JULY, AUGUST AND SEPTEMBER



1

Council undertook extensive community consultation for the Major Towns Streetscape Project. Draft masterplans were devised in line with this strong consultation for Birchip, Charlton, Donald, Sea Lake and Wycheproof. These plans focus on cost effective transformations that build upon the existing strengths of each town. The plans will be implemented when external grants can be secured.

1

OCTOBER, NOVEMBER AND DECEMBER



2

A new era began for Buloke Shire Council as four first time Councillors were sworn in during a Statutory Meeting of Council on Wednesday 2 November 2016.

Cr David Pollard (third term), was voted in as Mayor to lead a new look Buloke Shire Council with Cr Graeme Milne (second term) serving as Deputy Mayor. Cr Ellen White (third term) rounded out the returning Councillors.

They were joined by four newly elected Councillors, Cr John Shaw, Cr Carolyn Stewart, Cr David Vis and Cr Daryl Warren.

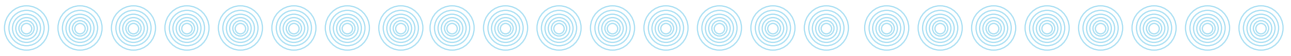
The election also saw the retirement of four long serving Councillors, Cr Reid Mather, Cr Stuart McLean, Cr Gail Sharp and Cr Leo Tellefson. All served multiple terms on Council and made significant contributions to the Buloke Shire.

The Councillors undertook an induction program the following weekend which included a team development workshop and a tour of the Shire to discuss their priorities for Buloke.

2



JANUARY, FEBRUARY AND MARCH



3 Lucy Roffey was appointed as the new Chief Executive Officer of Buloke Shire Council after the retirement of John Hicks. Ms Roffey commenced in the role on 4 February 2017.

“Buloke is on the right track and this has been underlined by the outstanding field of applicants we were able to attract for the role of Chief Executive Officer. We feel Lucy is the right person to continue on the good work of the last few years and to lead Buloke into the future”, said Cr Pollard.

4 Graeme Harris (Citizen of the Year), Mary-Anne Pollard (Young Citizen of the Year) and the Back to Berrivillock were honoured at Australia Day functions across Buloke.

Mayor, Cr David Pollard was appointed to the 2017 Local Government Mayoral Advisory Panel alongside Mayors from 12 other Local Government Areas.

The Minister for Local Government acts as the Chair of the Mayoral Advisory Panel which meets regularly throughout the year and provides high level advice to the Minister on the range of matters which impact on local government.

5 The Charlton Transfer Station grand opening was held on Thursday 23 February 2017. Mayor, Cr David Pollard conducted the official opening. In attendance were representatives from Sustainability Victoria, EPA, Councillors and Buloke Staff including CEO Lucy Roffey.

6 Buloke Living, the book that tells stories of resilience all ten Buloke communities and of their characters was launched to a packed house on Thursday 9 February at Bakery on Broadway, Wycheproof. The Buloke Living project aimed to build local community capacity through photography and storytelling.

The project was initiated by Southern Mallee Primary Care Partnership who secured funding from the Department of Health and Human Services for the drought declared Buloke and Gannawarra shires. In Buloke, the funding went towards building the skills of the local community in mental health and wellbeing strategies and a community development project. Additional partnership drought funding from the Buloke Shire Council through the Local Government Drought Response program and Wimmera Uniting Care was also contributed to the development of the Buloke Living Project with support from East Wimmera Health Service.



4



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4



7

Works concluded in January on the installation of solar electricity at the Wycheproof and Donald Depots. As part of Council's Capital Works Program, a number of sustainability options were investigated to offset water and electricity usage at Council office buildings.

As the two highest electricity using depots, and with adequate roof space, it was ideal to install solar electricity at these sites. The system will offset existing usage at the site, and then return energy to the grid when not utilised.

8

Around 50 locals joined Council to mark International Women's Day with an afternoon tea in Wycheproof on Wednesday, 8 March. This year's theme was "Be Bold for Change".

Guest speaker, Buloke Shire Council CEO Lucy Roffey, embraced the theme and provided an overview of her professional career and the barriers and risks encountered and overcome and opportunities grasped by being bold.

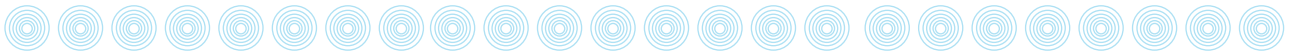
The event also saw the launch of the Buloke Women's Network. Cr Ellen White and Amanda Gretgrix launched the network which aims to support women to find the support they need, when they need it, and to develop their personal skills and knowledge. The network will provide a variety of events and activities for women to attend where they can network with other women from across the Shire.

9

A project to upgrade the change rooms at Nullawil Recreation Reserve was completed. The upgrade was funded by Sport and Recreation Victoria's Community Sports Infrastructure Fund – Female Friendly Facilities, which saw the refurbishment of an ageing netball club room to provide dedicated change rooms, toilets and showers for female netballers. An accessible and family toilet and change room were also installed as a part of the project.



APRIL, MAY AND JUNE



10 Community members from across Buloke met with Councillors and Council Officers in Wycheproof on the night of Monday 10 April for Council's Community Forum Summit. The summit, which was held in conjunction with listening posts in all ten townships, gave community forums an opportunity to discuss their community's priorities to inform the priorities in the annual budget and the new four year council plan.

11 Works to upgrade two netball/tennis courts at the Sea Lake Community Centre were completed.

The design and resurfacing of the courts increased the run off area bringing the playing surface into line with Netball Victoria requirements and providing a safer arena for competitors. New lighting has also been installed to training standards.

The project was funded by Sport and Recreation Victoria's Country Football Netball Program (\$100,000) and the Sea Lake Football Netball Hockey Club (\$50,000).

12 Council worked together with the Department of Health and Human Services and the Department of Economic Development, Jobs, Transport and Mr. and Mrs. Lloyd and Maureen Paterson of Charlton to participate in the state Sentinel Chicken Program.

Lloyd and Maureen spent several months caring for a flock of 20 chickens that were used for arbovirus disease surveillance throughout the mosquito season.



10



11



12

13

The Loddon Mallee Waste App, designed to help residents make quick and simple recycling decisions was launched in Wycheproof on 20 July 2017.

The simple to use app aims to reduce contamination and increase recycling levels. Key features include a personalised bin collection calendar, A-Z list of materials and images showing which bin to put items in, push notifications for events and a 'report a problem' form to provide direct feedback.

14

Mayor Cr David Pollard and CEO Lucy Roffey visited Canberra to attend the National General Assembly of Local Government held at the National Convention Centre in June.

The trip was also an excellent opportunity to meet with Ministers, including Senator Fiona Nash to finalise arrangements for the Federal Governments involvement in the Rural Living Campaign.

15

Buloke hosted the LGBTI Roadshow in June.

Events were held across Buloke on June 20 and 21 including a community dinner in Charlton, leaders' breakfast in Donald and an LGBTI Equality Workshop and Inclusion Planning session in Wycheproof. The touring roadshow team ended their visit with a trip to Lake Tyrrell for the sunset and dinner with Councillors in Sea Lake.



ROAD UPGRADES

SEALED ROADS

**36.6
KMS**

OF RESEALING WORKS

**36
KMS**

OF SEALED ROAD RECONSTRUCTION

GRAVEL ROADS

**35.5
KMS**

RENEWAL OF 35.5KMS OF GRAVEL
ROADS (GRAVEL RE-SHEET)

**18.6
KMS**

UPGRADED 18.6KM OF SEAL ROAD
EARTH SHOULDERS TO GRAVEL
SHOULDERS (SHOULDER RE-SHEET)



ENERGY USE

ELECTRICITY USAGE

790,421
KWH

790.421
MWH

WATER USAGE

90,162
KILO LITRES

90.162
MEGA LITRES

LPG USAGE

3,219
LITRES

FUEL USAGE

DIESEL
446,184
LITRES

UNLEADED
46,534
LITRES

COMMUNITY GRANTS 2016-2017



DONALD 2000 TREE PLANTING	Project support	\$1,070.00
CHARLTON LIONS PHONE BOOK	Project support	\$2,000.00
BIRCHIP ART SHOW	Event sponsorship	\$500.00
CHARLTON ART SHOW	Event sponsorship	\$500.00
BIRCHIP P12 RE- CONNECT	Event sponsorship	\$500.00
LIGHTS ONWOODS	Project support	\$1,500.00
BODY IMAGE WORKSHOP	Event sponsorship	\$500.00
MOTHER'S DAY CLASSIC	Event sponsorship	\$500.00
MAREE CRABB	Sponsorship	\$200.00
HOBSONS BAY BOWLS	Project support	\$650.00
FIT TO DRIVE	Project support	\$1,000.00
BULOKE TOURISM	Project support	\$2,000.00
MCCALLUM DISABILITY SERVICES	Sponsorship	\$500.00
DONALD HIGH PROJECT	Project support	\$1,000.00
DONALD SENIOR CITS	Project support	\$319.00
WATCHEM PARK FENCE	Project support	\$2,000.00

\$14,739.00
TOTAL
COMMUNITY
GRANTS

CHALLENGES AND FUTURE OUTLOOK

In developing the new Council Plan 2017-21 Council considered the challenges facing the Shire and developed strategies for the next four years.

THE KEY CHALLENGES FACING BULOKE ARE:

AGEING INFRASTRUCTURE

Communities have historically relied on meeting face to face and there are currently some thirty-five buildings across the shire where people meet at least once during the year. Many of these buildings existed prior to the 1970's and need substantial upgrades which represent significant financial future cost on communities.

INTERNET ACCESS

Buloke Shire has poor internet connectivity across significant areas. Recently 5,422km of roads were tested in Buloke Shire and the results show that only seven towns in Buloke shire: Birchip, Charlton, Culgoa, Donald, Sea Lake, Nandaly and Wycheproof, have reasonably good coverage by all three carriers. Ten kilometres outside of these centres and pervasive black spots become extensive.

QUALITY HOUSING STOCK

A number of Buloke communities have recently celebrated 125 and 150 year anniversaries. This is reflected in the age and condition of housing stock. There are some 3,186 structural dwellings in Buloke with an 83.4% occupancy rate. The average house price in Buloke is \$82,000 and Buloke currently has 930 single person households.

FURTHER EDUCATION

Local access to further education is restricted to online access. Face to face learning requires travelling some 100 kms to attend a physical institution. 13.6% of our young people aged 20-24 are attending university or other tertiary institutions compared with 32.6% across Victoria.

This results in only 14% of Buloke residents aged 25-44 holding a degree compared with 29.8% across Victoria. 9% of young people between 15 and 19 years are disengaged from education and employment compared with 5.8% across Victoria.

TRANSPORT ACCESS – FREIGHT AND PUBLIC

Public transport is extremely limited in Buloke. Communities are addressing the gap with volunteer based community transport programs. 2.9% of Buloke residents travelled to work by public transport, walking or cycling compared with 14.3% across Victoria.

CLIMATE CHANGE

Buloke's agricultural sector is continually adapting to the changing climate in the Southern Mallee.

Climate change impacts significantly on the agricultural sector, potentially changing the mix of agricultural enterprises in the region. There is a need for a broader community response to maintain economic viability. Rainfall has been below average across much of southeast Australia since 1997. Temperatures in Australia have risen by 0.9 °C since 1910.

OTHER CHANGING DEMOGRAPHICS

Anecdotal evidence suggests a shift in the demographic landscape in Buloke. Data shows that 100 per cent of dwellings for rent in Buloke are deemed affordable to Centrelink recipients and an increase in enhanced maternal child health clients reflects some more complicated factors for guardians of small children.

Buloke now has new opportunities emerging in economic development and tourism within the Shire which we want to thrive and will continue to work towards that goal. Five central themes have been identified to achieve a successful future:

- Deliver our services in a financially viable way.
- Build a healthy and active community.
- Diversify and enhance our local economy.
- Responding to and enhancing our built and natural environment.
- Support our Councillors, staff, volunteers and the community to make informed and transparent decisions.



THE YEAR IN REVIEW

MAYOR'S MESSAGE

On behalf of Council it gives me great pleasure to present the 2016/17 Annual Report. This is a great opportunity to reflect on a year of tremendous promise for Buloke. We have many exciting projects on the horizon and as a community we have a lot to be proud of.



In October 2016 the residents of Buloke voted in seven committed people to act as Councillors on their behalf. We quickly got to work in our communities to find out what people saw as the key areas necessary for Council to focus on, what we need to keep doing, and what we need to start doing. These conversations formed our Council Plan for the next four years. We look forward to delivering on this plan, delivering on your plan.

During the year we said goodbye to four long serving Councillors. I would like to take this opportunity to thank and congratulate Reid Mather, Stuart McLean, Gail Sharp and Leo Tellefson for their hard work and dedication to the Buloke community. All have contributed positively to our Shire and their leadership through some tough and trying times will not be lost on our Council or community. Thank you.

We also said goodbye to our retiring Chief Executive Officer John Hicks. John was instrumental in turning the financial position of Buloke around. Through the prudent work of John and his executive team, Buloke's future is brighter and one that I am extremely optimistic about. John's departure saw the arrival of Lucy Roffey to the Chief Executive Officer role. Lucy has picked up from where John left off and is quickly growing the profile of Buloke with our many stakeholders as we work with them to achieve great results for our communities.

The Rural Living Campaign has continued to gain momentum over the last twelve months. An intergovernmental working group is now being formed with both the Federal and State Governments at the table to ensure equal services for all rural residents isn't a pipedream any more.

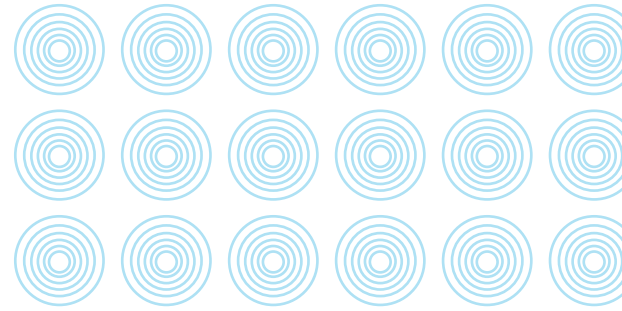
CEO, Lucy Roffey and I met with Senator Fiona Nash Minister for Regional Development in Canberra in June to update her on the campaign and to work with her to ensure a Federal Government involvement in the working group.

In June of this year it was announced that an investment of \$2.58 million from the State Government's Regional Tourism and Infrastructure Fund will be made at Lake Tyrrell. Council will work with State Government to deliver this exciting project to enhance the booming tourist experience at the lake and provide better amenities as well as road safety upgrades.

Tourism and intensive agriculture are key to the future of Buloke. Council needs to be flexible and proactive in how we accommodate the growth in these industries to capture any benefit we can and provide both an excellent place to live as well as an enchanting place to visit.

In finishing I would like to thank my fellow Councillors as well as staff for their commitment over the last twelve months and I look forward to working with them and the community into the future as we roll our sleeves up and continue to enhance Buloke, Victoria's true agricultural heartland.

MAYOR, CR DAVID POLLARD



CHIEF EXECUTIVE OFFICER'S MESSAGE

It's been a very productive year for Buloke Shire Council. Since commencing the role of Chief Executive Officer in February, Council has developed its new four year Council Plan and Annual Budget through extensive community consultation. It has also been a period of significant investment in our Shire, with many major projects being planned and constructed with the support of the State and Federal Governments.



This Annual Report for 2016/2017 demonstrates the achievements against the previous Council Plan with many actions and projects now completed. Key capital works projects completed this year include Streetscape Plans for Birchip, Charlton, Donald, Sea Lake and Wycheproof; Charlton Transfer Station; installation of solar power at the Wycheproof and Donald depots, and upgrades to a number of recreation facilities including the change rooms at Nullawil and resurfacing the netball courts at Sea Lake. Other projects well underway include change rooms at the Wycheproof pool and the levee bank at Donald.

The financial statements and performance statements (on pages 64 to 126) show Council ended the year in a stronger financial position than forecasted in the 2016/17 Annual Budget. This is due to the hard work of staff, Councillors and the community over the last few years and the difficult decisions taken on reduced service levels. Buloke Shire Council is now in a more financially sustainable position going forward. The cash balance at year end of \$14.4 million includes \$4.1 million of funds reserved for capital projects and an early payment of Council's federal assistance grant by the Victorian Grants Commission; the balance being a healthy \$10.3 million which will ensure Council can repay its loan of \$7.0 million when it falls due in late 2019.

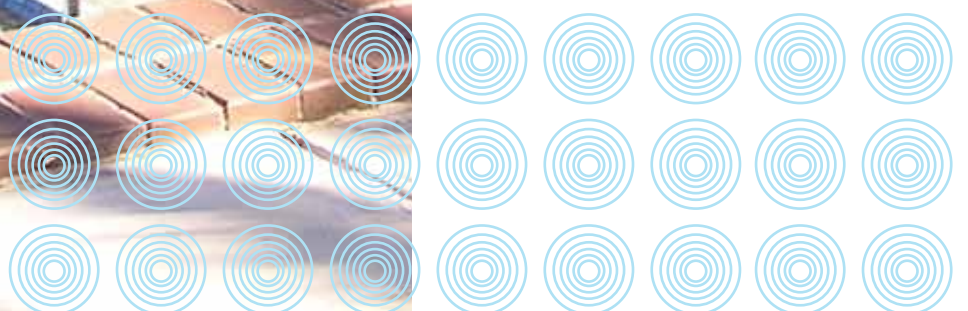
Emergency management planning continues to be a key focus of Council with floods experienced again in September 2016. I would like to commend our emergency services in the region, our staff and the community for their swift response and support to those affected. It is good to see that lessons learned from the 2010-11 floods have been incorporated into local emergency planning and recovery. Flood management plans for the region, construction of the levee bank at Donald, and planning for a levee in Charlton were all undertaken in 2016/17 and will assist in better flood management and mitigation in the future. A final assessment of damage to local roads from the 2016 floods will see \$6.0 million of road works undertaken in 2018 funded by the Natural Disaster Relief and Recovery Arrangements (NDRRA). As a result of the floods the community satisfaction survey result for local roads was much lower than previous years, we hope to see an improvement in this result next year after the flood restoration works are complete.



Another key achievement for the organisation during the year was the development of an Organisational Development Strategy. This Strategy will ensure we have the right people, capability and culture to deliver efficient and effective services to the Buloke community and a culture of high performance and innovation to respond to the ongoing challenges faced by the local government sector. Over the last six months there has been a renewed focus on Occupational Health and Safety across the organisation. I would like to acknowledge the difficulties faced by one of our employees Ian Bruns from a workplace accident in 2016 and thank the staff and community for the support that they have provided him through fundraising, hospital visits and friendship. It was good to see Ian return home in recent months to continue his rehabilitation in the comfort of his home.

I would like to thank the community, Councillors and staff for the warm welcome I have received since commencing in the role of CEO in February, and thank the previous CEO John Hicks for leaving the organisation in such great shape. I have been impressed by the level of volunteerism, resilience and the friendliness of the Buloke Shire community and look forward to working with you all to deliver the priorities outlined in the new Council Plan 2017-2021.

LUCY ROFFEY



DESCRIPTION OF OPERATIONS

Buloke Shire is a public statutory body under the Local Government Act 1989 (Victoria). 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 located in Wycheproof. The organisation also operates facilities, services and administrative functions from more than twenty other locations in Birchip, Charlton, Donald and Sea Lake. These services include Maternal and Child Health Centres, Childcare Centres, depots and swimming pools.

ECONOMIC FACTORS

The large area and dispersed population increases the costs of delivering services to our communities when compared to metropolitan Councils. The average cost per unit service can be up to three times greater than supplying the same services in a metropolitan area.

Approximately 15% of our ratepayers are pensioners entitled to the pensioner rebate. Rate increases can have a significant impact on the disposable income of a significant proportion of our community. Council has a Rates and Financial Hardship Policy in place to assist people who are facing financial hardship in paying their rates. During periods of adverse weather conditions, such as floods or drought, there is an impact on Council's rural ratepayers ability to pay rates and the Financial Hardship Policy offers opportunities to discuss payment arrangements.

Council's infrastructure, particularly roads and buildings continue to age and deteriorate, and with changes to population and demographics it is critical that all assets are assessed for their affordability and usefulness to the community into the future.



• OUR COUNCIL

OUR COUNCIL



COUNCIL PROFILE

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

The Council consists of a Mayor, Deputy Mayor and five Councillors.

The current Buloke Shire Council was elected on the 29 October 2016 and will retire in October 2020. The Council's primary objectives are:

- to act as a representative government and consider community needs when making decisions;
- to establish strategic objectives for municipal services and monitor their achievement;
- to ensure the responsible and accountable management of the organisation's resources;
- to advocate for local community interests to other communities and governments;
- to provide fair and equitable representation of constituents;
- to be a responsible partner in government, taking the needs of other communities into account;
- to foster community cohesion and encourage participation in civic life;
- to manage community assets; and
- to enforce by-laws.

COUNCIL OFFICES

Wycheproof District Office is open to the general public for face-to-face customer service.

The Wycheproof District Office is open Monday to Friday 8.30am to 5pm at 367 Broadway, Wycheproof.

ALL SERVICES CAN BE ACCESSED BY CALLING 1300 520 520.

**POSTAL ADDRESS: PO BOX 1,
WYCHEPROOF VICTORIA 3527**

FAX: (03) 54937395

EMAIL: buloke@buloke.vic.gov.au

WEBSITE: www.buloke.vic.gov.au

Council also operates Facebook, Twitter and LinkedIn accounts.

COUNCILLORS

BACK ROW: (From Left to Right) Cr Daryl Warren, Cr David Vis, Cr John Shaw and Cr Graeme Milne.

SEATED: (From Left to Right) Cr Carolyn Stewart, Cr David Pollard and Cr Ellen White.



LOWER AVOCA WARD

CR DAVID POLLARD (MAYOR)

Mobile: 0458 918 638
Email: crpollard@buloke.vic.gov.au

CR JOHN SHAW

Mobile: 0488 034 182
Email: crshaw@buloke.vic.gov.au

MALLEE WARD

CR DAVID VIS

Mobile: 0488 032 723
Email: crvis@buloke.vic.gov.au

CR ELLEN WHITE

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

MOUNT JEFFCOTT WARD

CR GRAEME MILNE (DEPUTY MAYOR)

Mobile: 0419 126 911
Email: crmilne@buloke.vic.gov.au

CR CAROLYN STEWART

Mobile: 0488 032 063
Email: crstewart@buloke.vic.gov.au

CR DARYL WARREN

Mobile: 0427 194 422
Email: crwarren@buloke.vic.gov.au

ORGANISATION	CURRENT REPRESENTATIVE	REPRESENTATION STATUS	DATE APPOINTED OR REAPPOINTED
BULOKE AND NORTHERN GRAMPIANS LANDCARE NETWORK	Cr White	Council Delegate	2 November 2016
CALDER HIGHWAY IMPROVEMENT COMMITTEE	Cr Pollard	Council Delegate	2 November 2016
CENTRAL MURRAY REGIONAL TRANSPORT FORUM	Cr White	Council Delegate	2 November 2016
CENTRAL VIC GREENHOUSE ALLIANCE	Cr Shaw	Council Delegate	2 November 2016
CHARLTON COMMUNITY THEATRE PTY LTD BOARD	Cr Warren	Council Delegate	2 November 2016
CHARLTON PARK COMMITTEE OF MANAGEMENT	Cr Stewart	Council Delegate	2 November 2016
CHARLTON STADIUM COMMITTEE	Cr Pollard	Council Delegate	2 November 2016
COUNTRY FIRE AUTHORITY – MUNICIPAL FIRE MANAGEMENT PLANNING COMMITTEE	Cr Pollard, Cr Vis and Cr Milne	Council Delegate	2 November 2016
LODDON MALLEE WASTE AND RESOURCE RECOVERY GROUP	Cr Warren	Council Delegate	2 November 2016
MUNICIPAL ASSOCIATION OF VICTORIA	Cr Pollard and Cr Milne as substitute	Council Delegate	2 November 2016
MUNICIPAL EMERGENCY MANAGEMENT PLANNING COMMITTEE	Cr Pollard and Cr White	Council Delegate	2 November 2016
MUNICIPAL FLOOD MANAGEMENT COMMITTEE	Cr Warren and Cr Pollard	Council Delegate	2 November 2016
NORTH CENTRAL LOCAL LEARNING EMPLOYMENT NETWORK	Cr Shaw	Council Delegate	2 November 2016
NORTH WEST MUNICIPALITIES ASSOCIATION	Cr Warren	Council Delegate	2 November 2016
RAIL FREIGHT ALLIANCE	Cr Vis and Cr Milne as substitute	Council Delegate	2 November 2016
RECREATIONAL WATER USERS ALLIANCE	Cr Stewart	Council Delegate	2 November 2016
SUNRAYSIA HIGHWAY IMPROVEMENT COMMITTEE	Cr Pollard	Council Delegate	2 November 2016
WATCHEM PROGRESS ASSOCIATION	Cr Milne	Council Delegate	2 November 2016
WIMMERA REGIONAL LIBRARY CORPORATION	Cr Milne and Cr Stewart	Council Delegate	2 November 2016
WIMMERA SOUTHERN MALLEE TRANSPORT GROUP	Cr Warren	Council Delegate	2 November 2016
WORKSPACE AUSTRALIA	Cr Warren	Council Delegate	2 November 2016
WYCHEPROOF RECREATION RESERVE COMMITTEE OF MANAGEMENT	Cr Shaw	Council Delegate	2 November 2016

MEETINGS OF COUNCIL

Buloke Shire Council holds three different types of meetings:

- Ordinary Meetings
- Councillor Briefings
- Special Meetings

Meetings are held at Council's district offices throughout the Shire on a rotating basis, and are conducted in accordance with Local Government Act 1989.

At each Ordinary Meeting there is a Public Question Time segment, which is designed to provide an opportunity for members of the public to ask questions on municipal issues and receive responses from Councillors and Council Officers.

Agendas and minutes for all meetings are available online on Council's website and from Council's Wycheproof Office.

TABLE OF ATTENDANCE

COUNCILLOR ATTENDANCE	ORDINARY MEETING	SPECIAL MEETING
(1 JULY 2016 - 12 OCTOBER 2016)		
NUMBER OF MEETINGS HELD	4	0
COUNCILLOR DAVID POLLARD (DEPUTY MAYOR)	3	0
COUNCILLOR LEO TELLEFSON	4	0
COUNCILLOR GAIL SHARP	3	0
COUNCILLOR ELLEN WHITE	3	0
COUNCILLOR STUART MCLEAN	4	0
COUNCILLOR REID MATHER (MAYOR)	3	0
COUNCILLOR GRAEME MILNE	3	0

NEW COUNCIL AS AT 22 OCTOBER 2016		
COUNCILLOR ATTENDANCE	ORDINARY MEETING	SPECIAL MEETING
(22 OCTOBER 2016 - 30 JUNE 2017)		
NUMBER OF MEETINGS HELD	7	4
COUNCILLOR DAVID POLLARD (MAYOR)	7	4
COUNCILLOR CAROLYN STEWART	6	4
COUNCILLOR DAVID VIS	7	3
COUNCILLOR ELLEN WHITE	7	4
COUNCILLOR DARYL WARREN	7	4
COUNCILLOR JOHN SHAW	6	4
COUNCILLOR GRAEME MILNE (DEPUTY MAYOR)	7	3

COUNCILLOR ALLOWANCES

The Local Government Act 1989 (Victoria) regulates the allowances payable to mayors and councillors in Victoria. The Act provides for the minimum and maximum allowances payable as set by an Order in Council from time to time. Each council must, within the allowances range, determine the allowances it will pay to its mayor and its councillors, having regard to the local situations and priorities. Buloke Shire's Mayor and Councillors are paid an allowance in accordance with Section 73B of the Local Government Act 1989 (Victoria) which provides for an annual adjustment factor to be paid to these allowances.

The Mayor has use of a Council-funded mobile phone, a fully maintained vehicle for use on Council business and an iPad with intranet and internet access.

The Councillors also have the use of a Council-funded mobile phone, access to a fully maintained vehicle for use on Council business and an iPad with intranet and internet access.

In addition, all Councillors receive 9.5% in superannuation from Buloke Shire.

The following table contains details of current allowances for the mayor and councillors during the year.

COUNCILLOR	ACTUALS	SUPER	TOTAL
CR STUART MCLEAN	\$3,870	\$367.65	\$4,238
CR GRAEME MILNE	\$17,935	\$1703.83	\$19,639
CR DAVID POLLARD	\$45,950	\$4365.25	\$50,315
CR REID MATHER	\$11,611	\$1103.05	\$12,714
CR GAIL SHARP	\$3,870	\$367.65	\$4,238
CR LEO TELLEFSON	\$3,870	\$367.65	\$4,238
CR ELLEN WHITE	\$17,935	\$1703.83	\$19,639
CR DAVID VIS	\$14,065	\$1336.18	\$15,401
CR JOHN SHAW	\$14,065	\$1336.18	\$15,401
CR DARYL WARREN	\$14,065	\$1336.18	\$15,401
CR CAROLYN STEWART	\$14,065	\$1336.18	\$15,401
	\$161,301	\$15,324	\$176,625

COUNCILLOR EXPENSES

COUNCILLOR EXPENDITURE 1 JULY 2016 - 30 JUNE 2017				
COUNCILLOR	PROFESSIONAL DEVELOPMENT	FORUMS AND CONFERENCES	TRAVEL	TOTAL
CR STUART MCLEAN		\$1,251.91		\$1,251.91
CR DAVID POLLARD		\$1,672.00	\$562.64	\$2,234.64
CR ELLEN WHITE				\$0.00
CR REID MATHER				\$0.00
CR GRAEME MILNE		\$176.00	\$823.99	\$999.99
CR LEO TELLEFSON				\$0.00
CR GAIL SHARP		\$0.00		\$0.00
CR JOHN SHAW				\$0.00
CR CAROLYN STEWART			\$404.55	\$404.55
CR DARYL WARREN	\$330.00	\$123.00		\$453.00
CR DAVID VIS	\$330.00	\$1,415.10	\$2769.98	\$4,515.08
TOTAL	\$660.00	\$4,638.01	\$4561.16	\$9,859.17

Councillors are entitled to claim out of pocket expenses incurred while performing their civic, statutory and policy making duties as a Councillor. Expenses that can be claimed are outlined in the Councillor Expense policy and include expenses such as professional development, conferences and travel. Given the geographic size of the Shire access to a Council maintained vehicle is not always available to Councillors and impacts directly on travel expenses.

SPECIAL COMMITTEES

Council has established three Special Committees under Section 86 of The Local Government Act 1989 for the purpose of managing Council facilities efficiently, in compliance with legislative requirements and consistent with the community's expectations. The three committees are:

- Charlton Park Committee of Management
- Wycheproof Recreation Reserve Committee of Management
- Birchip Community Housing Committee

Agendas and minutes from meetings held by Special Committees are available for public inspection online or in person at Council's Wycheproof office.

PRESCRIBED DOCUMENTS AVAILABLE FOR PUBLIC INSPECTION

Council maintains a range of documents and registers for public inspection in accordance with the Local Government Act 1989 (the Act) and the Local Government (General) Regulations 2004.

The following documents are available for inspection at Council's Wycheproof Office, 367 Broadway, Wycheproof. To arrange an inspection please contact the Director Corporate Services on 1300 520 520. Many of the documents are available to view on-line or by download from the Council website.

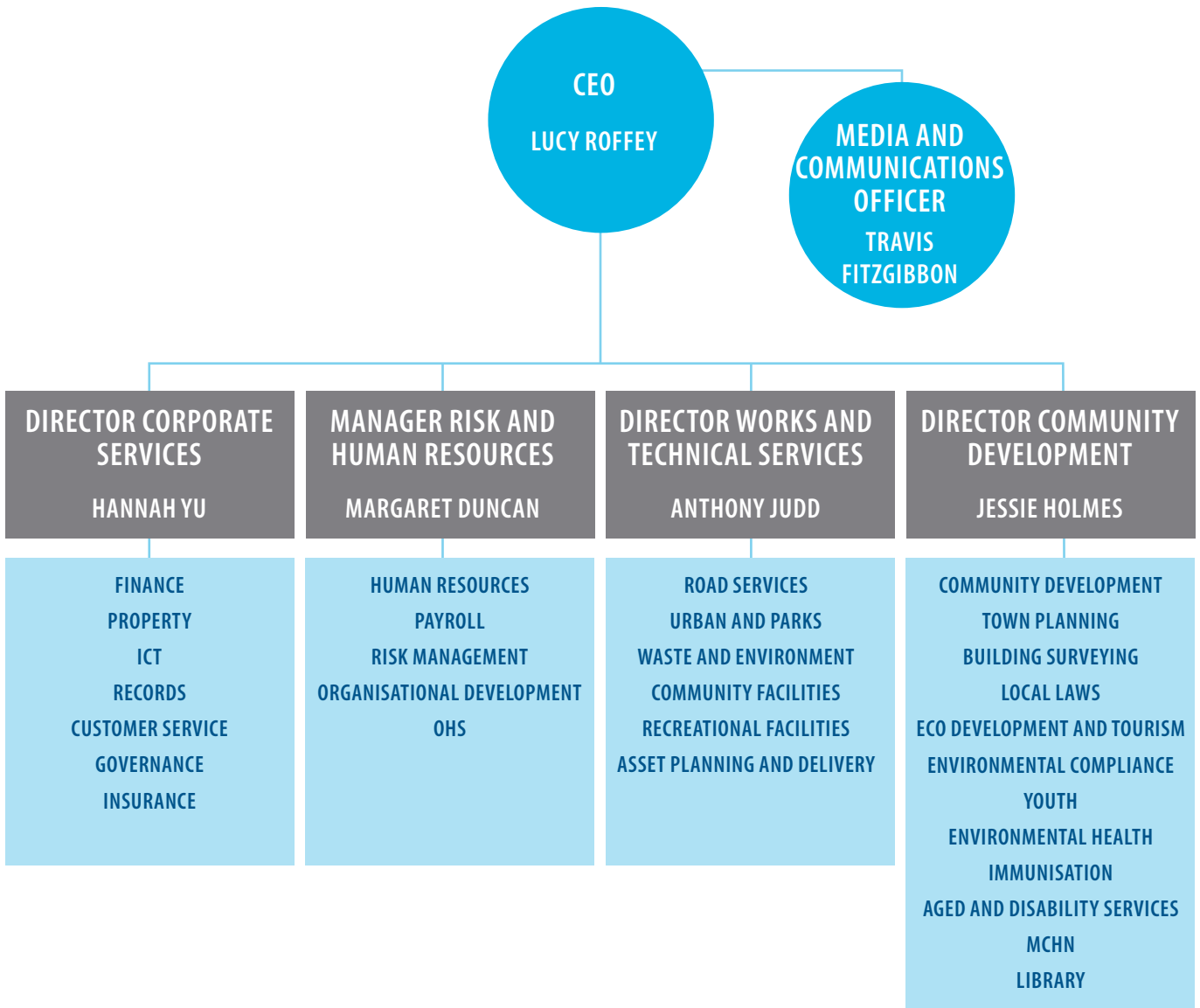
- Details of current allowances fixed for the Mayor and Councillors.
- A register of senior officer salary remuneration in respect of the current financial year and the previous financial year.
- Details of overseas or interstate travel undertaken in an official capacity by Councillors or Council staff in the previous 12 months.
- Names of Council Officers who were required to submit a return of interest during the financial year and dates returns were submitted.
- Names of Councillors who submitted a return of interest during the financial year and dates returns were submitted.
- Register of Interests – Returns lodged by Councillors and Council Officers.
- Register of Inspections of Interests.
- Agendas and minutes of Ordinary and Special Council Meetings held in the previous 12 months, also Special Committee Meetings.
- A register of delegations kept under Section 87(1) and 98(4) of the Act.
- Agreements to establish regional corporations under Section 196 of the Act.
- A list of all leases involving land which were entered into by Council.
- A register of authorised officers appointed under Section 244 of the Act.
- A list of donations and grants made by the Council during the financial year.
- Names of the organisations of which the Council was a member during the financial year.
- Council's policy in relation to the reimbursement of expenses for Councillors and Council Committees.
- Details of gifts received by Councillors and Council Staff.
- Councillor Code of Conduct.
- Council Local Laws.
- Current Council Plan.
- Current Strategic Resource Plan.
- Current Annual Budget.
- Council's Annual Report and the associated Auditor's Report on the Financial Statements.
- Details regarding differential rates declared by Council.
- Copy of the current Procurement Policy.
- Copies of the Preliminary and Final reports from the last Electoral Representation Review.
- Copies of election campaign donation returns for the Council Election
- Copy of Buloke Planning Scheme
- A register of the use of Council Seal.
- A register of Councillor Declared Conflicts of Interest.
- Terms of reference for Buloke Shire Council's Drought Recovery Advisory Committee
- Minutes of Ordinary and Special Meetings held in the previous twelve months which are kept under Section 93 of the Act, other than those agendas and minutes relating to a part of a meeting which was closed to members of the public under Section 89 of the Act and are confidential information within the meaning of Section 77(2) of the Act.
- Minutes of meetings of special committees established under Section 86 of the Act and held in the previous twelve months, other than those minutes relating to a part of a meeting which was closed to members of the public under Section 89 of the Act and are confidential information within the meaning of Section 77(2) of the Act.



MANAGEMENT TEAM

LEAD. COLLABORATE. CREATE A BETTER BULOKE.

BULOKE SHIRE COUNCIL ORGANISATIONAL CHART



COUNCIL STAFF

EQUAL EMPLOYMENT OPPORTUNITY PROGRAM

Buloke Shire Council is committed to excellent working relationships 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 Council employees on Human Rights Charter Awareness by the Victorian Equal Opportunity and 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 Manager Risk and Human Resources 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.

"Buloke Shire Council is an equal opportunity employer. Our roles are non-gender specific and Council encourages all suitably qualified applicants to apply for positions"



EMPLOYEES BY DEPARTMENT

DEPARTMENT	TOTAL	PART TIME	FULL TIME
CEO/ MEDIA	3.35	1.35	2.00
CORPORATE SERVICES / GOV	12.65	4.65	8.00
RISK AND HUMAN RESOURCES	2.38	0.38	2.00
WORKS & TECHNICAL SERVICES	67.72	2.72	65.00
COMMUNITY DEVELOPMENT	20.90	8.90	12.00
TOTALS	107.00	18.00	89.00

WORKPLACE INCIDENTS

2011-2012	2012-2013	2013-14	2014-2015	2015-2016	2016-2017
51	66	66	53	64	48

ABSENTEEISM

	2011-2012	2012-2013	2013-14	2014-2015	2015-2016	2016-2017
LOST TIME INJURIES	10.00	13.00	8.00	7.00	5.00	3.00
NUMBER OF DAYS LOST TO INJURY	385.20	4,596.90	227.20	97.00	197.00	526.00
ABSENCE DUE TO ILLNESS	1,311.00	1,583.00	1,545.00	1,114.00	790.00	999.00



**Stand up
Speak out**
Prevent men's violence against women

WORKERS COMPENSATION

YEAR ENDING	CLAIMS	CHANGE %	PREMIUM	PREMIUM %
2016-2017	4	-1.2%	221,615.00	33.00
2015-2016	5	-1.20%	166,527.00	1.72
2014-2015	6	-50%	163,705.00	- 17.70
2013-2014	12	400%	199,137.00	- 34.00
2012-2013	3	7%	304,474.00	3.00

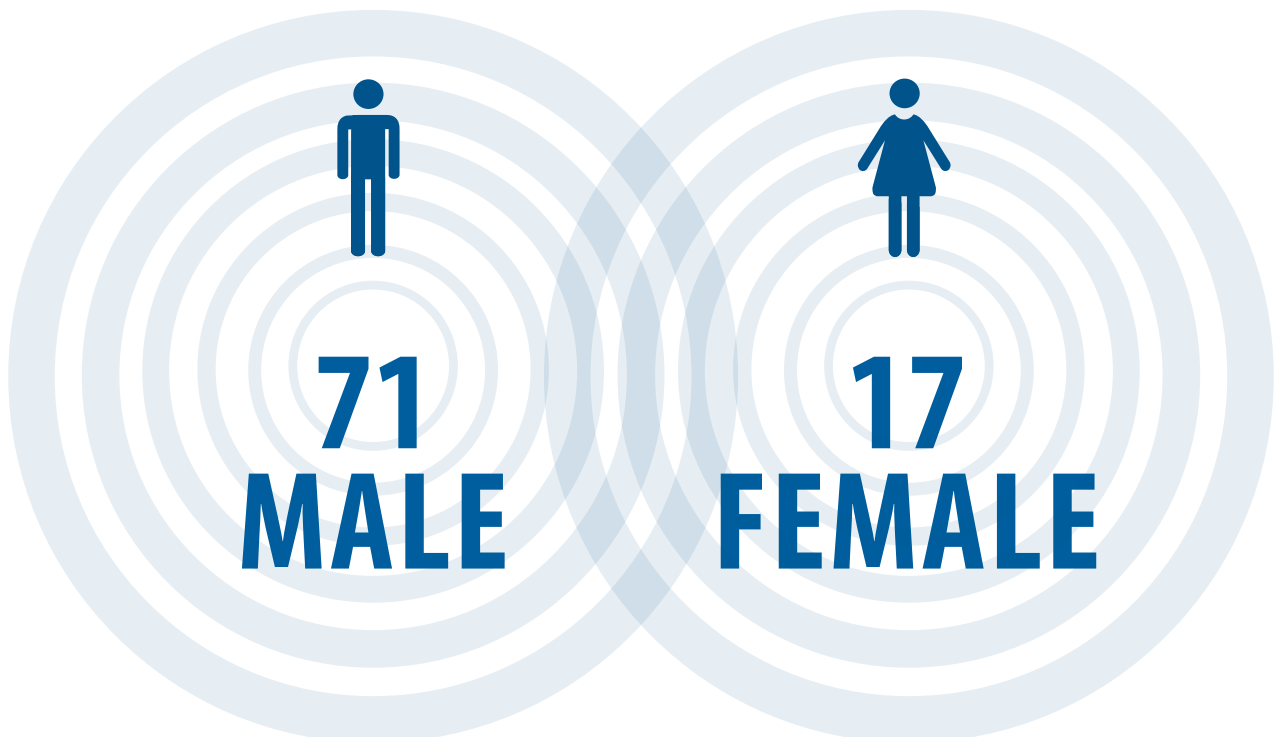
SERVICE MILESTONES

YEARS	NUMBER OF STAFF AS AT 30/06/2017
5 YEARS	13
10 YEARS	7
15 YEARS	3
20 YEARS	1
TOTAL	24

EMPLOYEE STATISTICS 2016-2017

	MALE	FEMALE	TOTAL
FULL TIME	71	17	88
TEMP FULL TIME	1	0	1
PART TIME	1.5	14.95	16.45
TEMP PART TIME	0.6	0.95	1.55
TOTAL E.F.T.	74.1	32.9	107
POSITIONS VACANT AS AT 30/06/2017	FINANCE MANAGER		1
	RISK & HR ASSISTANT		1
	MATERNAL & CHILD HEALTH		0.8
AS AT 30/06/2017			109.8

FULL TIME EMPLOYEES



OUR PERFORMANCE

COUNCIL PLAN

The Annual Report provides a summary of the achievements against the Buloke Shire Council Plan 2015–2019. With the election of a new Council, a new Council Plan was developed for 2017–2021 and will be reported against in next year’s Annual Report.

THE 2015-2019 COUNCIL PLAN INCLUDES:

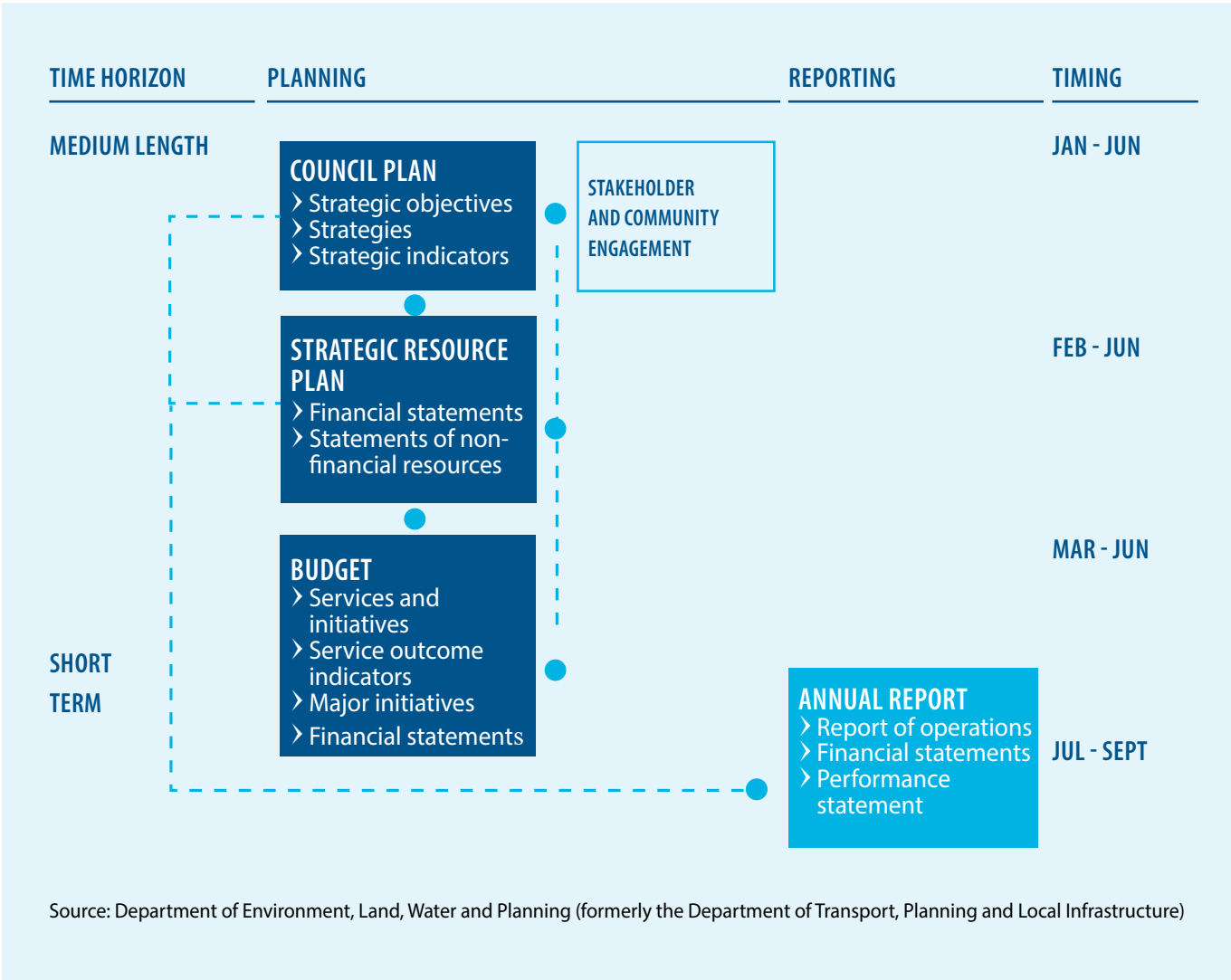
- A statement of the desired future (four-year) development of the Shire.
- A statement of the vision, mission and values Council sees as the building blocks of the Plan.
- A description of the Shire’s population and drivers of change.
- A statement of goals, strategic objectives and priorities (action plans) under the following six themes:
 - Financial Sustainability
 - Our Community
 - Our Economy
 - Our Natural Environment
 - Rural Liveability
 - Our People
- The Strategic Resources Plan for the next four years.

PERFORMANCE AGAINST THE STRATEGIC OBJECTIVES IN THE COUNCIL PLAN

Council’s performance for the 2016/17 year has been reported against each strategic objective to demonstrate how Council performed in achieving the 2015–2019 Council Plan. Performance has been measured as follows:

- Results achieved in relation to strategic indicators in the Council Plan
- Progress in relation to the major initiatives identified in the Budget
- Services funded in the Budget and the persons or sections of the community who are provided those services
- Results against the prescribed service performance indicators and measures

The diagram below depicts the planning and accountability framework that applies to local government in Victoria.



STRATEGIC OBJECTIVE 1

DELIVERING OUR SERVICES IN A FINANCIALLY SUSTAINABLE WAY



THE FOLLOWING STATEMENT REVIEWS THE PERFORMANCE OF COUNCIL AGAINST THE COUNCIL PLAN INCLUDING RESULTS ACHIEVED IN RELATION TO THE STRATEGIC INDICATORS INCLUDED IN THE COUNCIL PLAN.

1.1

ACHIEVE THE ADOPTED 2014/15 BUDGET AND THE PROPOSED 2015/16 BUDGET.

- Monthly financial performance reports were prepared and presented at every Ordinary Council Meeting for monitoring and review.
- Service savings adopted in the budget were achieved.

1.2

MONITOR SERVICE DELIVERY TO ENSURE WE ARE MEETING THE PROPOSED NEW SERVICE LEVELS.

- Community Satisfactory Survey was undertaken to monitor services delivery to the community.
- Monitored performance reporting framework measures to ensure service levels are being met.

1.3

ADOPT INCREASING SURPLUS BUDGETS OVER THE LIFE OF THE COUNCIL PLAN.

- The Budgeted Statement of Cash Flow as contained in the adopted Budget had a net increase in cash and cash equivalents for each financial year.
- Budgeted Comprehensive Income Statement as contained in adopted Budgets reflected a surplus for the full financial year.

STRATEGIC INDICATORS

- Budgeted Comprehensive Income Statement Surplus is greater than zero.
- Budgeted Statement of Cash Flow net increase is cash flows greater than zero.

LOCAL GOVERNMENT SERVICE PERFORMANCE INDICATORS

LIBRARIES

- Standard of library collection is such that 48.3% of collection was added in last 5 years. (46.5% 2014/15
36.64% 2015/16)
- Direct cost of library service for each visit was \$12.42. (\$30.06 2014/15
\$13.38 2015/16)
- Percentage of population that are active library members 11.32%. (2014/15 5.42%
2015/16 15.19%)

STATUTORY PLANNING

- Planning applications decided within 60 days: 83.33%. (92% 2014/15
79.17% 2015/16)
- Median number of days for each planning application decision was 28 days. (32 days 2014/15
45 days 2015/16)
- Direct cost of statutory planning service: \$1,696.59. (\$1,442.79 New
measurement in 2015/16)
- Percentage of Council planning decisions upheld at VCAT 0% No matters went to VCAT. (2014/15 0%
2015/16 100%)

ROADS

- Sealed local roads below the intervention level: 10.5%. (21.85% 2014/15
10.42% 2015/16)
- Cost of sealed local road reconstruction per square metre: \$49.86. (\$39.44 New measurement in
2015/16)
- Community satisfaction with sealed local roads 36%. (2014/15 44%
2015/16 39%)

ANIMAL MANAGEMENT

- 57.14% of animals collected were reclaimed. (20.41% 2014/15
66.67% 2015/16)
- Direct cost per animal registered: \$62.47. (\$6.61 2014/15
\$69.39 2015/16)
- Number of successful animal management prosecutions 4. (2014/15 2
2015/16 2)

AQUATIC FACILITIES

- Utilisation of aquatic facilities totalled 5.86% against municipal population. (6.6% 2014/15
7.07% 2015/16)
- Each aquatic facility was visited by an authorised health inspection officer to test water.
- Reportable safety incidents at aquatic facilities: 0. (0 2014/15
0 2015/16)
- Cost of outdoor aquatic facilities per visit: \$9.37. (\$9.20 2014/15
\$7.83 2015/16)

STRATEGIC OBJECTIVE 2

Engaging with, and facilitating our community to identify and meet its needs



THE FOLLOWING STATEMENT REVIEWS THE PERFORMANCE OF COUNCIL AGAINST THE COUNCIL PLAN INCLUDING RESULTS ACHIEVED IN RELATION TO THE STRATEGIC INDICATORS INCLUDED IN THE COUNCIL PLAN.

2.1

ADOPT AND IMPLEMENT THE BULOKE COMMUNITY ENGAGEMENT STRATEGY.

- Council-identified topics that impact the community utilise the most appropriate engagement method and schedule an engagement program.

2.2

IDENTIFYING COMMUNITY NEEDS TO INFORM SERVICE PLANNING.

- Service reviews are being undertaken to assess service levels and utilise appropriate engagement methods to collect and compare data within reportable timeframes.

2.3

SUPPORT AND ASSIST VOLUNTEER PARTICIPATION IN OUR SHIRE.

- Support and recognise existing volunteers whilst strengthening volunteer support networks.

2.4

IMPLEMENT AND ANNUALLY REVIEW THE MUNICIPAL PUBLIC HEALTH AND WELLBEING PLAN.

- The five priorities of the plan and their relevant initiatives were met in the designated timeframes.

2.5

ENHANCE THE STRATEGIC PLANNING, DEVELOPMENT AND MANAGEMENT OF COUNCIL'S PHYSICAL ASSETS AND INFRASTRUCTURE.

- Reviewed implement Council's Asset Management Policy, Strategy and Plans.
- Review, develop and deliver a strategic ten-year capital works program based on key strategic facility reviews, community plans and condition assessments (this will be completed in 2018).

STRATEGIC INDICATORS

- Community Satisfaction Survey.
- The Public Health and Wellbeing evaluation tool.
- Achievement of the ten-year capital works program.

REPORT OF OPERATIONS

EARLY YEARS

- | | |
|-----------------------------------------------------------------------|-----------------------------------|
| ○ Participation in first Maternal and Child Health home visit: 98.2%. | (98.28% 2014/15
97.1% 2015/16) |
| ○ Enrolments of infants in Maternal and Child Health services: 100%. | (94.83% 2014/15
95.65 2015/16) |
| ○ Participation in MCH service: 76.95%. | (2014/15 84.71%
2015/16 80%) |
| ○ Participation of Aboriginal children in MCH services: 75%. | (2014/15 100%
2015/16 142.86%) |

FOOD SAFETY

- | | |
|------------------------------------------------------------------------------------------|----------------------------------------|
| ○ Class 1 and Class 2 food premises that receive an annual food safety assessment: 100%. | (62.90% 2014/15
92.19% 2015/16) |
| ○ Direct cost of food safety service per registered premises: \$212.75. | (\$471.84 2014/15
\$227.52 2016/16) |
| ○ Critical and major non-compliance notifications: 100%. | (2014/15 100%
2015/16 100%) |

STRATEGIC OBJECTIVE 3

Supporting and enhancing our local economy



THE FOLLOWING STATEMENT REVIEWS THE PERFORMANCE OF COUNCIL AGAINST THE COUNCIL PLAN INCLUDING RESULTS ACHIEVED IN RELATION TO THE STRATEGIC INDICATORS INCLUDED IN THE COUNCIL PLAN.

3.1

IMPLEMENT THE BULOKE SHIRE ECONOMIC DEVELOPMENT STRATEGY AND REPORT TO THE COMMUNITY ON AN ANNUAL BASIS.

- Measure our annual, short-term and long-term success with Economic Development Strategy actions and advocacy outcomes.

3.2

FACILITATE THE PROVISION OF INFRASTRUCTURE TO GROW THE ECONOMIC DEVELOPMENT OF THE COMMUNITY.

- Seek funding to develop a town beautification and streetscape improvement program in Donald, Birchip, Sea Lake, Charlton and Wycheproof.
- Conduct annual reviews of Council's Road Management Plan in order to provide a sustainable road network that facilitates movement to key commodity receival sites.
- Undertake a Rural Land Use Strategy.

STRATEGIC INDICATORS

- Adoption of a Rural Land Use Strategy.
- Funding for streetscape received.
- Growth in economic output from Buloke.

STRATEGIC OBJECTIVE 4

Working with the community and relevant agencies and groups to enhance and protect our natural environment



THE FOLLOWING STATEMENT REVIEWS THE PERFORMANCE OF COUNCIL AGAINST THE COUNCIL PLAN INCLUDING RESULTS ACHIEVED IN RELATION TO THE STRATEGIC INDICATORS INCLUDED IN THE COUNCIL PLAN.

4.1

IMPLEMENT THE BULOKE WASTE MANAGEMENT STRATEGY.

- Implement the adopted future directions from the Waste Management Strategy and report annually on waste management services over the life of the Council Plan.

4.2

UNDERTAKE A STRATEGIC REVIEW OF COUNCIL'S GRAVEL PITS.

- Complete a formal review of Council's existing gravel pits and develop an action plan for each individual gravel pit.

4.3

REVIEW THE ROADSIDE VEGETATION MANAGEMENT PLAN.

- Review, adopt and implement the Roadside Vegetation Management Plan.

4.4

IDENTIFY AND IMPLEMENT ENVIRONMENTALLY SUSTAINABLE PROJECTS.

- Conduct a review of the most utilised public buildings and reserves to identify opportunities for energy and water saving initiatives.
- Actively incorporate the Environmental Sustainable Design Guide for Office and Public Buildings when planning and delivering our capital works program.

STRATEGIC INDICATORS

- Reduction in energy consumption from non-renewable sources and reduction in use of portable water supplies.
- Roadside Vegetation Management Plan adopted by Council by 30 June 2015.
- Strategic pit review completed and action plan established for each gravel pit by 30 December 2015.

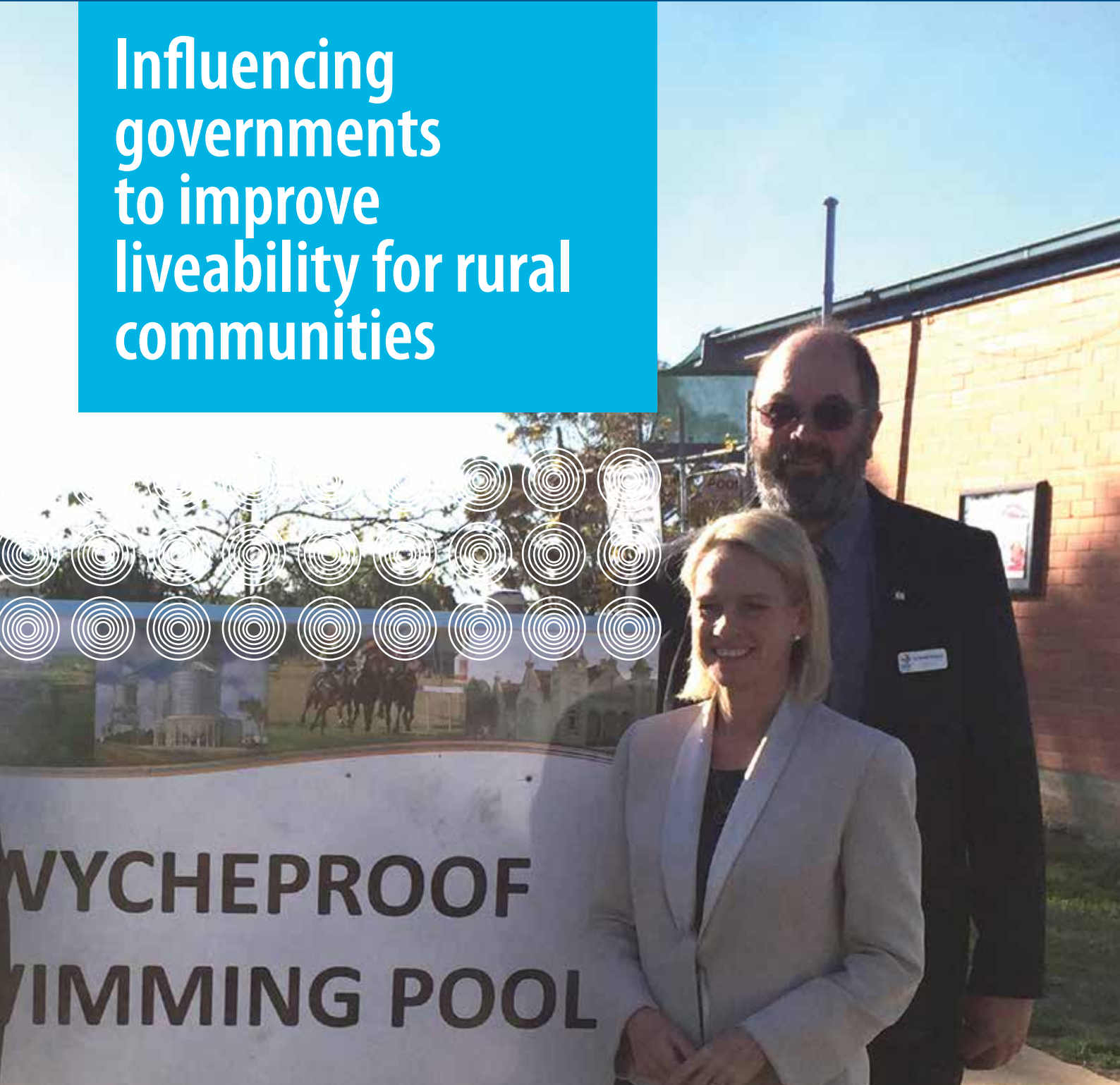
REPORT OF OPERATIONS

WASTE COLLECTION

○ Direct cost of garbage collection per collection bin: \$60.42.	(\$61.57 2014/15 \$60.60 2015/16)
○ Direct cost of recycling collection per collection bin: \$34.17.	(\$41.93 2014/15 \$41.64 2015/16)
○ 23.49% of collected kerbside waste was diverted from landfill.	(27.1% 2014/15 24.29% 2015/16)
○ Kerbside collection bins missed per 10,000 bins lifted: 2.53.	(7.86 2014/15 2.47 2015/16)
○ Number of kerbside bin collection requests per 1000 households: 18.43.	(8.07 2014/15 10.47 2015/16)

STRATEGIC OBJECTIVE 5

Influencing governments to improve liveability for rural communities



THE FOLLOWING STATEMENT REVIEWS THE PERFORMANCE OF COUNCIL AGAINST THE COUNCIL PLAN INCLUDING RESULTS ACHIEVED IN RELATION TO THE STRATEGIC INDICATORS INCLUDED IN THE COUNCIL PLAN.

5.1

ENGAGE WITH OTHER MUNICIPALITIES AND AGENCIES TO ADVOCATE FOR EQUITABLE SERVICES.

- Develop “minimum service levels” for rural residents for advocacy with Victorian and Commonwealth governments.

5.2

MOBILISE THE COMMUNITY TO PARTICIPATE IN ADVOCACY ISSUES.

- Utilise collective advocacy in a range of media fora and platforms.

STRATEGIC INDICATORS

- Adoption of “minimum service levels” in consultation with our community.
- Advocate “minimum service levels” to other levels of government.

STRATEGIC OBJECTIVE 6

An organisation that is responsibly governed and values and supports the development of its people



THE FOLLOWING STATEMENT REVIEWS THE PERFORMANCE OF COUNCIL AGAINST THE COUNCIL PLAN INCLUDING RESULTS ACHIEVED IN RELATION TO THE STRATEGIC INDICATORS INCLUDED IN THE COUNCIL PLAN.

6.1

ENDORSE AND IMPLEMENT THE BULOKE ORGANISATIONAL DEVELOPMENT STRATEGY.

- Take Organisational Development Strategy to Council Briefing.
- Implement and promote the Organisational Development Strategy within the organisation.

6.2

ACTION RELEVANT AUDIT REPORTS.

- Complete the annual internal audit schedule adopted by the Audit Advisory Committee (AAC).
- Respond to all formal audits undertaken by the Victorian Auditor-General's office (VAGO) by the due dates established by VAGO.
- Provide management responses to all recommendations arising from all audits undertaken by the Council's appointed Internal Auditors by the due date.

6.3

MONITOR GOVERNANCE PROCESSES AND PRACTICES.

- Report to Council on governance review processes and practices.

STRATEGIC INDICATORS

- All VAGO audits responded to by the due dates established by VAGO.
- All internal audit review recommendations responded to by management by due date.
- Development of Organisational Development Strategy action plan.

REPORT OF OPERATIONS

○ Council decisions made at meetings closed to the public: 2.1%.	(0.55% 2014/15 4.59% 2015/16)
○ Councillor attendance of Council meetings: 91.4%.	(92.86% 2014/15 2015/16 89.92%)
○ Satisfaction of community consultation and engagement: 51%.	(51.00% 2014/15 46% 2015/16)
○ Cost of Governance: \$34,852.27.	(\$65,418.29 2014/15 \$33,020.57 2015/16)
○ Satisfaction with Council decisions: 49%.	(50% 2014/15 45% 2015/16)



GOVERNANCE, MANAGEMENT AND OTHER INFORMATION



GOVERNANCE

The Buloke Shire Council is constituted under the Local Government Act 1989 (Victoria) to provide leadership for the good governance of the municipal district and the local community. Council has a number of roles including:

- Taking into account the diverse needs of the local community in its decision-making.
- Providing leadership by establishing strategic objectives and monitoring achievements.
- Ensuring that resources are managed in a responsible and accountable manner.
- Advocating the interests of the local community to other communities and governments.
- Fostering community cohesion and encouraging active participation in civic life.

Council is committed to effective and sustainable forms of democratic and corporate governance as the key to ensuring that Council and its administration meet the community's priorities. The community has many opportunities to provide input into Council's decision-making processes including community consultation, public forums such as Council meetings, community forum summits and the ability to make submissions to Special Committees of Council.

Council's formal decision-making processes are conducted through Council meetings and Special Committees of Council. Council delegates the majority of its decision-making to Council staff. These delegations are exercised in accordance with adopted Council policies.

GOVERNANCE AND MANAGEMENT CHECKLIST

The following are the results in the prescribed form of Council's assessment against the prescribed governance and management checklist.

GOVERNANCE AND MANAGEMENT ITEM	ASSESSMENT
1. COMMUNITY ENGAGEMENT POLICY (policy outlining Council's commitment to engaging with the community on matters of public interest)	Adopted in 11 February 2015.
2. COMMUNITY ENGAGEMENT GUIDELINES (guidelines to assist staff to determine when and how to engage with the community)	Guidelines have been incorporated within the Strategy which was adopted on 11 February 2015.
3. STRATEGIC RESOURCE PLAN (plan under Section 126 of the Act outlining the financial and non-financial resources required for at least the next 4 financial years)	Strategic Resource Plan is incorporated into the Council Plan, adopted in accordance with Section 126 of the Local Government Act 1989 on 21 June 2017.
4. ANNUAL BUDGET (plan under Section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Adopted in accordance with Section 130 of the Local Government Act 1989 21 June 2017.
5. ASSET MANAGEMENT PLANS (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Asset Management Strategy Adopted 9 December 2015. Roadside Vegetation Management Plan Adopted 9 December 2015. Road Management Plan Adopted 14 June 2017.
6. RATING STRATEGY (strategy setting out the rating structure of Council to levy rates and charges)	Rating strategy is incorporated into Annual Budget, adopted 21 June 2017.
7. RISK POLICY (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Policy adopted 14 June 2017.
8. FRAUD POLICY (policy outlining Council's commitment and approach to minimising the risk of fraud)	Policy adopted 10 February 2016.
9. MUNICIPAL EMERGENCY MANAGEMENT PLAN (plan under Section 20 of the Emergency Management Act 1986 for emergency prevention, response and recovery)	Plan adopted 11 May 2016.
10. PROCUREMENT POLICY (policy under Section 186A of the Local Government Act 1989 outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	Policy Adopted 14 December 2016.

GOVERNANCE AND MANAGEMENT ITEM	ASSESSMENT
11. BUSINESS CONTINUITY PLAN (plan setting out the actions that will be taken to ensure that key services continue to operate in the event of a disaster)	Adopted 9 October 2013. Revision Date September 2017.
12. DISASTER RECOVERY PLAN (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Adopted 11 September 2013. Revision Date September 2017.
13. RISK MANAGEMENT FRAMEWORK (framework outlining Council's approach to managing risks to the Council's operations)	Current framework in operation adopted June 2017.
14. AUDIT COMMITTEE (advisory committee of Council under Section 139 of the Act whose role is to oversee the integrity of a Council's financial reporting, processes to manage risks to the Council's operations and for compliance with applicable legal, ethical, and regulatory requirements)	Audit Committee Established 28/10/2004. Audit Committee Charter Adopted by Council 12/4/2016.
15. INTERNAL AUDIT (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	Date of engagement of current provider RSD Chartered Accountants, 8 March 2017.
16. PERFORMANCE REPORTING FRAMEWORK (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in Section 131 of the Act)	Audited Performance Statement, considered by Council on 14 September 2016.
17. COUNCIL PLAN REPORTING (report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	Included in the Annual Report, considered by Council on 12 October 2016.
18. FINANCIAL REPORTING (quarterly statements to Council under Section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	Monthly Financial Statements are presented to council.
19. RISK REPORTING (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reported to Audit Committee on a quarterly basis.
20. PERFORMANCE REPORTING (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in Section 131 of the Act)	Reports are produced bi-annually and audited annually.

GOVERNANCE AND MANAGEMENT ITEM	ASSESSMENT
<p>21. ANNUAL REPORT (annual report under Sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial performance statements)</p>	<p>Annual report considered at a meeting of Council on 12 October 2016.</p>
<p>22. COUNCILLOR CODE OF CONDUCT (Code under Section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors)</p>	<p>Councillor Code of conduct reviewed on 8 February 2017.</p>
<p>23. DELEGATIONS (a document setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff)</p>	<p>Delegations reviewed in accordance with Section 98(6) of the Act on 8 February 2017.</p>
<p>24. MEETING PROCEDURES (a local law governing the conduct of meetings of Council and special committees)</p>	<p>Meeting procedures local law made in accordance with Section 91(1) of the Act. Last amended 12 August 2015.</p>

I certify that this information presents fairly the status of Council's governance and management arrangements.



Lucy Roffey
Chief Executive Officer



Cr David Pollard
Mayor

STATUTORY INFORMATION

FREEDOM OF INFORMATION

The Freedom of Information Act 1982 (Commonwealth) ("FOI Act") establishes, as far as possible, the right of the community to access information in the Council's possession. Access to documents may be obtained through written request to the Freedom of Information Officer, as detailed in Section 17 of the FOI Act and in summary as follows:

- It should be in writing.
- It should identify as clearly as possible which document is being requested.
- It should be accompanied by the appropriate application fee (the fee may be waived in certain circumstances).

Requests for documents in the possession of Council should be addressed to the Freedom of Information Officer. Requests can also be lodged by email.

Access charges may also apply once documents have been processed and a decision on access is made (e.g. photocopying and search and retrieval charges).

Further information on regarding FOI can be found at www.foi.vic.gov.au and on the Buloke Shire Council website.

	14-15	15-16	16-17
TOTAL NUMBER OF REQUESTS IN THE PERIOD	1	1	1
ACCESS GRANTED IN FULL	0	0	0
ACCESS GRANTED IN PART	1	1	1
OUTCOMES OF REQUESTS OUTSTANDING FROM PREVIOUS REPORTING PERIOD	1	0	0
ACCESS GRANTED IN FULL	0	0	0
ACCESS GRANTED IN PART	1	0	0
OTHER	0	0	0
ACCESS DENIED IN FULL	0	1	0
REQUESTS STILL UNDER CONSIDERATION	0	0	0
NUMBER OF INTERNAL REVIEWS SOUGHT	0	0	0
REQUESTS REFERRED TO ANOTHER GOVERNMENT AGENCY	0	0	1
NUMBER OF VCAT (VICTORIAN CIVIL & ADMINISTRATIVE TRIBUNAL) APPEALS LODGED	1	2	0
OUTCOME OF VCAT DECISIONS ON APPEAL LODGED IN THE PERIOD			
WITHDRAWN	1	0	0
SUCCESSFUL		1	0
STILL TO BE HEARD		1	0
TOTAL CHARGES COLLECTED	\$26.50	\$27.20	\$27.90

BEST VALUE

Council is committed to a review of all services over a three year period. As part of the service review process, opportunities and challenges will be identified and action plans developed to make the most of opportunities and to alleviate challenges. Central to this program is embedding a culture of continuous improvement throughout the organisation with a focus on efficient service delivery.

COMPLETED SERVICE REVIEWS AS AT 30 JUNE 2017

2015/16

- Media and Communications
- Payroll
- Economic Development
- Waste Services
- Building Services
- Local Laws
- Information Technology
- Swimming Pool

2016/17

- School Crossing
- Planning
- Building
- Environmental Compliance
- Insurance
- Rates
- Payroll
- Governance
- Immunisation
- Recreation Service
- Saleyard and Truck Wash

CARERS RECOGNITION ACT 2012 (VICTORIA)

Buloke Shire has taken all practicable measures to comply with its responsibilities outlined in the Carers Recognition Act 2012 (Victoria). Council has promoted the principles of the Act to people in care relationships who receive Council services, to people in care relationships, and to the wider community by:

- distributing printed material through relevant Council services
- displaying posters at Council community venues
- providing links to State Government resource materials on Council's website.

Buloke Shire has taken all practicable measures to ensure staff, Council agents and volunteers working for Council are informed about the principles and obligations of the Act by including information on the care relationship in:

- Council induction and training programs for staff working in Home and Community Care and Disability Services
- Council induction and training programs for staff working in frontline positions with the general community; and
- Induction and training programs for volunteers working directly with the community.

Buloke Shire has taken all practicable measures to review and modify policies, procedures and supports to include recognition of the carer relationship and has provided the following additional activities and resources to recognise the care relationship:

- All policies and procedures of our Aged and Disability Services refer to the Carers Recognition Act 2012 (Victoria).
- Information regarding the Carers Recognition Act 2012 (Victoria) is included in the client handbooks for all persons assessed as eligible to receive services through Council's Aged and Disability Services; and
- Information regarding the Carers Recognition Act 2012 (Victoria) is provided to all persons at their initial point of contact with Council's Family and Children's Services program.

DISABILITY ACTION PLAN

In accordance with section 38 of the Disability Act 2006, as Council has prepared a Disability Action Plan it must report on the implementation of the Disability Action Plan in its Annual Report.

Council has prepared a Disability Action Plan and implemented the following action:

- Delivered Community Care services to eligible members of the community by providing adequate and equitable access to services.
- Developed cross sector partnership opportunities to capitalise on existing resources and services
- Increased opportunities for people with a disability to participate in community events
- Regularly promoted all services available to people with a disability or mental illness and their carers
- Through its Aged Care Advisory Committee, provided an appropriate forum to receive advice on issues affecting people with a disability

POSITIVE AGEING STRATEGY

Council commissioned the development of a Positive Ageing Strategy in response to the recent and future ageing of the population within the Buloke Shire. The ultimate goal of the Strategy is to maximise the quality of life, participation and social recognition of seniors living in Buloke. The implications of an ageing population present opportunities and challenges for all levels of Government and the broader community. The Buloke Shire Council has responded to this challenge by developing this Strategy and action plan to maximise opportunities and minimise the challenges of an ageing population.

CONTRACTS

During the year Council entered into no contracts with a value of \$150,000 or more for goods and services or \$200,000 or more for works without engaging in a competitive process.

DOMESTIC ANIMAL MANAGEMENT PLAN

In accordance with the Domestic Animals Act 1994 (Victoria), Council is required to prepare a Domestic Animal Management Plan at four-yearly intervals and evaluate its implementation in the Annual Report. Council adopted the Domestic Animal Management Plan 2013–17 after Council was given an extension of time to develop a new plan in 2012. The plan was developed through consultation with Council's Animal Management Team and consideration of input from other Council departments. A new Domestic Animal Management Plan will be required in 2018 with consultation to begin in late 2017.

FOOD ACT MINISTERIAL DIRECTIONS

In accordance with Section 7E of the Food Act 1984 (Victoria), Council is required to publish a summary of any ministerial directions received during the financial year.

No such ministerial directions were received by Buloke Shire Council during the financial year.

PROTECTED DISCLOSURE PROCEDURES

In accordance with Section 69 of the Protected Disclosure Act 2012 (Victoria) a council must include in its annual report information about how to access the procedures established by the Council under Part 9 of that Act. It is also required to provide certain information about the number and types of protected disclosures complaints investigated during the financial year.

The Protected Disclosure Act 2012 (Victoria) aims to ensure openness and accountability in government by encouraging people to disclose improper conduct within the public sector and provide protection for people who make disclosures. Procedures on how to make a disclosure are publicly available on Council's website.

During the 2016-17 year no disclosures were notified to Council Officers appointed to receive disclosures, or to IBAC.

ROAD MANAGEMENT ACT MINISTERIAL DIRECTION

In accordance with Section 22 of the Road Management Act 2004, a Council must publish a copy or a summary of any Ministerial direction in its annual report. No such Ministerial Directions were received by Council during the financial year.

EXPLANATION OF FINANCIAL STATEMENTS

INTRODUCTION

The Financial Report is a key report of the Buloke Shire Council. It shows how Council performed financially during the 2016/2017 financial year and the overall position at the end of the financial year (30 June 2017).

Council presents its financial report in accordance with the Australian Accounting Standards. Particular terms required by these standards may not be familiar to some readers. Further, Council is a 'not-for-profit' organisation and some of the generally recognised terms used in private sector company reports are not appropriate to Council's report.

Council is committed to accountability. It is in this context that the Plain English Guide has been developed to assist readers understand and analyse the financial report.

WHAT IS CONTAINED IN THE ANNUAL FINANCIAL REPORT?

Council's Annual Financial Report has two main sections; the Financial Statements and the Notes to the Financial Report. There are five statements and 38 notes. These are prepared by Council's staff, examined by the Council Audit Committee and by Council, and then are audited by the Victorian Auditor-General.

The five key statements are included as the first section of the Annual Financial Report. These statements are the Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and the Statement of Capital Works.

The notes section details Council's accounting policies, make up of individual values contained in the statements and other required disclosures, and comprise the balance of the Annual Financial Report.

COMPREHENSIVE INCOME STATEMENT

The Comprehensive Income Statement is alternatively referred to as a 'Profit and Loss Statement' and shows the sources of Council's revenue and the expenses incurred in running the Council during the year, under various headings. These expenses relate only to the ongoing operations of Council and do not include the cost associated with the purchase or construction of Property, Infrastructure, Plant & Equipment assets. Whilst these asset acquisition costs are not included in the expenses there is an item for 'depreciation', which is the value of the assets used up or consumed during the year.

One key figure to look at is the surplus (or deficit) for the year which is equivalent to the profit (or loss) of Council for the financial year. A surplus means that the revenue was greater than the expenses.

BALANCE SHEET

This one-page summary is a snap shot of Council's financial situation as at 30 June 2017. It shows what assets the Council owns and/or controls and what it owes as liabilities. The bottom line of this statement is Net Assets. This is the net worth (equity) of Council which has been built up over many years.

The assets and liabilities are separated into Current and Non-current. Current means those assets or liabilities which are due to be settled in the next 12 months. The components of the Balance Sheet are described here.

1

CURRENT AND NON-CURRENT ASSETS

- "Cash" includes cash and those term deposit investments with a maturity date of less than 91 days, i.e. cash held in the bank and in petty cash and the market value of Council's investments.
- "Receivables" are monies owed to Council by ratepayers, the Australian Taxation Office and others.
- "Other Financial Assets" are those term deposit investments with a maturity date of 91 days or longer.
- "Inventories" are stock of goods held for sale in Council's Resource Centres.
- "Non-Current Assets As Held For Sale" comprises blocks of residential and industrial land held by Council that are currently for sale.
- "Other Assets" comprises of expenses which have been paid in advance and income that has been accrued.
- "Property, Infrastructure, Plant & Equipment" is the largest component of Council's worth and represents the value of all the land, buildings, roads, vehicles, equipment, etc. assets which has been built up by Council over many years.

2

CURRENT AND NON-CURRENT LIABILITIES

- "Payables" are those suppliers to whom Council owes money as at 30 June 2017.
- "Trust Funds and Deposits" represent monies held in trust by Council which are due to be returned or distributed once certain conditions have been met.
- "Provisions" include accrued long service and annual leave owed to employees.
- "Interest-bearing Loans and Borrowings" represent bank debt owed by Council.

3

NET ASSETS

- This term is used to describe the difference between the value of total assets and the value of total liabilities. It represents the net worth (equity) of Council as at 30 June 2017.

4

EQUITY

This always equals Net Assets. It is made up of the following components:

- "Asset Revaluation Reserve" which is the difference between the previously recorded value of assets and their current valuations;
- "Recreational Land Reserve" which is developer cash contributions towards public open space; and,
- "Accumulated Surplus" which is the value of all net assets accumulated over time.

STATEMENT OF CHANGES IN EQUITY

Between one balance date and the next the total of the Equity belonging to ratepayers changes. This statement shows the values of such changes and how they arose.

The main reasons for a change in equity stem from:

- The 'profit or loss' from operations, described in the Comprehensive Income Statement as "Surplus/ (Deficit) for the year".
- The use of monies from, or contribution of money to, Council's Recreational Land Reserve.
- Revaluation of Council Property, Infrastructure, Plant & Equipment assets, which takes place on a regular basis.

STATEMENT OF CASH FLOWS

The Statement of Cash Flows summarises Council's cash payments and cash receipts for the year. This statement is presented according to a very specific accounting standard and needs some care in analysis. The line item values may differ from those shown in the Comprehensive Income Statement because the Comprehensive Income Statement is prepared on an accrual accounting basis.

- "Cash and Cash Equivalents" in this statement refers to bank deposits with a maturity of less than 91 days and other forms of highly liquid investments that can readily be converted to cash.

Council's cash arises from, and is used in, three main areas:

CASH FLOWS FROM OPERATING ACTIVITIES

- Receipts – All cash received into Council's bank account from ratepayers and others who owe money to Council. Receipts also include the interest earnings from Council's cash investments. It does not include the revenue associated with the sale of Property, Infrastructure, Plant & Equipment assets.
- Payments – All cash paid by Council from its bank account to staff, creditors and other persons or businesses for operational expenditure. It does not include the costs associated with the purchase or construction of Property, Infrastructure, Plant & Equipment assets.

CASH FLOWS FROM INVESTING ACTIVITIES

- This section shows the cash invested in the creation or construction of Property (including residential and industrial land), Infrastructure, Plant & Equipment assets and the cash received from the sale of these assets.

CASH FLOWS FROM FINANCING ACTIVITIES

- This is where the receipt and repayment of borrowed funds are recorded, along with the interest paid on those borrowings.

CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR

- This shows the capacity of Council to meet its debts and other liabilities as they become due and payable.

STATEMENT OF CAPITAL WORKS

The Statement of Capital Works summarises the expenditure on the purchase and construction of Property, Infrastructure, Plant & Equipment assets during the year by each category of asset (e.g. land, buildings, roads, bridges, plant etc). It also summarises this expenditure by expenditure type, i.e. new assets, asset renewal (bringing an asset back to its original capacity) or asset upgrade (increasing the capacity of an asset, for example widening a bridge from one lane to two lanes).

NOTES TO THE FINANCIAL REPORT

The Notes to the Financial Report are a very important and informative section of the Annual Financial Report. The Australian Accounting Standards are not prescriptive on a lot of issues. Therefore, to enable the reader to understand the basis on which the values shown in the statements are established, it is necessary to provide details of Council's accounting policies. These are described in note 1.

Apart from the accounting policies, the notes also give details behind many of the summary figures contained in the statements. The note numbers are shown beside the relevant items in the Comprehensive Income Statement, Balance Sheet and the Statement of Cash Flows.

Where Council wishes to disclose other information which cannot be incorporated into the statements then this is shown in the notes.

Other notes include: a comparison of the actual result with Council's budget; the breakdown of expenses, revenues, assets, liabilities and equity; contingent liabilities; transactions with persons related to Council; and financial commitments. The notes should be read at the same time as, and together with, the other parts of the Annual Financial Report to get a clear picture of the financial position of Council.

CERTIFICATION OF THE FINANCIAL STATEMENTS

The certification of the Principal Accounting Officer is made by the person responsible for the financial management of Council that, in her/his opinion, the financial statements have met all the statutory and professional reporting requirements.

The Certification of Councillors is made by two Councillors on behalf of Council that, in their opinion, the financial statements are fair and not misleading.

AUDITOR-GENERAL'S REPORT

The Independent Audit Report provides the reader with an external and independent opinion on the financial statements. It confirms that the Annual Financial Report has been prepared in accordance with relevant legislation and professional standards and that it represents a fair picture of the financial affairs of the Council.

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2017



BULOKE SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

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BULOKE SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

Comprehensive Income Statement For the year ended 30 June 2017

	Note	2017 \$'000	2016 \$'000
Income			
Rates and charges	3	12,702	12,213
Statutory fees and fines	4	249	148
User fees	5	773	681
Contributions - cash	7	346	117
Grants - Operating	6	10,882	4,286
Grants - Capital	6	4,511	3,800
Net gain on disposal of property, infrastructure, plant and equipment	8	42	-
Other revenue	9	377	319
Share of net profits / (losses) of associates	16	2	1
Total income		29,884	21,565
Expenses			
Employee costs	10	(8,588)	(8,682)
Materials and services	11	(6,163)	(5,035)
Bad and doubtful debts	12	(106)	(8)
Depreciation	13	(6,829)	(6,560)
Finance costs	14	(297)	(298)
Other expenses	15	(770)	(913)
Net loss on disposal of property, infrastructure, plant and equipment	8	-	(153)
Total expenses		(22,753)	(21,649)
Surplus/(deficit)		7,131	(84)
Other comprehensive income			
Net asset revaluation increment / (decrement)	28	9,600	(3,435)
Total comprehensive result		16,731	(3,519)

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

BULOKE SHIRE COUNCIL

2016/2017 FINANCIAL REPORT

Balance Sheet As at 30 June 2017

	Note	2017 \$'000	2016 \$'000
Assets			
Current assets			
Cash and cash equivalents	17	1,360	3,806
Other financial assets	18	13,047	3,000
Trade and other receivables	19	1,491	1,380
Inventories	20	119	172
Other assets	22	544	242
Total current assets		16,561	8,600
Non-current assets			
Investments in associates	16	224	222
Property, infrastructure, plant and equipment	23	181,297	172,353
Total non-current assets		181,521	172,575
Total assets		198,082	181,175
Liabilities			
Current liabilities			
Trade and other payables	24	1,471	1,343
Trust funds and deposits	25	114	28
Provisions	26	1,945	2,076
Total current liabilities		3,530	3,447
Non-current liabilities			
Provisions	26	1,077	984
Interest-bearing loans and borrowings	27	7,000	7,000
Total non-current liabilities		8,077	7,984
Total liabilities		11,607	11,431
Net Assets		186,475	169,744
Equity			
Accumulated surplus		95,486	88,350
Reserves	28	90,989	81,394
Total Equity		186,475	169,744

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

BULOKE SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

Statement of Changes in Equity For the year ended 30 June 2017

	Note	Total 2017 \$'000	Accumulated Surplus 2017 \$'000	Revaluation Reserve 2017 \$'000	Other Reserves 2017 \$'000
2017					
Balance at beginning of the financial year		169,744	88,350	81,389	5
Surplus/(deficit) for the year		7,131	7,131		-
Net asset revaluation increment(decrement)	28	9,600	-	9,600	-
Transfer from other reserve to accumulated surplus	28(b)	-	5	-	(5)
Balance at end of the financial year		186,475	95,486	90,989	-

	Note	Total 2016 \$'000	Accumulated Surplus 2016 \$'000	Revaluation Reserve 2016 \$'000	Other Reserves 2016 \$'000
2016					
Balance at beginning of the financial year		173,263	88,032	85,226	5
Surplus/(deficit) for the year		(84)	(84)		-
Net asset revaluation increment(decrement)	28	(3,435)		(3,435)	
Net asset revaluation increment (decrement)- effects of correction of error	Note 1(o)	-	402	(402)	
Balance at end of the financial year		169,744	88,350	81,389	5

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

BULOKE SHIRE COUNCIL

2016/2017 FINANCIAL REPORT

Statement of Cash Flows

For the year ended 30 June 2017

	Note	2017 Inflows/ (Outflows) \$'000	2016 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		12,741	12,016
Statutory fees and fines		146	79
User fees		747	700
Grants - operating		10,203	4,301
Grants - capital		4,961	4,034
Contributions		346	126
Interest		142	179
Trust funds and deposits		(4)	(93)
Other receipts		188	282
Net GST refund/(payment)		992	832
Materials and consumables		(7,015)	(5,873)
Employee costs		(8,626)	(8,793)
Other payments		(743)	(943)
Net cash provided by (used in) operating activities	29	14,078	6,847
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(6,280)	(5,851)
Proceeds from sale of property, infrastructure, plant and equipment		101	915
Payment for investments	19	(20,069)	(3,000)
Proceeds from sale of investments		17,564	-
Net cash provided by (used in) from investing activities		(8,684)	(7,936)
Cash flows from financing activities			
Finance costs		(297)	(300)
Repayment of loans and advances		-	(201)
Net cash provided by (used in) financing activities		(297)	(501)
Net increase (decrease) in cash and cash equivalents		5,097	(1,590)
Cash and cash equivalents at the beginning of the financial year		3,806	5,396
Cash and cash equivalents at the end of the financial year	30	8,903	3,806
Financing arrangements	31	-	2,500
Restrictions on cash assets	17	4,214	959

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

BULOKE SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

Statement of Capital Works For the year ended 30 June 2017

	Note	2017 \$'000	2016 \$'000
Property			
Building improvements		552	469
Total buildings		<u>552</u>	<u>469</u>
Total property		<u>552</u>	<u>469</u>
Plant and equipment			
Plant, machinery and equipment		682	685
Computers and telecommunications		247	153
Total plant and equipment		<u>929</u>	<u>838</u>
Infrastructure			
Roads		3,510	3,208
Footpaths and cycleways		72	67
Drainage		308	239
Recreational, leisure and community facilities		250	195
Waste management		480	-
Parks, open space and streetscape		49	-
Aerodromes		-	14
Other infrastructure		80	124
Total infrastructure		<u>4,749</u>	<u>3,846</u>
Total capital works expenditure	23	<u>6,230</u>	<u>5,152</u>
Represented by:			
New asset expenditure		165	301
Asset renewal expenditure		4,961	4,753
Asset expansion expenditure		-	-
Asset upgrade expenditure		1,104	98
Total capital works expenditure	23	<u>6,230</u>	<u>5,152</u>

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

BULOKE SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

Introduction

The Buloke Shire Council was established by an Order of the Governor in Council on 20 January 1995 and is a body corporate. The Council's main office is located at 367 Broadway, Wycheproof, Victoria 3527.

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 Auditors during 2016/17 -

*AFS - Chartered Accountants - Bendigo

* RSD Chartered Accountants - Bendigo

Solicitors - Maddocks

- Karen Lee Probst Solicitors
- MCC Legal - for debt collection
- MCL Legal - for sale of properties
- John R. Buman & Co

Bankers - Commonwealth Bank of Australia

- National Australia Bank
- Bendigo and Adelaide Bank

Website address www.buloke.vic.gov.au

Statement of compliance

These financial statements are a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and notes accompanying these financial statements. The general purpose financial report complies with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1989*, and the *Local Government (Planning and Reporting) Regulations 2014*.

Note 1 Significant accounting policies

(a) Basis of accounting

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to note 1 (m))
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to note 1 (n))
- the determination of employee provisions (refer to note 1 (t))
- the determination of the landfill restoration provision (refer to note 26 (c))
- the determination of the gravel pit restoration provision (refer to note 25(b))

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

BULOKE SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

(b) Changes in accounting policies

There have been no changes in accounting policies from the previous period.

(c) Principles of consolidation

The consolidated financial statements of Council incorporate all entities controlled by Council as at 30 June 2017, and their income and expenses for that part of the reporting period in which control existed.

Council has no entities that it controls.

(d) Committees of management

On the basis of materiality, the transactions of these entities have not been included in the financial statements. However, the fixed assets managed by these committees are included in the statements and are depreciated in accordance with Council policy.

(e) Accounting for investments in associates

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.

Council's investment in the Wimmera Regional Library Corporation is disclosed in Note 16 and is accounted for by the equity method. Council has no investments in joint arrangements.

(f) Revenue recognition

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.

Rates and Charges

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

Statutory fees and fines

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

User fees

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

Grants

Grant income is recognised when Council obtains control of the contribution. This 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.

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 6. The note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

Contributions

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

Sale of property, infrastructure, plant and equipment

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

Interest

Interest is recognised as it is earned.

Other Income

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

BULOKE SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

(g) Fair value measurement

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

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique.

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

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, Council has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, Council determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(h) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of 90 days or less, net of outstanding bank overdrafts.

(i) Trade and other receivables

Short term receivables are carried at invoice amount as amortised cost using the effective interest rate method would not impact the carrying value. A provision for doubtful debts is recognised when there is objective evidence that an impairment has occurred. Long term receivables are carried at amortised cost using the effective interest rate method.

(j) Other financial assets

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

(k) Inventories

Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential.

All other inventories, including land held for sale, are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

(l) Non-current assets classified as held for sale

A non-current asset classified as held for sale (including disposal groups) is measured at the lower of its carrying amount and fair value less costs to sell, and are not subject to depreciation. Non-current assets, disposal groups and related liabilities and assets are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset's sale (or disposal group sale) is expected to be completed within 12 months from the date of classification.

BULOKE SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

(m) Recognition and measurement of property, plant and equipment, infrastructure

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.

In accordance with Council's policy, the threshold limits detailed in Note 1 n have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.

Revaluation

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use on an asset result in changes to the permissible or practical highest and best use of the asset. Further details regarding the fair value hierarchy are disclosed at Note 23, Property, infrastructure, plant and equipment, and infrastructure.

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 3 to 4 years. The valuation is performed either by experienced council officers or independent experts.

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

Land under roads

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.

(n) Depreciation of property, infrastructure, plant and equipment

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

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

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

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

BULOKE SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

Note 1 Significant accounting policies (cont.)

(n) Depreciation of property, infrastructure plant and equipment (cont'd)

Asset recognition thresholds and depreciation periods

	Depreciation Period	Threshold Limit \$'000
Property		
land	-	All
land under roads	-	All
land improvements	-	All
Buildings		
buildings - non-specialised	50 years	All
Plant and Equipment		
plant, machinery and equipment	3-13 years	1
fixtures, fittings and furniture	4-13 years	1
computers and telecommunications	3-6 years	1
Infrastructure		
road formation	95 - 105 years	All
sealed road pavements	60 - 90 years	All
unsealed road pavements	15 - 25 years	All
sealed road surfaces	15 - 25 years	All
bridges	80 - 120 years	All
footpaths and cycleways	20 - 70 years	All
drainage	100 years	All
recreational, leisure and community facilities	10 - 50 years	All
waste management	10 - 50 years	All
parks, open space and streetscapes	10 - 50 years	All
off street car parks	10 - 50 years	All
aerodromes	10 - 50 years	All

BULOKE SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

Note 1 Significant accounting policies (cont.)

(o) 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.

(p) Impairment of assets

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

(q) Trust funds and deposits

Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited (refer to Note 25).

(r) Borrowings

Borrowings are initially measured at fair value, being the cost of the interest bearing liabilities, net of transaction costs. The measurement basis subsequent to initial recognition depends on whether the Council has categorised its interest-bearing liabilities as either financial liabilities designated at fair value through the profit and loss, or financial liabilities at amortised cost. Any difference between the initial recognised amount and the redemption value is recognised in net result over the period of the borrowing using the effective interest method.

The classification depends on the nature and purpose of the interest bearing liabilities. The Council determines the classification of its interest bearing liabilities at initial recognition.

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 Borrowing costs include interest on bank overdrafts and interest on borrowings

(s) Employee costs and benefits

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

Wages and salaries and annual leave

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

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

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

Current Liability - unconditional LSL is disclosed as a current liability even when the council does not expect to settle the liability within 12 months because it will not have the unconditional right to defer settlement of the entitlement should an employee take leave within 12 months.

The components of this current liability are measured at :

- present value - component that is not expected to be wholly settled within 12 months.
- nominal value - component that is expected to be wholly settled within 12 months.

BULOKE SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

Note 1 Significant accounting policies (cont.)

Classification of employee costs

Non-current liability - conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non-current liability. There is an unconditional right to defer settlement of the entitlement until the employee has completed the requisite years of service.

This non-current LSL liability is measured at present value.

(t) Landfill rehabilitation provision

Council is obligated to restore its landfill sites to a particular standard. The forecast life of the sites is 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 site to a suitable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

(u) Leases

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.

At balance date, Council did not have any finance leases.

(v) Goods and Services Tax (GST)

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

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

(w) Financial guarantees

Financial guarantee contracts are not recognised as a liability in the balance sheet unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probable that that right will be exercised. Details of guarantees that Council has provided, that are not recognised in the balance sheet are disclosed at Note 34 Contingent Liabilities and Contingent Assets.

(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 by way of note and presented inclusive of the GST payable.

BULOKE SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

Note 1 Significant accounting policies (cont.)

(y) Pending accounting standards

The following new AAS's have been issued that are not mandatory for the 30 June 2017 reporting period. Council has assessed these pending standards and has identified the following potential impacts will flow from the application of these standards in future reporting periods.

Revenue from contracts with customers (AASB 15) (applies 2018/19)

The standard shifts the focus from the transaction-level to a contract-based approach. Recognition is determined based on what the customer expects to be entitled to (rights and obligations), while measurement encompasses estimation by the entity of the amount expected to be entitled for performing under the contract. The full impact of this standard is not known however it is most likely to impact where contracts extend over time, where there are rights and obligations that may vary the timing or amount of the consideration, or where there are multiple performance elements. This has the potential to impact on the recognition of certain grant income.

Leases (AASB 16) (applies 2019/20)

The classification of leases as either finance leases or operating leases is eliminated for lessees. Leases will be recognised in the Balance Sheet by capitalising the present value of the minimum lease payments and showing a 'right-of-use' asset, while future lease payments will be recognised as a financial liability. The nature of the expense recognised in the profit or loss will change. Rather than being shown as rent, or as leasing costs, it will be recognised as depreciation on the 'right-of-use' asset, and an interest charge on the lease liability. The interest charge will be calculated using the effective interest method, which will result in a gradual reduction of interest expense over the lease term.

Council has a significant number of operating leases that will be impacted as a result of this change. This will see assets and liabilities of approximately \$427,000 recognised.

(z) 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.

BULOKE SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

Note 2 Budget comparison

The budget comparison notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10% or \$50,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures detailed below are those adopted by Council on 8 June 2016. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for revenue and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

These notes are prepared to meet the requirements of the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

a) Income and Expenditure

	Budget 2017 \$'000	Actual 2017 \$'000	Variance 2017 \$'000	Ref
Income				
Rates and charges	12,700	12,702	2	
Statutory fees and fines	135	249	114	1
User fees	731	773	42	
Grants - operating	7,147	10,882	3,735	2
Grants - capital	5,439	4,511	(928)	3
Contributions - monetary	286	346	60	4
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	-	42	42	5
Share of net profits/(losses) of associates and joint ventures	-	2	2	
Other income	180	377	197	6
Total income	26,618	29,884	3,266	
Expenses				
Employee costs	9,022	8,588	434	7
Materials and services	5,641	6,163	(522)	8
Bad and doubtful debts	5	106	(101)	9
Depreciation and amortisation	6,605	6,829	(224)	10
Borrowing costs	297	297	-	
Other expenses	827	770	57	11
Total expenses	22,397	22,753	(356)	
Surplus/(deficit) for the year	4,221	7,131	2,910	

BULOKE SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Statutory fees and fines	The positive variance occurs as a result of the issuing of a higher than anticipated number of fire infringement notices.
2	Grants - operating	The positive variance occurs as a result of Council receiving half the 2017/18 Victorian Grants Commission VGC allocation of (\$2.932M) in June 2017. These funds are normally paid in the financial year to which they relate. The impact of this early payment is to substantially increase grant funding above budget for the 2016/17 financial year. There will be a compensating reduction in grant funding, in a future period to offset this early payment of these grant funds. Council also received an additional grant of \$450,000 for the Charlton- St Arnaud Road Floodway construction which was not known at budget time.
3	Grants - capital	The negative variance occurs as a result of Council being unsuccessful in its application for \$500,000 of grant funding for the Lake Amenities Development Project in 2016/17 and the delay in payment of the Donald Flood Levy Development \$454,000
4	Contributions	During the year Council received a contribution of \$30,000 in relation to the Rex Theatre climate control unit. This contribution was \$28,200 higher than the original budget. Other small contributions received during the year were \$30,720 higher than budget. This included a positive variance of \$13,400 in buildings regulations and inspections contributions.
5	Net gain/(loss) on disposal of property, infrastructure, plant and equipment	Council budgeted for a break even position on the disposal of property, infrastructure, plant and equipment of \$60,000 and the actual result was a profit of \$42,000. This profit arose predominantly from the sale of residential land and buildings being above their written down replacement value.
6	Other income	Other income is above budget as a result of interest on investment income for the year being \$51,093 than the original budget. This occurred as a result of improved cash flow from the delay in some capital works projects and the early receipt of various government grants.

BULOKE SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

(i) Explanation of material variations

Variance Ref	Item	Explanation
7	Employee costs	Employee costs are less than budget as a consequence of savings achieved during the year from changes to the organisational structure and delays in the replacement of staff resignations and retirements.
8	Materials and services	Council materials and services costs are above budget for the following reasons - (i) Council received \$200,000 of additional grant funding for the Charlton - St Arnaud Floodway Project. These funds were above the original budget and were expended during the year. (ii) Council received grant funding of \$120,000 for air conditioning works at the Rex Cinema in Charlton. These funds were expended during the year and were not included in the original budget as the outcome of the grant application was not known at budget time. (iii) Council received grant funding for the Green Lake Water Security Project in 2016/17. Expenditure of \$89,349 was incurred on this project and this was not included in the original budget as the outcome of the grant application was not known at budget time.
9	Bad and doubtful debts	Council, at year end has increased its provision for doubtful debts in relation to fire infringement debtors. The collection of some of these fines has been slower than anticipated. Council considers it prudent to increase the doubtful debt provision in this area.
10	Depreciation and amortisation	Road infrastructure assets were revalued at the end of the 2015/16 financial year. This revaluation resulted in an increase in the annual depreciation charges of Council's road infrastructure assets.
11	Other expenses	Council's contributions and donations expenditure was \$33,145 below the original budget. Audit fees were also \$16,320 less than the original budget. Council conducted one less internal audit review during the year than anticipated.

BULOKE SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

Note 2 Budget comparison (cont)

b) Capital Works

	Budget 2017 \$'000	Actual 2017 \$'000	Variance 2017 \$'000	Ref
Property				
Building improvements	573	552	(21)	
Total Buildings	573	552	(21)	
Total Property	573	552	(21)	
Plant and Equipment				
Plant, machinery and equipment	692	682	(10)	
Computers and telecommunications	176	247	71	1
Total Plant and Equipment	868	929	61	
Infrastructure				
Roads	3,727	3,510	(217)	2
Footpaths and cycleway	89	72	(17)	3
Drainage	1,024	308	(716)	4
Recreation, leisure and community facilities	407	250	(157)	5
Waste management	395	480	85	6
Parks, open space and streetscape	406	49	(357)	7
Other infrastructure	615	81	(534)	8
Total Infrastructure	6,663	4,750	(1,913)	
Total Capital Works Expenditure	8,104	6,231	(1,873)	
Represented by:				
New asset expenditure	1,063	165	(898)	
Asset renewal expenditure	6,102	4,962	(1,140)	
Asset expansion expenditure	-	-	-	
Asset upgrade expenditure	939	1,104	165	
Total Capital Works Expenditure	8,104	6,231	(1,873)	

BULOKE SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Computers and telecommunications	Council purchased a new asset management system in 2017. The cost of this system was \$54,360. This expenditure was the subject of an internal audit report recommendation.
2	Roads	Expenditure in this area is below budget as a result of tender costs for the construction of the Yuengroon Road Rehabilitation Project being below the original budget.
3	Footpaths and cycleway	Actual expenditure on all three projects completed by Council during the year came in \$17,146 under budget.
4	Drainage	Delays in the Donald Flood Study - Levee Development Stage 1 have resulted in expenditure in this area being significantly below budget. The budget for this 2016/17 year for this project was \$844,000. Council outlaid \$120,000 on the project during the year. The shortfall of expenditure compared to budget came about as a result of delays in obtaining final approval of the design of this project.
5	Recreation, leisure and community facilities	Delays in construction of the Wycheproof Pool Change Rooms upgrade have resulted in expenditure being below budget. Contracts for this project were let in June 2017. Expenditure relating to the contract will now be incurred during the 2017/18 financial year.
6	Waste management	Expenditure on the Charlton Transfer Station development for the year was \$141,000 over budget. This occurred as a result of carryover of expenditure from the previous financial year's budget.
7	Parks, open space and streetscape	The Buloke Streetscape Plan and Implementation Stage 1 with a budget of \$350,000 did not occur during the 2016/17 financial year. Delays in obtaining funding for this project resulted in this project being carried over into the 2017/18 financial year.
8	Other infrastructure	Council budgeted for expenditure of \$500,000 on the Lake Amenities Development Project in 2016/17. This project was reliant on Council obtaining matching government grant funding which did not eventuate.

BULOKE SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$ '000	2016 \$ '000
Note 3		
Rates and Charges		
<p>Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV is the value of the land and all its improvements.</p> <p>The valuation base used to calculate general rates for 2016/17 was \$1.375 billion (2015/16 \$1.271 billion). The 2016/17 rate in the CIV dollar was a General Rate of 0.007743 cents (2015/16, 0.00807 cents) and a Farm Rate of 0.007588 cents (2015/16, 0.007909 cents).</p>		
Rates - Residential	2,444	2,490
Rates - Commercial	620	625
Rates - Rural	7,481	7,059
Windfarm electricity generation charge	75	-
Municipal Charge	722	696
Garbage Charges	1,283	1,276
Interest on Rates and Charges	79	68
Buloke Bucks	(2)	(1)
Total rates and charges	12,702	12,213
<p>The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2016, and the valuation first applied in the rating year commencing 1 July 2016.</p> <p>The date of the previous general revaluation of land for rating purposes within the municipal district was 1 January 2014 and the valuation first applied to the rating period commencing 1 July 2014.</p>		
Note 4		
Statutory fees and fines		
Compliance	193	121
Governance	8	-
Planning Permits & Certificates	36	18
Revenue Collection	8	6
Building Regulations and Inspections	4	3
Total statutory fees and fines	249	148
Note 5		
User fees		
Pound fees and animal registrations	53	56
Home and Community Care	179	163
Brokered Programs Charges	113	169
Public Health and Wellbeing Charges	36	26
Building Services charges	84	94
Caravan Parks & Halls	61	39
Waste and Environment	88	71
Saleyards / Truck Wash	148	61
Other	11	1
Total user fees	773	681

BULOKE SHIRE COUNCIL

2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$ '000	2016 \$ '000
Note 6 Grants		
Grants were received in respect of the following :		
Summary of grants		
Commonwealth funded grants	12,762	6,001
State funded grants	2,631	2,085
Total	15,393	8,086
Operating Grants		
Recurrent - Commonwealth Government		
Victoria Grants Commission	8,598	2,858
Aged care	670	-
Recurrent - State Government		
General home care	143	645
Aged care	-	170
School crossing supervisors	19	7
Libraries	116	6
Maternal and child health	167	146
Recreation	-	44
Community safety	30	23
Environmental management	88	125
Health and immunisation	12	-
Youth	54	-
Other	65	107
Total recurrent operating grants	9,962	4,131
Non-recurrent - State Government		
Community Safety	30	10
Planning and economic development	40	-
Recreation	-	4
Natural disaster	220	55
Climate change	10	-
Green Lake water security	50	-
Rex Theatre -climate control	90	-
Charlton-St Arnaud Rd Floodway Construction	450	-
Other	30	86
Total non-recurrent operating grants	920	155
Total operating grants	10,882	4,286

BULOKE SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$ '000	2016 \$ '000
Note 6		
Grants continued		
Capital Grants		
Recurrent - Commonwealth Government		
Roads to recovery	3,494	3,143
Recurrent - State Government		
Total recurrent capital grants	<u>3,494</u>	<u>3,143</u>
Non-recurrent - State Government		
Recreation	659	-
Tyrrell College Drought Proofing	120	-
Charlton Flood Study-Levee Design	68	-
Charlton Transfer Station development (Year 1)	140	-
Tourism and Cultural Heritage signs	30	-
Buildings	-	551
Drainage	-	3
Footpaths and cycleways	-	90
Plant and machinery	-	13
Total non-recurrent capital grants	<u>1,017</u>	<u>657</u>
Total capital grants	<u>4,511</u>	<u>3,800</u>
Unspent grants received on the condition that they be spent in a specific manner		
Balance at the start of the year	930	3,541
Received during the financial year and remained unspent at balance date	3,456	346
Received in prior years and spent during the financial year	(286)	(2,957)
Balance at the end of the year	<u>4,100</u>	<u>930</u>
Note 7		
Contributions		
Cash		
Economic Development Projects Contributions	10	-
Revenue Collection Contributions	38	41
Youth Development Contributions	29	-
Valuation contributions	82	-
Other Community Service Contributions	17	36
Capital Works Contributions	115	20
Reimbursements	55	20
Total Contributions	<u>346</u>	<u>117</u>
Cash contributions 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:		
Drainage	-	1
Total	<u>-</u>	<u>1</u>

BULOKE SHIRE COUNCIL

2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$ '000	2016 \$ '000
Note 8		
Net gain/(loss) on disposal of property, infrastructure, plant and equipment		
Proceeds of sale		
Land	53	6
Buildings	21	484
Plant and Equipment	27	386
	101	877
Written down value of assets disposed		
Land	(44)	(11)
Buildings	(9)	(539)
Plant and Equipment	(6)	(400)
Other infrastructure	-	(80)
	(59)	(1,030)
Total net gain/loss on disposal of property, infrastructure, plant and	42	(153)
Note 9		
Other revenue		
Interest on investments	189	119
Rent Council properties	9	13
Shared services charge	56	57
Sundry external works	68	72
Other income	55	58
Total other revenue	377	319
Note 10 (a)		
Employee costs	\$ '000	\$ '000
Wages and salaries	7,122	7,113
Allowances	242	247
FBT	27	44
Worksafe	168	167
Superannuation	732	719
Casual wages	297	392
Total employee costs	8,588	8,682
Note 10 (b)		
Superannuation		
Council made contributions to the following funds:		
Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	58	67
	58	67
Employer contributions payable at reporting date.	-	-
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	373	375
Employer contributions - other funds	301	278
	674	653
Employer contributions payable at reporting date.	52	52

BULOKE SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$ '000	2016 \$ '000
Note 11		
Materials and services		
Advertising	77	42
Consultants Fees	351	258
Garbage	93	91
Information Technology	380	356
Insurance	279	279
Operational Contracts and Services	2,122	1,363
Operational Materials	659	431
Other	368	420
Promotion/Public Education	64	43
Subscriptions/Memberships/Publications	83	83
Telephone	55	55
Utilities	355	397
Vehicle and Plant Costs	980	1,001
Vehicle Lease Costs	297	216
Total materials and services	6,163	5,035
Note 12		
Bad and doubtful debts		
Other debtors	106	8
Total bad and doubtful debts	106	8
Note 13		
Depreciation		
Property	1,026	888
Plant and Equipment	651	783
Infrastructure	5,152	4,890
Total depreciation	6,829	6,560
Refer Note 22 for a more detailed breakdown of depreciation charges		
Note 14		
Finance costs		
Interest - borrowings	297	298
Total	297	298

BULOKE SHIRE COUNCIL

2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$ '000	2016 \$ '000
Note 15		
Other expenses		
Auditors' remuneration - VAGO - audit of the Financial Statements, performance statements and grant acquittals	38	38
Auditor's Remuneration - internal	31	71
Councillors' allowances	159	152
Council Contributions and Donations	311	350
Council meeting expenses	15	13
Miscellaneous	64	61
Street lights upgrade	-	52
Election expenses	88	-
Legal Expenses	64	176
Total other expenses	770	913
Note 16		
Investments in associates	\$ '000	\$ '000
Investments in associates accounted for by the equity method are:		
- Wimmera Regional Library Corporation	224	222
Total	224	222
Wimmera Regional Library Corporation		
<i>Background</i>		
Buloke Shire Council is one of six participating Councils with equity in the Regional Library Corporation. The Shire currently holds a 7.65% share in the equity of this corporation (7.09% share in 2015/16).		
	99	98
Council's share of accumulated surplus (deficit) at start of year	(7)	-
Comprehensive result	-	1
Transfers (to) from reserves	92	99
Council's share of accumulated surplus (deficit) at end of year		
<i>Council's share of reserves</i>		
Council's share of reserves at start of year	123	122
Transfers (to) from reserves	-	1
Variation - Change in Equity	9	-
Council's share of reserves at end of year	132	123
<i>Movement in carrying value of specific investment</i>		
Carrying value of investment at start of year	222	221
Share of surplus (deficit) for year	-	-
Variation - Change in equity	2	1
Carrying value of investment at end of year	224	222

BULOKE SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$ '000	2016 \$ '000
Note 17		
Cash and cash equivalents		
Cash on hand	1	1
Cash at bank	1,359	749
Term Deposits	-	3,056
Total cash and cash equivalents	1,360	3,806
Council's 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:		
Unexpended grants (Note 6)	4,100	930
Unexpended contributions (Note 7)	-	1
Trust funds and deposits (Note 25)	114	28
Restricted Funds	4,214	959
Total unrestricted cash and cash equivalents	(2,854)	2,847
Intended allocations		
Although not externally restricted the following amounts have been allocated for specific future purposes by Council:		
Cash held to fund carried forward capital works	1,029	29
Total funds subject to intended allocations	1,029	29
Refer also to Note 18 for details of other financial assets held by Council.		
Note 18		
Other financial assets		
Term Deposits	13,047	3,000
Total other financial assets	13,047	3,000

BULOKE SHIRE COUNCIL

2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$ '000	2016 \$ '000
Note 19		
Trade and other receivables		
Current		
Statutory receivables		
Rates debtors	941	889
Infringement debtors	312	209
Provision for doubtful debts - infringements	(123)	(21)
Non statutory receivables		
Grant debtors	19	10
Other debtors	195	167
GST receivable	147	126
Total trade and other receivables	1,491	1,380
a) Ageing of Receivables		
At balance date other debtors representing financial assets were past due but not impaired. The ageing of the Council's trade & other receivables (excluding statutory receivables) was:		
Current (not yet due)	234	237
Past due by up to 30 days	54	11
Past due between 31 and 180 days	15	32
Past due between 181 and 365 days	18	0
Past due by more than 1 year	39	23
Total trade & other receivables	360	303
b) Movement in provisions for doubtful debts		
Balance at the beginning of the year	21	30
New Provisions recognised during the year	106	8
Amounts already provided for and written off as uncollectible	(4)	(17)
Balance at end of year	123	21
c) Ageing of individually impaired Receivables		
There is no impaired Trade and Other Receivable at the balance date.		
Note 20		
Inventories		
Inventories held for distribution	119	172
Total inventories	119	172
Note 22		
Other assets		
Current		
Prepayments	251	215
Accrued income	286	19
Financial Asset: Community Bank Shares	-	1
Other	7	7
Total	544	242

BULOKE SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

Note 23 Property, infrastructure plant and equipment

Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2016	Acquisitions	Contributions	Revaluation	Depreciation	Disposal	Impairment	Transfers	At Fair Value 30 June 2017
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Land	3,814	-	-	105	-	(44)	-	-	3,875
Buildings	21,663	1,287	-	17,982	(1,026)	(9)	-	128	40,025
Plant and Equipment	4,019	908	-	-	(651)	(6)	-	20	4,290
Infrastructure	142,486	3,313	-	(4,726)	(5,152)	-	(3,761)	-	132,160
Work in progress	371	723	-	-	-	-	-	(147)	947
	172,353	6,231	-	13,361	(6,829)	(59)	(3,761)	1	181,297

Summary of Work in Progress

	Opening WIP	Additions	Transfer	Write-offs	Closing WIP
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Buildings	127	100	(127)	-	100
Plant and Equipment	20	-	(20)	-	-
Infrastructure	224	623	-	-	847
Total	371	723	(147)	-	947

BULOKE SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

Note 23 Property, infrastructure plant and equipment

	Land and Buildings							Total Property
	Land - Specialised	Land - non specialised	Land under roads	Total Land	Buildings - non-specialised	Total Buildings	Work In Progress	
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
At fair value 1 July 2016	3,674	135	5	3,814	50,397	50,397	127	54,338
Accumulated depreciation at 1 July 2016	-	-	-	(28,734)	(28,734)	(28,734)	-	(28,734)
	3,674	135	5	3,814	21,663	21,663	127	25,604
Movements in fair value								
Acquisition of assets at fair value				-	1,287	1,287	100	1,387
Contributed assets				-	-	-	-	-
Revaluation increments/decrements	105			105	31,264	31,264		31,369
Fair value of assets disposed	(6)	(38)		(44)	(64)	(64)		(108)
Impairment losses recognised in operating result				-	-	-		-
Transfers	99	(38)	-	61	32,615	32,615	100	32,776
Movements in accumulated depreciation								
Depreciation and amortisation				-	(1,026)	(1,026)		(1,026)
Accumulated depreciation of disposals				-	55	55		55
Revaluation increments/decrements				-	(13,282)	(13,282)		(13,282)
Impairment losses recognised in operating result				-	-	-		-
Transfers				-	-	-	(127)	(127)
					(14,253)	(14,253)	(127)	(14,380)
At fair value 30 June 2017	3,773	97	5	3,875	83,012	83,012	227	87,114
Accumulated depreciation at 30 June 2017	-	-	-	-	(42,987)	(42,987)	(127)	(43,114)
	3,773	97	5	3,875	40,025	40,025	100	44,000

BULOKE SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

Note 23 Property, infrastructure plant and equipment (cont'd)

Plant and Equipment	Note	Plant machinery	Fixtures fittings	Computers and	Work in	Total plant and
		and equipment	and furniture	telecomms	Progress	equipment
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
At fair value 1 July 2016		8,433	420	1,093	20	9,966
Accumulated depreciation at 1 July 2016		(5,140)	(398)	(389)	-	(5,927)
		3,293	22	704	20	4,039
Movements in fair value						
Acquisition of assets at fair value		682		226		908
Contributed assets						-
Revaluation increments/decrements						-
Fair value of assets disposed		(84)				(84)
Impairment losses recognised in operating result						-
Transfers		598	-	246	-	844
Movements in accumulated depreciation						
Depreciation and amortisation		(421)	(6)	(224)		(651)
Accumulated depreciation of disposals		78				78
Impairment losses recognised in operating result					(20)	(20)
Transfers		(343)	(6)	(224)	(20)	(593)
At fair value 30 June 2017		9,031	420	1,339	20	10,810
Accumulated depreciation at 30 June 2017		(5,483)	(404)	(613)	(20)	(6,520)
		3,548	16	726	-	4,290

BULOKE SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

Note 23 Property, infrastructure, plant and equipment (cont'd)

	Roads	Bridges	Footpaths and cycleways	Drainage	Recreational, leisure and Community	Parks open spaces and streetscapes	Aerodromes	Landfill Sites	Other Infrastructure	Work in Progress	Total Infrastructure	Total Property, infrastructure, plant & equipment
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
At fair value 1 July 2016	240,280	9,737	8,166	10,100	5,083	1,329	673	733	2,967	224	279,292	343,596
Accumulated depreciation at 1 July 2016	(116,727)	(4,456)	(3,733)	(5,755)	(1,886)	(899)	(606)	(688)	(1,842)	-	(136,582)	(171,243)
	123,553	5,281	4,433	4,345	3,197	440	67	45	1,125	224	142,710	172,353
Movements in fair value												
Acquisition of assets at fair value	3,112		72	84	45					623	3,936	6,231
Contributed assets	-											-
Revaluation increments/decrements	-			(2,457)	(4,846)	(1,181)	(662)		(1,143)		(10,289)	21,080
Fair value of assets disposed	-											(192)
Impairment losses recognised in operating result	(3,761)										(3,761)	(3,761)
Transfers	-						(11)		11			148
	(649)	-	72	(2,373)	(4,801)	(1,181)	(673)	-	(1,132)	623	(10,114)	23,506
Movements in accumulated depreciation												
Depreciation and amortisation	(4,583)	(89)	(154)	(113)	(6)	(3)	-	(5)	(199)		(5,152)	(6,829)
Accumulated depreciation of disposals	-											133
Revaluation increments/decrements	-			1,719	1,865	798	606		575		5,563	5,563
Impairment losses recognised in operating result	-											(147)
Transfers	-											(14,973)
	(4,583)	(89)	(154)	1,606	1,859	795	606	(5)	376	-	411	(16,259)
At fair value 30 June 2017	239,631	9,737	8,238	7,727	282	148	-	733	1,835	847	269,178	367,102
Accumulated depreciation at 30 June 2017	(121,310)	(4,545)	(3,887)	(4,149)	(27)	(94)	-	(693)	(1,466)	-	(136,171)	(185,809)
	118,321	5,192	4,351	3,578	255	54	-	40	369	847	133,007	181,297

BULOKE SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

Note 23 Property, infrastructure, plant and equipment (cont)

Valuation of land and buildings

Valuation of land and buildings were undertaken by a qualified independent valuer LG Valuation Services. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

Any significant movements in the unobservable inputs for land and land under roads will have a significant impact on the fair value of these assets.

	Level 1	Level 2	Level 3	DoV
Land - Non specialised	-	97	-	Jun-17
Land - Specialised	-	-	3,773	Jun-17
Land under roads	-	-	5	Jun-17
Buildings - Non Specialised	-	-	40,025	Jun-17
Buildings - Specialised	-	-	-	Jun-17

Infrastructure

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

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

Valuation of drains has been determined in accordance with a valuation undertaken by independent valuer, Peter Moloney, MIE (Aust) Member Institute of Engineers, Dip Civil Engineering (FIT) and Council's Director Works & Technical Services, Anthony Judd, BMgt, MBA.

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

	Level 1	Level 2	Level 3	DoV
Roads	-	-	118,321	Jun-16
Bridges	-	-	5,192	Jun-16
Footpath & Cycleways	-	-	4,351	Jun-16
Drainage	-	-	3,578	Jun-17
Recreational, leisure and community facilities	-	-	255	Jun-17
Parks, open space and streetscapes	-	-	54	Jun-17
Aerodromes	-	-	-	Jun-17
Landfill sites	-	-	40	Jun-15
Other Infrastructure	-	-	369	Jun-17

BULOKE SHIRE COUNCIL

2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$ '000	2016 \$ '000
Note 24 Trade and other payables		
Trade payables	1,186	1,153
GST payable	10	3
Accrued expenses	275	187
Total trade and other payables	1,471	1,343

Note 25 Trust funds and deposits		
Funds held on behalf of community groups and third parties	16	18
Retention Amounts	-	4
Overpaid rates and charges	91	-
Fire Services Levy	3	5
Other refundable deposits	4	1
Total trust funds and deposits	114	28

Purpose and nature of items -

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

Retention amounts - Council has a contractual right to retain certain amounts until a contractor has met certain requirements or a related warrant or defect period has elapsed. Subject to the satisfactory completion of the contractual obligations, or the lapsing of time, these amounts will be paid to the relevant contractor in line with Council's contractual obligations.

Overpaid rates and charges - This amount represents the amount of rate payments made by rate payers in advance at 30 June 2017.

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

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

Note 26 Provisions

	Employee provision \$ '000	Landfill restoration \$ '000	Pit restoration \$ '000	Total \$ '000
2017				
Balance at beginning of the financial year	2,215	289	557	3,061
Additional provisions	728	24	6	758
Amounts used	(746)	(24)	(41)	(811)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	(40)	35	19	14
Balance at the end of the financial period	2,157	324	541	3,022
2016				
Balance at beginning of the financial year	2,187	341	538	3,066
Additional provisions	(23)	(35)	3	(55)
Amounts used	(197)	(30)	(51)	(278)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	248	13	67	328
Balance at the end of the financial period	2,215	289	557	3,061

BULOKE SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$'000	\$'000
a. Employee provisions -		
Current Provisions expected to be settled within 12		
- Annual leave	438	433
- Long service leave	129	129
- Rostered days off	21	26
	<u>588</u>	<u>588</u>
Current Provisions expected to be settled after 12		
Annual leave	235	235
Long service leave	1,122	1,253
	<u>1,357</u>	<u>1,488</u>
Non-current		
Long service leave	212	139
	<u>212</u>	<u>139</u>
Aggregate carrying amount of employee benefits:		
Current	1,945	2,076
Non-current	212	139
	<u>2,157</u>	<u>2,215</u>

The following assumptions were adopted in measuring the

Weighted average increase in employee costs	3.81%	4.13%
Weighted average discount rates	1.61%	1.75%
Weighted average settlement period (months)	12	12

(b) Gravel pit restoration -

(i) Non-current

Pit restorations measured at present value	541	556
	<u>541</u>	<u>556</u>

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

Weighted average increase in costs	2.50%	1.50%
Weighted average discount rates	2.53%	1.86%

(c) Landfill restoration -

(i) Non-current

Landfill restorations measured at present value	324	289
	<u>324</u>	<u>289</u>

Weighted average increase in costs	2.50%	1.50%
Weighted average discount rates	2.53%	1.76%

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.

BULOKE SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$'000	2016 \$'000
Note 27 Interest-bearing loans and borrowings		
<i>Non-current</i>		
Borrowings - secured	7,000	7,000
	<u>7,000</u>	<u>7,000</u>
Total	<u>7,000</u>	<u>7,000</u>
Borrowings are secured by way of mortgages over the general rates of the Council.		
The maturity profile for Council's borrowings is:		
Later than one year and not later than five years	7,000	7,000
Total	<u>7,000</u>	<u>7,000</u>
Aggregate carrying amount of interest-bearing loans and borrowings:		
Non-current	7,000	7,000
Total interest-bearing loans and borrowings	<u>7,000</u>	<u>7,000</u>

BULOKE SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

Note 28 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				
2017				
Property				
Land	1,490	105		1,595
Buildings	6,832	13,994		20,826
	8,322	14,099	-	22,421
Infrastructure				
Roads	60,624	(3,761)	-	56,863
Bridges	1,511	-	-	1,511
Footpaths and cycleways	4,194	-	-	4,194
Kerb and channel	3,860	-	-	3,860
Drainage	2,515	(738)	-	1,777
Other infrastructure	363	-	-	363
	73,067	(4,499)	-	68,568
Total asset revaluation reserve	81,389	9,600	-	90,989
2016				
Property				
Land	1,746	(219)	(37)	1,490
Buildings	7,196		(364)	6,832
	8,942	(219)	(401)	8,322
Infrastructure				
Roads	65,127	(4,503)	-	60,624
Bridges	2,085	(574)	-	1,511
Footpaths and cycleways	4,434	(240)	-	4,194
Kerb and channel	1,759	2,101	-	3,860
Drainage	2,515	-	-	2,515
Other infrastructure	363	-	-	363
	76,283	(3,216)	-	73,067
Total asset revaluation reserve	85,225	(3,435)	(401)	81,389
(b) Other reserves				
2017				
General reserve	5	-	(5)	-
Total Other reserves	5	-	(5)	-
2016				
General reserve	5	-	-	5
Total Other reserves	5	-	-	5

c) Adjustments directly to equity

Reversal of revalued components of assets disposed which have resulted in transfer from asset revaluation reserve to accumulated surplus.

	2017	2016
	\$'001	\$'000
Land	-	37
Buildings	-	365
	-	402

BULOKE SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$'000	2016 \$'000
Note 29 Reconciliation of cash flows from operating activities to surplus (deficit)		
Surplus / Deficit for the year	7,131	(84)
Non-cash movements:		
Depreciation	6,829	6,560
Net (gain)/loss on disposal of property, infrastructure, plant and equipment	(42)	153
Movement in share of net profit/(loss) in associated entities	(2)	(1)
Finance costs	297	300
<i>Change in assets and liabilities:</i>		
(Increase)/Decrease in trade and other receivables	(11)	95
(Increase)/Decrease in inventories	53	(40)
(Increase)/Decrease in prepayments	(36)	(16)
(Increase)/Decrease in accrued income	(267)	(14)
Increase/(Decrease) in trade and other payables	168	(69)
Increase/(Decrease) in trust funds and deposits	(4)	(93)
Increase/(Decrease) in provisions	20	(34)
Increase/(Decrease) in employee benefits	(58)	90
Net cash provided by/(used in) operating activities	14,078	6,847
Note 30 Reconciliation of cash and cash equivalents		
Cash and cash equivalents (see note 17)	1,360	3,806
Total reconciliation of cash and cash equivalents	1,360	3,806
Note 31 Financing arrangements		
Bank overdraft	-	2,500
Bank Guarantees	250	250
Total facilities	250	2,750
Used facilities - bank guarantees	68	68
Unused facilities	183	2,683

Council has no overdraft facility at 30 June 2017.

BULOKE SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

Note 32 Commitments

The Council has entered into the following commitments

2017	Not later	Later than 1	Later than 2	Later than 5	Total
	than 1 year	year and not later than 2 years	years and not later than 5 years	years	
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Recycling	88	91			179
Garbage collection	247	255			502
Provision of library services	247				247
Vehicle leases	297	99	32		428
Information systems and technology	197	144	23	11	375
Photocopier management agreement	48	48	36		132
Office Equipment	6				6
Waste transfer station	55	55			110
Provision of buiding services	141	107			248
Total	1,326	799	91	11	2,227
Capital					
Infrastructure	569				569
Total	569	-	-	-	569
2016					
	Not later	Later than 1	Later than 2	Later than 5	Total
	than 1 year	year and not later than 2 years	years and not later than 5 years	years	
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Recycling	86	89	91	-	266
Garbage collection	240	247	255	-	742
Provision of library services	240	-	-	-	240
Vehicle leases	319	294	93	-	706
Information systems and technology	184	188	161	19	552
Photocopier management agreement	48	48	96	-	192
Office Equipment	15	6	6	-	27
Waste transfer station	40	55	55	-	150
Provision of buiding services	153	156	118	-	427
Local Government Electoral Services	104	-	-	-	104
Total	1,429	1,083	875	19	3,406
Capital					
Infrastructure	466	-	-	-	466
Total	466	-	-	-	466

BULOKE SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

Note 33 Superannuation

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

Accumulation

The Fund's accumulation categories, Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2016, this was 9.5% required under Superannuation Guarantee legislation).

Defined Benefit

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

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

Funding arrangements

Buloke Shire Council makes employer contributions to the defined benefit category of the Fund at rates determined by the Trustee on the advice of the Fund's Actuary.

As at 30 June 2015, an interim actuarial investigation was held as the Fund provides lifetime pensions in the defined benefit category. The vested benefit index (VBI) of the defined benefit category of which Buloke Shire Council is a contributing employer was 105.8%. To determine the VBI, the fund Actuary used the following long-term assumptions:

Net investment returns 6.5% pa
Salary information 3.5% pa
Price inflation (CPI) 2.5% pa.

Vision Super has advised that the estimated VBI at quarter end **June 2017 was 103.1%**.

The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 2015 interim actuarial investigation determined the defined benefit category was in a satisfactory financial position and that no change was necessary to the defined benefit category's funding arrangements from prior years.

Employer contributions

Regular contributions -

On the basis of the results of the 2015 interim actuarial investigation conducted by the Fund's Actuary, Buloke Shire Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2016, this rate was 9.5% of members' salaries. This rate will increase in line with any increase to the Superannuation Guarantee (SG) contribution rate

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

BULOKE SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

Funding calls -

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

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

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

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up.

If there is a surplus in the Fund, the surplus cannot be returned to the participating employers.

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

2015 interim actuarial investigation surplus amounts

The Fund's interim actuarial investigation as at 30 June 2015 identified the following in the defined benefit category of which Buloke Shire Council is a contributing employer:

- A VBI surplus of \$130.8 million; and
- A total service liability surplus of \$239 million.

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2015.

The total service liability surplus means that the current value of the assets in the Fund's defined benefit category plus expected future contributions exceeds the value of expected future benefits and expenses.

Buloke Shire Council was notified of the 30 June 2015 during August 2015.

2017 Full triennial actuarial investigation

A full actuarial investigation is being conducted for the Fund's position as at 30 June 2017. It is anticipated that this actuarial investigation will be completed in December 2017.

Future superannuation contributions

In addition to the disclosed contributions, Buloke Shire Council has paid unfunded liability payments to Vision Super totalling \$52,000 (2015/16 \$67,000). There were *no* contributions outstanding and *no* loans issued from or to the above schemes as at 30 June 2017. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2018 are \$52,000.

BULOKE SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

Note 34 Contingent liabilities and contingent assets

1. Superannuation

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation is outlined in Note 33. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists. At this point in time it is not known if additional contributions will be required, their timing or potential amount.

2. Guarantees for loans to other entities

Council has guaranteed a loan taken out by a Sec 86 Committee to undertake capital works on facilities located on Council land. The amount disclosed for financial guarantee in this note is the nominal amount of the underlying loan that is guaranteed by the Council, not the fair value of the financial guarantee

	2017	2016
	\$'000	\$'000
Bank Guarantee	150	150
TOTAL	150	150

3. Pending legal matters

Council is presently involved in a confidential legal matter, which is being conducted through Council's solicitors. These matters are yet to be finalised and financial outcomes are unable to be reliably measured and hence no allowance for this has been made in the financial statements.

4. Contingent Assets

Natural Disaster Financial Assistance Grant Funding

A significant flood event occurred in the Buloke Shire in September 2016. As a consequence of this flood event Council's infrastructure assets, in particular its road assets were damaged. Council has taken up an impairment charge of \$3.8M against these assets at 30 June 2017. Council will be making a claim under Victoria's Natural Disaster Financial Assistance (DNFA) Scheme in respect of this natural disaster event during the 2017-18 financial year. Council anticipates receiving grant funding of \$3.8M for asset restoration works during 2017-18.

BULOKE SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

Note 35 Financial Instruments

(a) Objectives and policies

The Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and bank borrowings. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in Note 1 of the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

(b) Market risk

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

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. 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 / Council does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rate.

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:

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

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

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

(c) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause 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 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.

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

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

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

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

BULOKE SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

Note 35 Financial Instruments continued

(d) Liquidity risk

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

To help reduce these risks Council:

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

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 34, and is deemed insignificant based on prior periods' data and current assessment of risk.

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

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 27.

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

e) Fair value

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

Fair value hierarchy

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

(f) Sensitivity disclosure analysis

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

- A parallel shift of + 1% and - 1% in market interest rates (AUD) from year-end cash rate of 2.50%.

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

BULOKE SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

	2017 No.
Note 36 Related party transactions	
(i) Key Management Personnel	
Names of persons holding the position of a Responsible Person at the Council at any time during the year are:	
Councillors	
David Pollard (Mayor 2 November 2016 to 30 June 2017)	
Graeme Milne	
Ellen White	
John Shaw elected 22 October 2016	
Carolyn Stewart elected 22 October 2016	
David Vis elected 22 October 2016	
Daryl Warren elected 22 October 2016	
Reid Mather (Mayor 1 July 2016 to 21 October 2016) retired 21 October 2016	
Stuart McLean retired 21 October 2016	
Gail Sharp retired 21 October 2016	
Leo Tellefson retired 21 October 2016	
Total Number of Councillors	11
(ii) Chief Executive Officers	
Lucy Roffey (From 4 February 2017 to 30 June 2017)	
John Hicks (From 1 July 2017 to 3 February 2017)	
(iii) Key Management Personnel	
Anthony Judd Director Works and Technical Services	
Hannah Yu Director Corporate Services (From 20 March 2017 to 30 June 2017)	
Jessie Holmes Director Community Development (From 2 November 2016 to 30 June 2017)	
Bill Hutcheon Director Corporate Services (From 1 July to 19 March 2017)	
Chief Executive Officers and other Key Management Personnel	6
Total Key Management Personnel	17
(iv) Remuneration of Key Management Personnel	2017
	\$,000
Total remuneration of key management personnel was as follows:	
Short-term benefits	818
Post employment benefits	68
Other long-term benefits	14
Termination benefits	-
Total	900
The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:	
	2017
	No.
\$1 - \$9,999	3
\$10,000 - \$19,999	7
\$20,000 - \$29,999	1
\$50,000 - \$59,999	1
\$90,000 - \$99,999	1
\$110,000 - \$119,999	1
\$120,000 - \$129,999	1
\$160,000 - \$169,999	1
\$180,000 - \$189,999	1
	17

BULOKE SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

Note 36 Related party transactions continued

(v) Transactions with related parties

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

Nil

(vi) Outstanding balances with related parties

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

Nil

(vii) Loans to/from related parties

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

Nil

(viii) Commitments to/from related parties

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

Nil

Note 37 Senior Officers Remuneration

A Senior Officer other than a Responsible Person, is an officer of Council who:

- has management responsibilities and reports directly to the Chief Executive Officer or
- whose total annual remuneration exceeds \$142,000

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

	2017	2016
Income Range:	No.	No.
<\$142,000	3	6
\$142,000 - \$149,999	-	2
	3	8

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

257

781

Note 38 Events occurring after balance date

The Council is not aware of any events after balance date requiring disclosure.

BULOKE SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

Certification of the Financial Statements

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



Hannah Yu

Principal Accounting Officer

Date : 13 September 2017

Wycheproof

In our opinion the accompanying Financial Statements present fairly the financial transactions of Buloke Shire Council for the year ended 30 June 2017 and the financial position of the Council as at that date.

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

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



David Pollard (Mayor)

Councillor

Date : 13 September 2017

Wycheproof



Graeme Milne (Deputy Mayor)

Councillor

Date : 13 September 2017

Wycheproof



Lucy Roffey

Chief Executive Officer

Date : 13 September 2017

Wycheproof



Victorian Auditor-General's Office

Independent Auditor's Report

To the Councillors of Buloke Shire Council

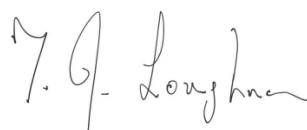
Opinion	<p>I have audited the financial report of Buloke Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2017 • comprehensive income statement for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • statement of capital works for the year then ended • notes to the financial statements, including a summary of significant accounting policies • certification of the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2017 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. My responsibilities under the Act are further described in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Australia. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the financial report	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit 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 council's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Councillors
- conclude on the appropriateness of the Councillors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



MELBOURNE
19 September 2017

Tim Loughnan
as delegate for the Auditor-General of Victoria

PERFORMANCE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2017

PERFORMANCE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2017

DESCRIPTION OF BULOKE

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

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

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

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

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

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

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



SUSTAINABLE CAPACITY INDICATORS FOR THE YEAR ENDED 30 JUNE 2017

INDICATOR/MEASURE	2015	2016	2017	COMMENTS
POPULATION Expenses per head of municipal population <i>[Total expenses / Municipal population]</i>	\$3,748	\$3,611	\$3,699	Council has a small population and a large area for population dispersal. This impacts the costs of supplying services to the communities.
INFRASTRUCTURE PER HEAD OF MUNICIPAL POPULATION <i>[Value of infrastructure / Municipal population]</i>	\$28,603	\$28,317	\$29,287	Council has a small population and an extensive road network. An asset revaluation was undertaken during 2016/17 increasing the value of assets.
POPULATION DENSITY PER LENGTH OF ROAD <i>[Municipal population / Kilometres of local roads]</i>	1.14	1.12	1.17	The Shire has an extensive road network of 5,318 km and has a population of 6,201.
OWN-SOURCE REVENUE Own-source revenue per head of municipal population <i>[Own-source revenue / Municipal population]</i>	\$2,101	\$2,219	\$2,281	Council's own source revenue is relatively high compared to other councils mainly due to the Shire's small population, its rural location and a reliance on rates as the main income source.
RECURRENT GRANTS Recurrent grants per head of municipal population <i>[Recurrent grants / Municipal population]</i>	\$1,770	\$1,222	\$1,682	Council received 50% of the 2017/18 Federal Assistance Grants in advance which has inflated the 2016/17 recurrent grants amount and 50% of the 2015/16 grants were received in 2014/15.
DISADVANTAGE Relative Socio-Economic Disadvantage <i>[Index of Relative Socio-Economic Disadvantage by decile]</i>	3	3	3	Council is ranked in the lower end of the SEIFA index, indicating high levels of disadvantage within the municipality.

SUSTAINABLE CAPACITY INDICATORS FOR THE YEAR ENDED 30 JUNE 2017

DEFINITIONS

“Adjusted underlying revenue” means total income other than —

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

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

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

“Population” means the resident population estimated by council

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

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

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

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

SERVICE PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2017

SERVICE INDICATOR/MEASURE	2015	2016	2017	COMMENTS
AQUATIC FACILITIES Utilisation Utilisation of aquatic facilities <i>[Number of visits to aquatic facilities / Municipal population]</i>	6.6	7.1	5.9	Utilisation is based on manual counts of visitors as Council does not charge for the use of aquatic facilities. Given the very hot summers in the Buloke Shire pools are used on a regular basis by the community. The 2016/17 summer was cooler than the previous resulting in decreased utilisation.
ANIMAL MANAGEMENT Health and safety Animal management prosecutions <i>[Number of successful animal management prosecutions]</i>	2	2	4	All animal management prosecutions initiated by Council in 2016/17 were successful.
FOOD SAFETY Health and safety Critical and major non-compliance outcome notifications <i>[Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100</i>	100%	100%	100%	From 1 Jul 2016 'Critical and major non-compliance outcome notifications' will be reported by calendar year. Previously this indicator was reported by financial year. This has been implemented to better align with reporting with the Department of Health and Human Services. This may result in some variances year-on-year. There was 1 critical and/or major non-compliance outcome notification which has been followed up.
GOVERNANCE Satisfaction Satisfaction with council decisions <i>[Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]</i>	50%	45%	49%	This result is an improvement on last year and is determined by an annual survey conducted each February.
HOME AND COMMUNITY CARE (HACC) Participation Participation in HACC service <i>[Number of people that received a HACC service / Municipal target population for HACC services] x100</i>	45%	34%	Reporting Ceased 1 July 2016	Reporting on HACC Services ceased on 1 July 2016 following the introduction of the Commonwealth Government NDIS and CHSP programs.

SERVICE PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2017

SERVICE INDICATOR/MEASURE	2015	2016	2017	COMMENTS
<p>Participation</p> <p>Participation in HACC service by CALD people <i>[Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100</i></p>	27%	19%	Reporting Ceased 1 July 2016	
<p>LIBRARIES</p> <p>Participation</p> <p>Active library members <i>[Number of active library members / Municipal population] x100</i></p>	5.42%	15.19%	11.32%	Council provides mobile library services from 3 service providers, of which 1 ceased providing services during the year. A decline in active members occurred with one of the remaining providers coupled with an increase in population has impacted the year-on-year results.
<p>MATERNAL AND CHILD HEALTH (MCH)</p> <p>Participation</p> <p>Participation in the MCH service <i>[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100</i></p>	85%	80%	77%	There are a relatively low number of enrolments that results in high variances in year-to-year results.
<p>Participation in the MCH service by Aboriginal children <i>[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100</i></p>	100%	143%	75%	Low number of participants in this service can create high variations in year-on-year results.
<p>ROADS</p> <p>Satisfaction</p> <p>Satisfaction with sealed local roads <i>[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]</i></p>	44%	39%	36%	This result is a decrease on last year and is determined by an annual survey conducted each February. A flood event occurred in late 2016 which had an impact on road conditions.
<p>STATUTORY PLANNING</p> <p>Decision Making</p> <p>Council planning decisions upheld at VCAT <i>[Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100</i></p>	100%	100%	0%	There were no VCAT decisions in relation to planning applications in 2016/17.

SERVICE PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2017

SERVICE INDICATOR/MEASURE	2015	2016	2017	COMMENTS
WASTE COLLECTION	27%	24%	24%	The volume of recyclables collected and diverted from landfill has been consistent. Council does not collect green organics using roadside waste collection services.
Waste diversion Kerbside collection waste diverted from landfill <i>[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100</i>				

DEFINITIONS

“Aboriginal child” means a child who is an Aboriginal person

“Aboriginal person” has the same meaning as in the Aboriginal Heritage Act 2006

“Active library member” means a member of a library who has borrowed a book from the library

“Annual report” means an annual report prepared by a council under sections 131, 132 and 133 of the Local Government Act 1989.

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

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

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

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

“Food premises” has the same meaning as in the Food Act 1984

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

“HACC service” means home help, personal care or community respite provided under the HACC program

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

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

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

“Population” means the resident population estimated by council

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

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

FINANCIAL PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2017

DIMENSION/INDICATOR/ MEASURE	2015	2016	2017	2018	2019	2020	2021	COMMENTS
EFFICIENCY	\$806	\$863	\$814	\$831	\$849	\$867	\$887	Revaluation in 2016/17 has resulted in farm values increasing by a greater percentage than residential properties, with an overall 2.5% increase in the rate pool. The impact has been a reduction in the average residential rate per residential property.
Revenue level								
Average residential rate per residential property assessment <i>[Residential rate revenue / Number of residential property assessments]</i>								
Expenditure level	\$3,687	\$3,477	\$3,792	\$3,825	\$3,830	\$3,868	\$3,925	Expenses for 2016/17 were higher than 2015/16 due to flood works that were undertaken and an increase in depreciation expenses as a result of the revaluation on infrastructure assets in 2015/16. Movements in forecasted years are consistent with prior years.
Expenses per property assessment								
<i>[Total expenses / Number of property assessments]</i>								
Workforce turnover	15%	13%	5%	5%	5%	5%	5%	Decrease in staff turnover has been driven by a reduction in the level of staff retirements when compared to 2016. Whilst difficult to predict, Council does not anticipate any change in workforce turnover in the forecast period.
Resignations and terminations compared to average staff								
<i>[Number of permanent staff Resignations and terminations / Average number of permanent staff for the financial year] x100</i>								
LIQUIDITY	151%	249%	469%	398%	147%	312%	316%	Council is increasing its level of cash reserves (current assets) in order to have the resources to retire \$7M of debt in November 2019. Council received \$4.1 million worth of grants paid in advance which has increased the level of current assets held as at 30 June 2017.
Working capital								
Current assets compared to current liabilities <i>[Current assets / Current liabilities] x100</i>								
Unrestricted cash	32%	170%	252%	314%	121%	231%	233%	Council is increasing its level of cash reserves (current assets) in order to have the resources to retire \$7M of debt in November 2019.
Unrestricted cash compared to current liabilities								
<i>[Unrestricted cash / Current liabilities] x100</i>								

FINANCIAL PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2017

DIMENSION/INDICATOR/ MEASURE	2015	2016	2017	2018	2019	2020	2021	COMMENTS
OBLIGATIONS	59%	72%	73%	64%	50%	111%	139%	Improvement in asset renewal figures for 2015/16 and 2016/17 compared to 2014/15 has been driven by increased levels of Roads to Recovery funding.
Asset renewal Asset renewal compared to depreciation <i>[Asset renewal expense / Asset depreciation] x100</i>								
Loans and borrowings Loans and borrowings compared to rates <i>[Interest bearing loans and borrowings / Rate revenue] x100</i>	63%	58%	55%	54%	0%	0%	0%	
Loans and borrowings repayments compared to rates Interest and principal repayments on interest bearing loans and borrowings / <i>Rate revenue] x100</i>	9.7%	4.1%	2.3%	2.3%	2.3%	53.1%	0%	Council is increasing its level of cash reserves (current assets) in order to have the resources to retire \$7M of debt in November 2019. This impacts on the forecast indicator for loan repayments in 2020.
Indebtedness Non-current liabilities compared to own source revenue <i>[Non-current liabilities / Own source revenue] x100</i>	59%	60%	57%	57%	7%	7%	7%	A \$7M debt will become a current liability in 2018/19 as it will be retired in November 2019.
OPERATING POSITION	5.40%	-3.67%	7.42%	-1.82%	-1.56%	-1.06%	-0.73%	Council has received \$4.1 million worth of grants paid in advance which has inflated underlying revenue for the 2016/17 year.
Adjusted underlying result Adjusted underlying surplus (or deficit) <i>[Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100</i>								
STABILITY	47%	59%	52%	57%	58%	58%	58%	Council received \$4.1 million worth of grants paid in advance which has resulted in a reduction of the 2017 figure being less than the 2016 comparative figure.
Rates concentration Rates compared to adjusted underlying Revenue <i>[Rate revenue / Adjusted underlying revenue] x100</i>								

FINANCIAL PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2017

DIMENSION/INDICATOR/ MEASURE	2015	2016	2017	2018	2019	2020	2021	COMMENTS
Rates effort Rates compared to property values <i>[Rate revenue / Capital improved value of rateable properties in the municipality] x100</i>	0.90%	0.96%	0.92%	0.93%	0.87%	0.80%	0.74%	Rates compared to property values have remained comparatively consistent with prior years.

DEFINITIONS

“Adjusted underlying revenue” means total income other than—

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

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

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

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

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

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

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

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

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

“Population” means the resident population estimated by council

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

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

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

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

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

FINANCIAL PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2017

1. BASIS OF PREPARATION

Council is required to prepare and include a Performance Statement within its annual report. The Performance Statement includes the results of the prescribed sustainable capacity, service performance and financial performance indicators and measures together with a description of the municipal district and an explanation of material variations in the results. This statement has been prepared to meet the requirements of the Local Government Act 1989 and Local Government (Planning and Reporting) Regulations 2014.

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

The Performance Statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by the council's Strategic Resource Plan. The Local Government (Planning and Reporting) Regulations 2014 requires explanation of any material variations in the results contained in the performance statement. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.

The forecast figures included in the performance statement are those adopted by council in its Strategic Resource Plan on 21 June 2017 and which is an appendix of the Council Plan. The Strategic Resource Plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The Strategic Resource Plan can be obtained by contacting council.

Certification of the Performance Statement

In my opinion, the accompanying Performance Statement has been prepared in accordance with the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.



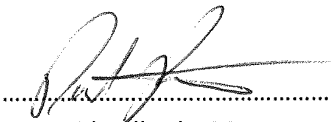
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Hannah Yu
Principal Accounting Officer
Dated 13 September 2017

In our opinion, the accompanying Performance Statement of the Buloke Shire for the year ended 30 June 2017 presents fairly the results of Council's performance in the accordance with the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

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

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

We have been authorised by the Council and by the *Local Government (Planning and Reporting) Regulations 2014* to certify this Performance Statement in its final form.



.....
Cr David Pollard – Mayor
Councillor
Dated: 13 September 2017



.....
Cr Graeme Milne – Deputy Mayor
Councillor
Dated: 13 September 2017



.....
Lucy Roffey
Chief Executive Officer
Dated: 13 September 2017



Victorian Auditor-General's Office

Independent Auditor's Report

To the Councillors of Buloke Shire Council

Opinion

I have audited the accompanying performance statement of Buloke Shire Council (the council) which comprises the:

- description of buloke for the year ended 30 June 2017
- sustainable capacity indicators for the year ended 30 June 2017
- service performance indicators for the year ended 30 June 2017
- financial performance indicators for the year ended 30 June 2017
- other information and
- the certification of the performance statement.

In my opinion, the performance statement of Buloke Shire Council in respect of the year ended 30 June 2017 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 6 of the *Local Government Act 1989*.

Basis for Opinion

I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Standards on Assurance Engagements. My responsibilities under the Act are further described in the *Auditor's responsibilities for the audit of the performance statement* section of my report.

My independence is established by the *Constitution Act 1975*. I and my staff are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the performance statement in Australia and have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Councillors' responsibilities for the performance statement

The Councillors is responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the *Local Government Act 1989* and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.

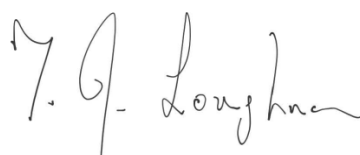
Auditor's responsibilities for the audit of the performance statement

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Standards on Assurance Engagements, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of performance statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit 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 council's internal control
- evaluate the overall presentation, structure and content of the statement of performance, including the disclosures, and whether the statement of performance represents the underlying events and results in a manner that achieves fair presentation.

I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



MELBOURNE
19 September 2017

Tim Loughnan
as delegate for the Auditor-General of Victoria





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f Buloke Shire Council