



BULOKE
SHIRE COUNCIL

ANNUAL REPORT 2014-2015





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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.

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.

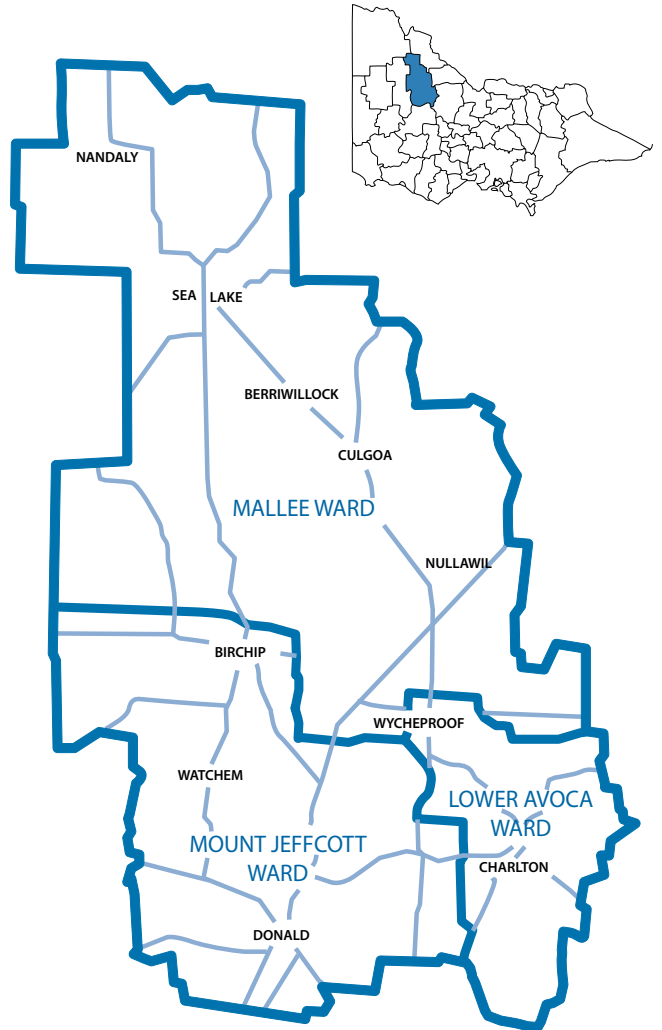
The Buloke Shire is a predominantly rural area. The main townships are Birchip, Charlton, Donald, Sea Lake and Wycheproof. The Shire also comprises of the smaller townships of Berrivillock, Culgoa, Nandaly, Nullawil and Watchem.

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 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 Council logo.



Our Vision

Our vision is a sustainable Council for a liveable community where everyone participates to enrich the cultural, social and economic viability of the Shire and cares for the natural environment.

Our Mission

Our mission is to work with the people of Buloke to provide a supportive and positive environment enabling them to work to achieve satisfying and productive lives.

We do this by:

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

HIGHLIGHTS FOR THE YEAR

- Successful restructure of the organisation including the introduction of a staff culture of “doing more with less” that saw a reduction in current expenditure of \$6.2 million and the achievement of a financially sustainable organisation.
- The Rural Living Campaign was launched in March 2015 to campaign for a minimum set of local government services for all Victorians. The campaign continues to flourish and now involves fourteen Victorian councils including Buloke Shire Council.
- Completion of the restructure of the Works and Technical Services department to improve communication and efficiency.
- Redevelopment of Asset Management Plans for all asset classes.
- Successful negotiation of the Buloke Shire Council Enterprise Agreement No. 6, 2015.
- Development and implementation of the Organisational Development Strategy.
- Building permit approvals for 2014/15 numbered 107 at the value of \$7,347,882.70.
- Fifty-five planning permits were issued for 2014/15, an increase of three on the previous year.
- A planning permit was issued for a free range chicken farm development at Litchfield for 250,000 birds.
- Rural community engagement was once again a highlight of the Community Development year. We have held seven “Fire Shed” gatherings over the past year, meeting with nine brigades across Buloke Shire.
- The development of Council’s Community Engagement Strategy was an important piece of work that will provide a valuable tool for more effective two-way communication with communities.

Successful Streetlife retail mentoring program with the Australian Retailers Association. Six businesses were mentored over a six-month period while several other businesses were able to benefit from short-term mentoring following several retail workshops held during the year. The excellent products and services offered by local businesses were recognised in the 2014 Buloke Business Excellence Awards, culminating in the presentation of the Business of the Year Award being presented to O’Connor’s Farm Machinery of Birchip.

Local Laws:

- Nineteen of the twenty-nine dogs that were impounded were reunited with their owners.
- Six dogs and three cats were rehoused under Council’s rehousing scheme.
- Significant reduction in fire clearances undertaken by Council from the previous year through constituent compliance with fire notices.

LOCAL LAWS	
INFRINGEMENT ISSUED	Infringement totals (\$)
Fire Prevention	67896
Local Laws	500
Impounding of Livestock Act	2950
Animal Control	15763



Successful delivery of the Capital Works Program including:

- Construction of the \$2.3 million Donald Family Services Centre
- \$400,000 renewal of Council’s community halls
- Walking track upgrades in Charlton, Donald, Wycheproof, Birchip and Watchem valued at \$220,000

- Three-year kerb and channel project finished at Hoban Street, Watchem
- Construction of the Wycheproof Transfer Station
- Construction of the Charlton Skate Park



A real highlight for Buloke Shire Council was the launch of a new campaign with a difference.

The council is not campaigning for money. It's not campaigning for a review of State and Federal government funding.

It's campaigning for equal services for rural people.

The Shire launched the campaign, called **Rural Living**, at its May Council Meeting and endorsed a motion seeking support from the Municipal Association of Victoria. The Municipal Association of Victoria threw its support behind the campaign at its State Council meeting in Melbourne in May, with an 84 percent vote in favour of the campaign and promoting the sustainability of small rural shires.

The Rural Living campaign is about State and Federal governments recognising inequality, then addressing it. It aims to get all levels of government to address the structure of funding of small rural shires to enable them to provide basic services and remain financially sustainable.

There are now fourteen Victorian Councils involved in the campaign. Alongside Buloke the following councils have joined the campaign: Yarriambiack, Towong, Macedon Ranges, South Gippsland, Wellington, Central Goldfields, West Wimmera, Mt Alexander, Latrobe, Horsham, Mildura, Swan Hill and Bendigo.



Challenges and future outlook

A key challenge will be to continue the organisational changes and maintain sustainability whilst providing a reasonable level of service to our community.

The impact of drought on community priorities and the importance of good community planning to address these impacts present an opportunity for Council to work with local communities to address a very difficult situation. Community development in the current climatic and financial situation represents a challenge that will require positive input from all sections of the community.

Future direction will continue to focus on community plans, community engagement and resource access for community groups. The realities of living in a fast-changing environment mean that we will address our community priorities in changing ways. Ideas will develop and communities may move in ways that we do not necessarily expect.

The role of Community Forums in communicating with and on behalf of their community will be increasingly important. They will continue to grow in effectively representing their communities.



- Resealing and major patching works throughout the Shire
- Purchase of two new graders
- Resheeting of 13.5km of gravel roads and shoulder resheeting of 31.9km of sealed roads



- Footpath upgrades in Wycheproof, Sea Lake and Donald
- Completion of the Birchip Bowling Club synthetic green redevelopment

THE YEAR IN REVIEW

Mayor's message

Mayor, Cr Reid Mather

This past year for Buloke Shire Council has been one of change. Whilst there is often a sense of trepidation around change, this new direction is all about securing the long-term financial sustainability of the Shire.

The decisions we make as councillors have a direct impact on the Buloke community.

I know that many people find budgets boring; however, our budget does influence the type of place Buloke will be. The budget serves our community and it is the enabler and supporter of our roads, halls, parks, kindergartens and services.

Buloke must live within its means and, to that end, Council has considered all of the services that it provides. As a result it has implemented strategic decisions on service provision, and the 2015/16 Budget has impacted on the level of service Council could deliver. We placed particular emphasis on supporting community groups that provide valuable services to the community. A priority within this was to facilitate funding for these groups without extensive application processes. This in turn supports the base of volunteers to these groups, often the life blood of our communities.

As we move forward and operate in a sustainable fashion we have had to address our operating expenditure. To reduce our expenditure some service levels have been reduced. We ask for our community's patience as your Council achieves a financially sustainable position and seeks to better meet your needs. An example of a positive reaction in the current climate was the efforts of the Birchip Forum arranging a community transport alternative to replace the one that Council could no longer afford to provide.

In this period of consolidation for Council we undertook a review of our Council Plan. The 2015/16 Budget and 2015-2019 Council Plan represent some of Council's most difficult discussions and decisions. Councillors were very aware of, and carefully considered, the impacts on our community. The challenge Councillors had was to ensure Council became financially sustainable while minimising the impact of cost reductions on the community.

The 2015/16 Budget did impact on Buloke. Furthermore, Council believes that the level of service it can now sustainably deliver to its community is far less than communities in bigger municipalities receive while our ratepayers pay a far higher rate in the dollar than those in metropolitan Melbourne. This is clearly unfair. Like many other small rural councils facing similar challenges, we need to tell our story.

“The decisions we make as councillors have a direct impact on the Buloke community.”



The Rural Living campaign is our story, a story of farming and business innovation, volunteerism, a spirit of place and strength of character, a community I am proud to represent. Unfortunately, Buloke is a community that is not adequately funded to deliver a base level of local government services. The Rural Living campaign has raised the profile of this issue with both State and Federal governments. At the time of writing Buloke has thirteen other rural shires supporting our campaign. Buloke will continue to lead this campaign into 2016. We believe the current funding structure from other levels of government is unsustainable, not just for Buloke but also for many shires within Victoria.

I take this opportunity to thank my Councillor colleagues. Buloke is a municipality of over 8,000 square kilometres and ten towns. The Buloke community is strongly represented by seven people that have the best interests of Buloke at heart. We do our very best to not only get around the Shire, but also to represent Buloke's interests in other parts of the State.

On behalf of the Councillors, thank you to our CEO Mr John Hicks and all staff. John has lead staff through a very challenging period of change and delivered a very ambitious and difficult budget. I continue to be impressed by the way our people within the organisation have taken initiative and demonstrated flexibility in response to the requirement of doing more with less. I believe this and another key action of Council, to create more robust links with our community and increase our engagement with them, will see an improved, optimistic future for the Buloke Shire Council.



CEO's message

John Hicks

The flexibility and commitment of Council staff to do more with less has been the highlight of 2014/15. The year has seen Council come in handsomely under budget as it has prepared the way for a new low-cost regime focussed on key Council services.

The whole of Council has been restructured and we have seen many people taking on new and exciting roles as well as many combining new roles with their old responsibilities. People have pushed themselves out of their comfort zones and we will reap the benefits of this over the years with higher skill levels and better working between teams. We are encouraging all staff to take more responsibility and continue to show what they are capable of.

The Council has also reviewed its priorities and strategies with a new Council Plan focussing on financial sustainability, engaging with our community, supporting the local economy, protection of our natural environment, responsible governance, and staff development, as well as working to influence other levels of government to improve the liveability of rural communities. This latter direction was the genesis of Council's Rural Living campaign which has seen fourteen municipalities get together with the aim "to seek agreement from all levels of government that all Victorians should be entitled to receive a minimum set of local government services". This campaign is gathering steam and Buloke should be proud it was the initiator of this movement that could see a restructure of future funding for small rural shires.

Following the successful budget year in which we have come in well under our budgeted expenditure and reduced staffing levels to a sustainable position, Council is looking to consolidate and build better outcomes for its community. We now have a financially responsible position to work from. In order to determine those better outcomes, Council has developed a series of policies and actions over the year. These range from enhanced attendance at community meetings, a comprehensive program of Fire Shed meetings, a summit of the community forums from each town and the development of the Community Engagement Strategy.

"The way the organisation has responded to change and embraced the call to continually improve augers well for the future of the Buloke Shire and it is exciting to be part of these changes"



It is to the credit of the staff that, even with all the changes they were going through, they managed to focus on the work at hand and produce a high level of results, in terms of the services delivered. With the exception of a small number of projects that necessarily will be completed in 2015/16, all capital works projects were delivered. Many compliments were received on the travellers rest facilities throughout the Shire. Road maintenance and construction have continued to deliver, even with fewer staff involved. Home care services have been successful in re-orienting their services to better provide for those in need of support who continue to live at home. At the same time it has been great to see the success and energy of local groups, such as the Birchip Forum which has developed a new community transport alternative to take over from the one that Council could no longer afford to provide.

The way the organisation has responded to change and embraced the call to continually improve augers well for the future of the Buloke Shire and it is exciting to be part of these changes. The best of local government occurs when councils and their communities come together to achieve their common aims. I am very optimistic that the coming year will see ongoing enhancement of services and the achievement of continually improving outcomes for the people of Buloke.

THE YEAR IN REVIEW

CONTINUED

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 of the Shire and dispersal of its population increase transport costs when compared with city councils. This impacts on the cost of supplying services. The average cost per unit service is three times greater than supplying the same services in a metropolitan area.

Factors affecting the cost of service delivery include: approximately 15% of ratepayers are entitled to the pensioner rebate. As pensioners are often asset rich but income poor, the adoption of significant rate increases has a real impact on the disposable income of a significant proportion of our community. Council has hardship provisions in place but these can impact on cash balances when large volumes of ratepayers are involved. In addition, during periods of adverse weather conditions there is an impact on Council's rural ratepayer's ability to pay their rates.

Council's infrastructure, particularly buildings, are reaching a stage where a large capital investment is required. With the changes to population and demographics it is critical that all assets are assessed for their affordability and usefulness to the community in the future.

OUR COUNCIL

Council profile

The Buloke Shire Council is a public statutory body incorporated under *The Local Government Act 1989* (Victoria). *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 27 October 2012 and will retire in October 2016. 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 Office

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.

Telephone: 1300 520 520.

Postal Address: PO BOX 1, Wycheproof Victoria 3527

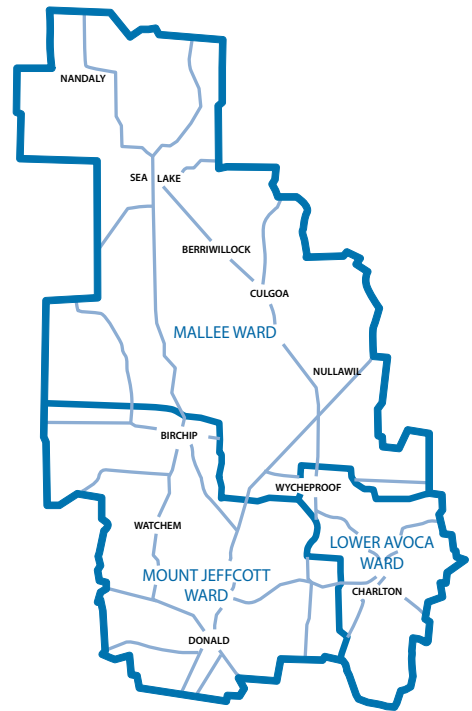
Fax: (03) 54937395

Email: buloke@buloke.vic.gov.au

Website: www.buloke.vic.gov.au



Back row (from left to right): Cr Gail Sharp, Cr David Pollard (Deputy Mayor), Cr Reid Mather (Mayor), Cr Ellen White.
Seated (from left to right): Cr Stuart McLean, Cr Graeme Milne and Cr Leo Tellefson.



Councillors

MOUNT JEFFCOTT WARD



Councillor **Leo Tellefson**
M 0438 306 259
E crtellefson@buloke.vic.gov.au



Councillor **Gail Sharp**
M 0437 090 172
E crsharp@buloke.vic.gov.au



Councillor **Graeme Milne**
M 0419 126 911
E crmilne@buloke.vic.gov.au

MALLEE WARD



Councillor **Reid Mather (Mayor)**
M 0438 306 259
E crmather@buloke.vic.gov.au



Councillor **Ellen White**
M 0417 560 706
E : crwhite@buloke.vic.gov.au

LOWER AVOCA WARD



Councillor **David Pollard (Deputy Mayor)**
M 0458 918 638
E crpollard@buloke.vic.gov.au



Councillor **Stuart McLean**
M 0439 327 839
E crmclean@buloke.vic.gov.au

OUR PEOPLE

Management team

CHIEF EXECUTIVE OFFICER

John Hicks

SENIOR OFFICERS REPORTING DIRECTLY TO THE CHIEF EXECUTIVE OFFICER

Bill Hutcheson

Manager Finance

Areas of responsibility

- Finance
- Property
- Audit

Ingrid Hensley

Acting Risk and Human Resources Manager

Areas of responsibility

- Human Resources
- Payroll
- Risk Management
- Insurance
- Organisational Development

Anthony Judd

Director Works and Technical Services

Areas of responsibility

- Road Services
- Urban and Parks
- Environmental Compliance
- Waste and Environment
- Emergency Management
- Community Facilities
- Recreational and Aquatic Facilities
- Asset Planning and Delivery

Jessie Holmes

Manager Planning and Community Support

Areas of responsibility

- Community Development
- Town Planning
- Building Surveying
- Local Laws
- Economic Development and Tourism
- Youth
- Environmental Health
- Immunisation

Bill Keane

Manager Community Services

Areas of responsibility

- Home and Aged Care
- Library
- Aged and Disability Services
- Maternal and Child Health

Ann Twyford

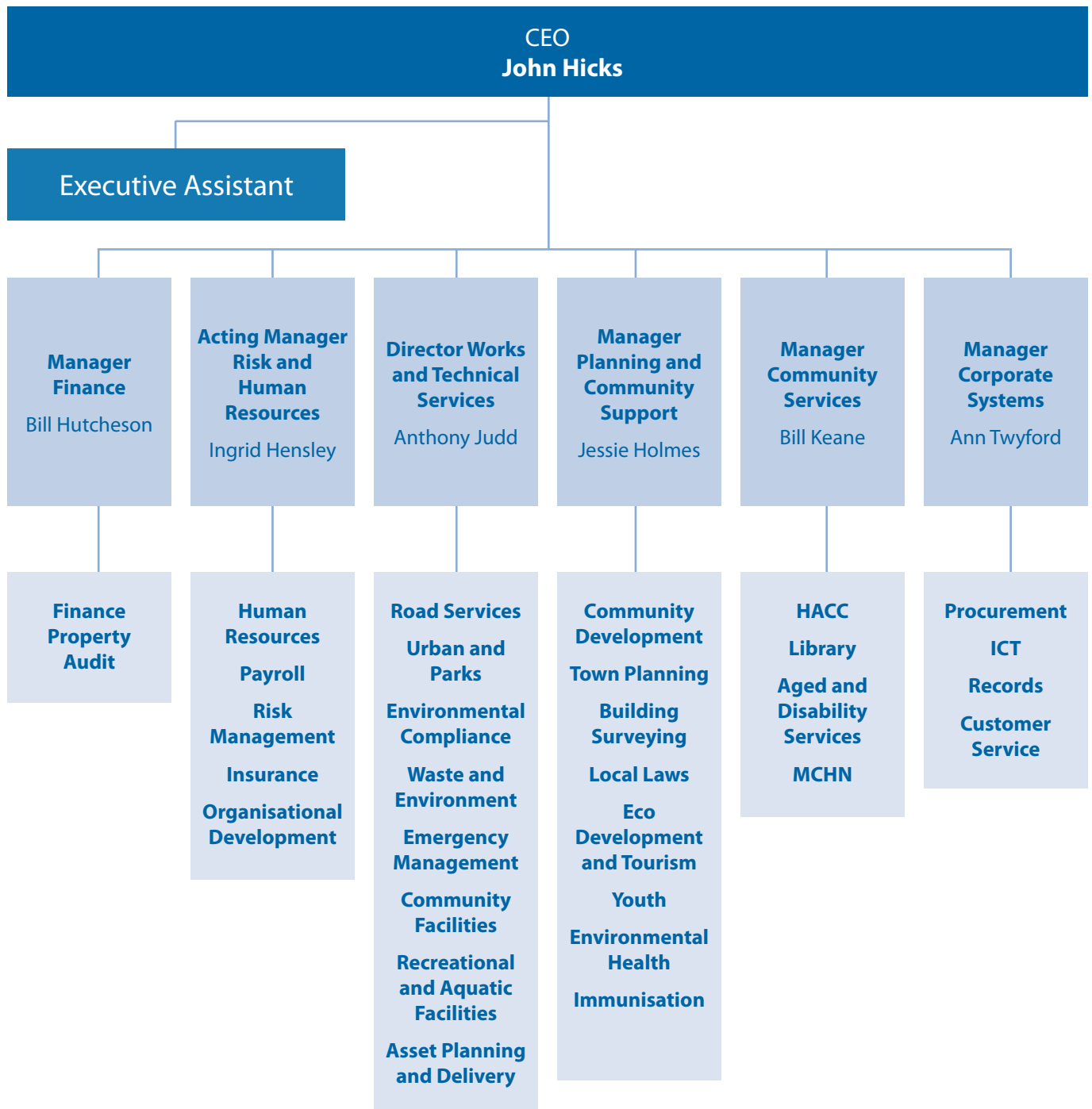
Manager Corporate Systems

Areas of responsibility

- Procurement
- Information Communications Technology
- Records
- Customer Service



Organisation Structure 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 facilitated 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 Senior Human Resources Officer is the equal opportunity contact who is able to assist with resolving problems to create workplace harmony, positive morale and a productive environment for all.

Employee statistics 2014/15			
	Male	Female	Total
Full-time	64.00	16.00	80.00
Part-time	2.29	19.34	21.63
48/52	3.69	2.76	6.45
48/52	Part-time	0.58	0.58
Total:	69.98	38.68	108.66
Positions vacant as at 30/06/2015			4.00
as at 30/06/2015			112.66
Positions not replaced			18.3
			130.96

Service milestones

Twenty-five staff achieved significant service milestones during the year

SERVICE MILSTONES	Number of staff
5 Years	11
10 Years	11
15 Years	1
20 Years	2



EMPLOYEES BY DEPARTMENT

Dimension/indicator/measure	Total	PT	FT
CEO / Governance	1.95	0.95	1.00
Finance	5.80	0.80	5.00
Risk & HR	2.00	1.00	1.00
Works & Technical Services	68.49	8.49	60.00
Planning	6.24	4.24	2.00
Community Service	17.40	11.40	6.00
Corporate	10.77	2.77	8.00
	112.65	29.65	83.00

WORKPLACE INCIDENTS

2011-2012

2012-2013

2013-2014

2014-2015

51

66

66

53

ABSENTEEISM

2011-2012

2012-2013

2013-2014

2014-2015

LTI

10

13

8

7

Number of days lost to Injury

385.2

496.9

227.2

97

Absence due to Illness

1311

1583

1545

1114

WORKERS COMPENSATION

Minor Claims

Change %

Premium

Premium

2014-2015

5

7

\$163705

-17.7

2013-2014

6

2

\$199137

-34

2012-2013

12

7

\$304474

3

Grants received from external sources

No	FUNDING ORGANISATION	PROJECT SUMMARY	AMOUNT GRANTED \$
OPERATING GRANTS			
1	Department of Environment, Land, Water & Planning	Financial Assistance Grant	2,997,175
2	Department of Environment, Land, Water & Planning	Financial Assistance Grant - Road	2,500,821
3	Department of Environment, Land, Water & Planning	Financial Assistance Grant (early payment of 2015/16 allocation)	2,737,819
4	Department Economic Development, Jobs, Transport & Resources	Resilient Community Program	11,471
5	Department Economic Development, Jobs, Transport & Resources	Rural Skills Cadetship	1,500
6	Department Economic Development, Jobs, Transport & Resources	Building Retail Skills & Business Confidence	16,000
7	Department Economic Development, Jobs, Transport & Resources	Regional Living Expo	10,000
8	Department Economic Development, Jobs, Transport & Resources	Economic Development Project	15,000
9	VicRoads	School Crossings Subsidy	13,440
10	Department of Education & Early Childhood Development	Maternal & Child Health Subsidy	129,497
11	Department of Education & Early Childhood Development	Community Services Administration	38,122
12	Department of Health & Human Services	Senior Citizens Subsidy	54,314
13	Department of Health & Human Services	HACC Program	646,338
14	Department of Health & Human Services	Volunteer Coordination	38,744
15	Department of Health & Human Services	Vulnerable Persons Register	16,627
16	Department of Health & Human Services/Melbourne University	Youth Programs	63,934
17	Department Economic Development, Jobs, Transport & Resources	Library Services	219,367
18	Department of Health & Human Services	Walk to School Program	10,000
19	Department of Health & Human Services	Immunisation	7,098
20	Municipal Association of Victoria	Tobacco Funding	3,514
21	Department of Environment, Land, Water & Planning/Mallee Catchment Management Authority (MCMA)	Roadside Weed & Rabbit Control	70,000
22	Department of Justice & Regulation	Charlton-St Arnaud Rd Floodway	250,000
23	Department Economic Development, Jobs, Transport & Resources	Birchip Community Gym Upgrade	39,600
24	Department of Environment, Land, Water & Planning	Municipal Emergency Management	120,000
CAPITAL GRANTS			
25	Sport & Recreation Victoria	Birchip Bowling Green	10,000
26	Regional Development Victoria/Regional Development Australia Fund	Donald Family Services	650,000
27	Sport & Recreation Victoria	Charlton Skate Park	10,000
28	Department of Health & Human Services	HACC Minor Grants	21,867
29	Department Economic Development, Jobs, Transport & Resources	Halls Renewal	120,000
30	Sport & Recreation Victoria	Buloke Pools Water Savings & Heating Project	55,000
31	Department of Justice & Regulation	Donald Flood & Drainage Management Plan Implementation	250,000
32	Department of Justice & Regulation	Charlton Flood & Drainage Management Plan Implementation	112,500
33	Emergency Management Victoria	Donald Flood Mitigation	203,750
34	Department of Transport, Planning & Local Infrastructure	Aquatic Strategy Community Facility Funding Program	3,000
35	Department of Transport, Planning & Local Infrastructure	Charlton Pool Structure Upgrade	20,000
36	Department of Treasury & Finance	Natural Disaster Relief Funding	471,836
37	Department of Infrastructure & Regional Development	Roads to Recovery	1,112,046
38	Vic Roads Northern Region	Country Roads & Bridges	1,000,000
39	Department of Transport, Planning & Local Infrastructure/Dept of Economic Development, Jobs, Transport & Resources	Avoca River Walk Charlton Project	85,500
40	Department Economic Development, Jobs, Transport & Resources	Local Government Infrastructure Program	451,241
41	Department Economic Development, Jobs, Transport & Resources	Charlton Park Upgrade (refund of grant)	-12,813
42	Sustainability Victoria	Wycheproof Transfer Station Upgrade Works	25,000
			\$14,599,308

OUR PERFORMANCE

Council Plan

The Buloke Shire Council Plan 2013–2017 was adopted by Council with the proviso that it would be regularly updated, especially if significant changes were to occur within the Council or its environment. Council responded to its deteriorating financial position by adopting a budget for 2014/15 that focussed on sustainability, reducing expenditure and services to enable the Council to become financially viable into the future. Further necessary expenditure reductions for 2015/16 were also identified at that time.

The budget changes of 2014/15 and those identified for 2015/16 clearly showed the need for Council to re-assess its vision, mission and strategies for the coming years. Consequently a comprehensive revision of the Council Plan was needed to articulate Council's new focus and provide consistency for its future actions and strategies.

The revised Plan is based on a four-year planning horizon in line with the requirements of *The Act* and Council's Strategic Resource Plan. It is acknowledged that following the Local Government elections due in October 2017, a new Council will be required to develop a Plan for 2017–21 to replace this revised Plan. In the meantime the revised Plan gives Council a meaningful planning time frame and guidance for its strategic activity and budgeting processes.

What is the Council Plan?

The Buloke Shire Council Plan 2015–2019 is Council's revised four-year Plan. This revision takes into account the necessity to tailor our investments and expenditures to meet the restricted resources available to us as a community. The revised Plan is good business practice and an essential element of good governance.

This 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 ten years.

How we revised the Plan

Council receives input and feedback from residents, stakeholders and other levels of Government on a regular basis through a range of sources and interactions both formal and informal. In some cases these processes involve the whole community, while in others cases they involve key stakeholder groups.

Councillors and Council are also ongoing participants in a wide range of meetings to discuss community aspirations, future strategies, the strengths and weaknesses of current policies and initiatives, and future Commonwealth and Victorian government directions. Examples of this engagement with the community, individuals and stakeholders include:

- Review of the community plans that have been developed by each of the principal communities that make up the Shire (Charlton, Birchip, Berrillock, Culgoa, Donald, Nullawil, Nandaly, Sea Lake, Watchem and Wycheproof).
- Regular attendance at township forums and progress associations across the Shire.
- Regular briefings by representatives from township forums, progress associations, Chambers of Commerce and Industry, sporting clubs, committees of management, service clubs and a wide range of other organisations and individuals at monthly meetings advertised to precede Ordinary Council Meetings.
- "Fire Shed" meetings with farm-based families to discuss local needs, local conditions and wellbeing.

OUR PERFORMANCE CONTINUED

Objectives and strategies

Central to the Council Plan are these six key strategic objectives.

Delivering our services in a financially sustainable way

- Achieve the adopted 2014/15 Budget and the proposed 2015/16 Budget.
- Monitor service delivery to ensure we are meeting the proposed new service levels.
- Adopt increasing surplus budgets over the life of the Council Plan.

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

- Adopt and implement the Buloke Community Engagement Strategy.
- Identifying community needs to inform service planning.
- Support and assist volunteer participation in our Shire.
- Implement and annually review the Municipal Public Health and Wellbeing Plan.
- Enhance the strategic planning, development and management of Council's physical assets and infrastructure.

Supporting and enhancing our local economy

- Implement the Buloke Shire Economic Development Strategy and report to the community on an annual basis.
- Facilitate the provision of infrastructure to grow the economic development of the community.

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

- Implement the Buloke Waste Management Strategy.
- Undertake a strategic review of Council's gravel pits.
- Review the Roadside Vegetation Management Plan.
- Identify and implement environmentally sustainable projects.

Influencing governments to improve liveability for rural communities

- Engage with other municipalities and agencies to advocate for equitable services.
- Mobilise the community to participate in advocacy issues.

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

- Adopt and implement the Buloke Organisational Development Strategy.
- Action relevant audit reports.
- Monitor governance processes and practices.

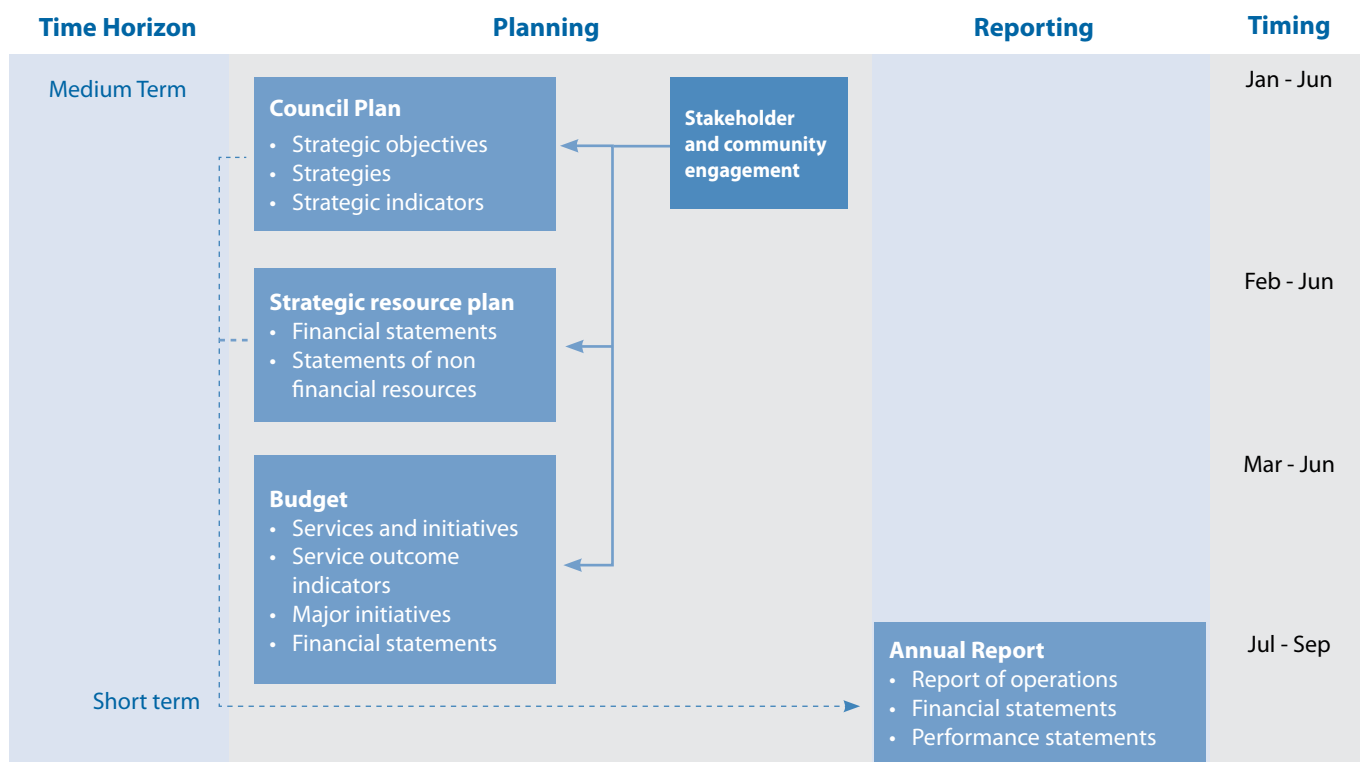


Performance

Council's performance for the 2014/15 year has been reported against each strategic objective to demonstrate how Council is performing 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



Source: Department of Environment, Land, Water and Planning (formerly the Department of Transport, Planning and Local Infrastructure)

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.

Actions

- Ensure monthly financial performance reports are prepared and presented at every Ordinary Council Meeting for monitoring and review.
- Identify, develop, implementing and monitor the practical action necessary to achieve the service are savings adopted in the budget.

1.2 Monitor service delivery to ensure we are meeting the proposed new service levels.

Actions

- Conduct and review Community Satisfactory Survey to monitor services delivery to the community.
- Monitor performance reporting framework measures to ensure service levels are being met.

1.3 Adopt increasing surplus budgets over the life of the Council Plan.

Actions

- Ensure that every Budgeted Statement of Cash Flow as contained in adopted Budgets has a net increase in cash and cash equivalents for each financial year.
- Ensure that every Budgeted Comprehensive Income Statement as contained in adopted Budgets reflects 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.

Report of Operations:

Libraries

- Standard of library collection is such that 47% of collection was added in last 5 years.
- Direct cost of library service for each visit was \$30.

Statutory Planning

- Planning applications decided within 60 days: 92%.
- Median number of days for each planning application decision was 32 days.
- Cost of statutory planning per planning permit issued: \$3379.30

Roads

- Sealed roads below the intervention level: 78%.
- Cost of sealed local road resealing per square metre: \$3.86.

Animal Management

- 20% of animals collected were reclaimed.
- Direct cost per animal registered: \$6.61.

Aquatic Facilities

- Utilisation of aquatic facilities totalled 6.6% against municipal population.
- Each aquatic facility was visited by an authorised health inspection officer.
- Reportable safety incidents at aquatic facilities: 0
- Cost of outdoor aquatic facilities: \$9.20

Service	Indicator	Performance Measure	Computation
Libraries		Active library members (Percentage of the municipal population that are active library members)	(Number of active library members / municipal population) x 100 5.42%
Statutory planning	Decision Making	Council planning decisions upheld at VCAT (Percentage of planning application decisions subject to review by VCAT and were not set aside)	(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) x 100 100%
Roads	Satisfaction	Satisfaction with sealed local roads (Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads)	Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads 44%
Animal Management	Health and Safety	Animal management prosecutions (number of successful animal management prosecutions)	Number of successful animal management prosecutions 2

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.

Actions

- Ensure all 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.

Actions

- Identify current 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.

Actions

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

2.4 Implement and annually review the Municipal Public Health and Wellbeing Plan.

Actions

- In the Annual Report demonstrate that the five priorities of the plan and their relevant initiatives are being met in the designated timeframes.

2.5 Enhance the strategic planning, development and management of Council's physical assets and infrastructure.

Actions

- Review and 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.

Strategic Indicators

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

Report of Operations:

HACC

- Compliance with Community Care Common Standards: 88.89%.

Early Years

- Participation in first Maternal and Child Health home visit: 98.28%.
- Enrolments of infants in Maternal and Child Health services: 94.83%.

Food Safety

- Class 1 and Class 2 food premises that receive an annual food safety assessment: 62.90%.
- Direct cost of food safety service per registered premises: \$471.84.

Service	Indicator	Performance Measure	Computation
Home and Community Care	Participation	Participation in HACC service (Percentage of the municipal target population who receive a HACC services)	44%
		Participation in HACC service by CALD people (Percentage of the municipal target population in relation to CALD people who receive a HACC service)	27%
Early years	Participation	Participation in the MCH service (Percentage of children enrolled who participate in the MCH service)	85%
		Participation in MCH service by aboriginal children (Percentage of Aboriginal children enrolled who participate in the MCH service)	100%
Food Safety	Health and Safety	Critical and major non-compliance notifications (Percentage of critical and major non-compliance notifications that are followed up by Council) (Number of visits to aquatic facilities per head of municipal population)	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.

Actions

- 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

Actions.

- 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.

Actions

- 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.

Actions

- 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.

Actions

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

4.4 Identify and implement environmentally sustainable projects.

Actions

- 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: \$61.57.
- Direct cost of recycling collection per collection bin: \$41.93.
- 27% of collected kerbside waste was diverted from landfill.
- Service standard of kerbside waste: 99%.
- Number of kerbside bin collection requests per 1,000 kerbside bin collection households: 8.07.

Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Computation
Economic Development	Economic activity	Change in number of businesses (percentage change in the number of businesses with an ABN in the municipality)	0%



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.

Actions

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

5.2 Mobilise the community to participate in advocacy issues.

Actions

- 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.

Actions

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

6.2 Action relevant audit reports.

Actions

- 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.

Actions

- 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: 0.55%.
- Councillor attendance of Council meetings: 92.86%.
- Satisfaction of community consultation and engagement: 51.00%.

Governance

Cost of governance: \$65,418.29.

Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Computation
Governance	Satisfaction	Satisfaction with Council decisions (Community satisfaction rating out of 100 with how Council has performed in making decisions in the interests of the community)	

Governance, management and other information

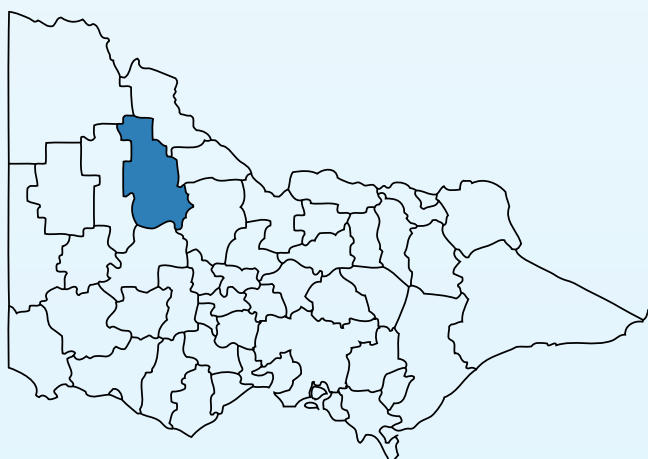
Governance

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 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.



Buloke Shire Council within Victoria

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* (Victoria).

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 and at the Wycheproof District Office.

Table of Attendance

COUNCILLOR ATTENDANCE (1 JULY 2014 – 30 JUNE 2015)	Ordinary Meetings	Special Meetings
Number of Meetings held	11	5
Councillor David Pollard (Deputy Mayor)	11	5
Councillor Leo Tellefson	11	4
Councillor Gail Sharp	9	4
Councillor Ellen White	11	4
Councillor Stuart McLean	10	4
Councillor Reid Mather (Mayor)	10	5
Councillor Graeme Milne	11	5

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 a laptop computer 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. Councillors are entitled to claim some expenses they have incurred in their capacity as Councillors. An example of this would be for travel as there is no access to transport alternatives for some Councillors.

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 Items	Assessment
1 Community Engagement Policy Policy outlining council's commitment to engaging the community on matters of public interest	Adopted in February 2015
2 Community Engagement Guidelines Guidelines to assist staff to determine when and how to engage with the community	Guidelines prepared in accordance with the <i>Local Government Act 1989</i> .
3 Strategic Resource Plan Plan under section 126 of <i>The Act</i> outlining the financial and non-financial resources required for at least the next 4 financial years	Adopted in accordance with section 125 of the <i>Local Government Act 1989</i> . Buloke Shire Council formally adopted a Revised Council Plan 2015 – 2019 on 8 April 2015.
4 Annual Budget Plan under section 130 of <i>The Act</i> setting out the 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 <i>The Act</i> Date of adoption: 17 June 2015
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	Reviewed and completed in June 2015. Not yet adopted by Council
6 Rating Strategy Strategy setting out the rating structure of Council to levy rates and charges	Date of operation of current strategy June 17 2015
7 Risk Policy Policy outlining Council's commitment and approach to minimising the risk to Council's operations	Policy Date of approval, 9 October 2013
8 Fraud Policy Policy outlining Council's commitment and approach to minimising the risk of fraud	Policy Date of approval, 9 October 2013
9 Municipal Emergency Management Plan Plan under section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery	Prepared and maintained in accordance with <i>Emergency Management Act 1986</i> (Victoria) and the <i>Emergency Management Act 2013</i> (Victoria)
10 Procurement Policy Policy under section 186A of the <i>Local Government Act 1989</i> outlining the matters, practises and procedures that will apply to all purchase of goods, services and works	Prepared and approved in accordance with section 186A of the <i>Local Government Act 1989</i> . Date of approval. 13 November 2013
11 Business Continuity Plan Plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster	Buloke Shire continues to develop and maintain a business continuity management system to effectively enable the Council to re-establish services in a timely and efficient manner.
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	Date approved: September 2013. Date of Revision: September 2017. Critical Function Business Continuity Plans also in place

Governance and Management checklist Continued

Governance and Management Items	Assessment
<p>13 Risk Management Framework Framework outlining council's approach to managing risks to the Council's operation</p>	<p>Council complies with its obligation under the <i>Local Government Act 1989</i> (Victoria) and maintains risk management practises and procedures, with reference to the Australian Standard AS/NZS ISO 31000:2009.</p>
<p>14 Audit Committee Advisory committee of council under section 139 of <i>Act</i> whose role is to oversee the integrity of a council's financial reporting, processes to manage risks to the strategic indicators, for the first six months of the financial year</p>	<p>Council has established an Audit Advisory Committee in accordance with Section 139 of the <i>Local Government Act 1989</i></p>
<p>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</p>	<p>Date of engagement of current provider AFS and Associates was October 22, 2012</p>
<p>16 Performance Reporting Framework A set of indicators measuring financial and non financial performance, including the performance indicators referred to in section 131 of <i>The Act</i></p>	<p>Complied with Performance Statement prepared and audited</p>
<p>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</p>	<p>Buloke Shire Council formally adopted a Revised Council Plan 2015 – 2019 on 8 April 2015, under section 125 of the <i>Local Government Act 1989</i></p>
<p>18 Financial reporting Quarterly statements to Council under section 138 of <i>The Act</i> comparing budgeted revenue and expenditure with actual revenue and expenditure</p>	<p>Monthly reporting to Council</p>
<p>19 Risk Reporting Six monthly reports of strategic risks to council's operations, their likelihood and consequences of occurring and risk minimisation strategies</p>	<p>Report on quarterly basis to Audit Advisory Committee</p>
<p>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 <i>The Act</i></p>	<p>Reports produced and audited biannually</p>
<p>21 Annual Report Annual report under sections 131, 132 and 133 of <i>The Act</i> to the community containing a report of operations and audited financial and performance statements</p>	<p>Considered at a meeting of Council in accordance with section 134 of <i>The Act</i>. Date statements presented: October 8, 2014</p>
<p>22 Councillor Code of Conduct Code under section 76C of <i>The Act</i> setting out the conduct principles and the dispute resolution processes to be followed by Councillors</p>	<p>The most recent Code of Conduct for Councillors was adopted in June 2012.</p>
<p>23 Delegations A document setting out the powers, duties and functions of council and Chief Executive Officer that have been delegated to members of staff</p>	<p>Reviewed and approved on February 11, 2015</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 <i>The Act</i>. Last amendment in 2012</p>

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

John Hicks
 Chief Executive Officer

Cr Reid Mather
 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.

Total number of requests in the period 1 July 2014 – 30 June 2015	1
Access granted in full	0
Access granted in part	1
Outcomes of requests outstanding from previous reporting period	1
Access granted in full	0
Access granted in part	1
Other	0
Access denied in full	0
Requests still under consideration	0
Number of internal reviews sought	0
Number of VCAT (Victorian Civil & Administrative Tribunal) appeals lodged	1
Outcome of VCAT decisions on appeal lodged in the period 1 July 2014 – 30 June 2015	
Withdrawn	1
Total charges collected	\$26.50

Best Value

As part of the 2014/15 budget process, Council identified significant changes to service delivery as part of the initiatives to reduce its operating budget by \$4 million over a two year period.

The following were some of the initiatives pursued:

- Asset Rationalisation of Plant and Equipment – Council reviewed the properties it owns and listed some excess assets for sale. A reduction in light fleet was commenced with the reduction in its operating fleet from 59 to 42 vehicles.
- Community Support – Rationalisation of the community support program which includes youth and economic development aimed at targeting government funded programs
- Procurement – Improved efficiencies in the provision of procurement services across the organisation.
- Road Services – Implementation of Council's Road Management Plan which with new road classifications will reduce Council's long term costs and road depreciation.
- Customer Service – Rationalisation of the customer service contact points across the shire by providing alternative customer interaction opportunities.

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.

STATUTORY INFORMATION CONTINUED

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

Contracts

During the year Council entered into one contract valued at \$150,000 or more. Council engaged in competitive process before entering into this contract.

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 new Plan was developed through consultation with Council's Animal Management Team and consideration of input from other Council departments. No actions were completed at the date of this report.

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 2014-15 year no disclosures were notified to Council officers appointed to receive disclosures, or to IBAC.

Road Management Act ministerial direction

Road Management (Works and Infrastructure) Regulations 2005 expired on 21 June 2015. These were subsequently replaced by a new Road Management (Works and Infrastructure) Regulations 2015, which came into operation on 20 June 2015.

There were no written *Road Management Act* ministerial direction received during 2014-15.

Documents available for public inspection

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

Documents are available for inspection at Council's Wycheproof Office, 367 Broadway, Wycheproof. To arrange an inspection please contact the Governance Officer on 1300 520 520.

Many of the documents are also available to view online or 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 the dates returns were submitted
- names of Councillors who submitted a return of interest during the financial year and the dates returns were submitted
- Register of Interests – returns lodged by Councillors and Council Officers (note: the Act requires a specific written application be made with respect to this Register. Please contact the Governance Officer to make arrangements for the inspection)
- agendas and minutes of Ordinary and Special Council Meetings held in the previous 12 months, and also Special Committee Meetings
- a register of delegations kept under Sections 87, 88 and 98 of the Act
- submissions received during the previous 12 months in accordance with section 223 of the Act
- agreements to establish regional corporations under section 196 of the Act
- a list of property, finance and operating leases involving land, buildings, plant, computer equipment or vehicles
- 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
- a list of contracts valued at \$100,000 or more entered into without first engaging in a competitive process during the financial year
- Council's policy in relation to the reimbursement of expenses for Councillors and Council Committees
- Councillor Code of Conduct
- Council Local Laws and Legislation
- current Council Plan
- current Strategic Resource Plan (incorporated within the Council Plan)
- current 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
- in preparation for the final voters' roll, and prior to certification of the roll, an exhibition roll is made available for 5 working days for public inspection, allowing voters to review their details. As part of the election process details of inspection and locations where the exhibition rolls are available throughout the municipality will be released in the local papers and on the Council website. Once the voters' roll for an election is complete and certified, the roll is available for inspection – beginning on the day that the voters' roll is certified and ending 30 days after election day. Contact Council's Governance officer on 1300 520 520.
- Copies of election campaign donation returns for the Council Election

EXPLANATION OF FINANCIAL STATEMENTS

Income Statement

The Income Statement is sometimes referred to as a "Profit and Loss Statement" and shows the sources of Council's revenue under various income headings, and expenses incurred in running the Council during the year. These expenses relate only to the "Operations" and do not include the cost associated with the purchase or the building of assets. While asset purchase costs are not included in the Expenses there is an item for "Depreciation". This value is the value of the assets used during the year.

The 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 year. A surplus means that the revenue was greater than the expenses.

Balance Sheet

This one-page summary is a snapshot of the financial situation as at 30 June 2015. It shows what the Council owns as Assets and what it owes as Liabilities. The bottom line of this Statement is Net Assets. This is the net worth of Council which has been compiled over many years.

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

1. Current & Non-Current Assets:

Cash includes cash and investments, i.e. cash held in the bank and petty cash and the market value of Council's investments.

Receivables are monies owed to Council by ratepayers and others.

Other is inventory and accounts which have been prepaid.

Non-Current Assets as held for sale. It includes Council land that is currently for sale.

Property, Infrastructure, Plant and Equipment is the largest component of Council's worth and represents the value of all land, buildings, roads, vehicles, equipment etc which has been compiled by Council.

2. Current & Non-Current Liabilities

Payables are those to whom Council owes money as at 30 June 2015.

Employee Benefits include accrued Long Service Leave and Annual Leave owed to employees.

Trust monies represent monies held in Trust 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 of Council as at 30 June 2015

4. Total 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.

General Reserves, which are allocations of the Accumulated Surplus to specific projects.

Accumulated Surplus is the value of all net assets accumulated over time.

Statement of Changes in Equity

During the course of the year the value of Total Ratepayer's Equity as set out in the Statement of Income changes. This Statement shows the values of such changes and how these changes arose.

The main reasons for a change in equity stem from:

- The profit or loss from operations, described in the Statement as Operating Surplus.
- Deficit for the year.
- The use of monies from Council's Reserves.
- Revaluation of the assets. This takes place on a regular basis. It also occurs when existing assets are taken up in the books for the first time. (e.g. Donald Children's Centre)



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 specific Accounting Standard and needs some care in analysis. The values may differ from those shown in the Statement of Income because the Statement of Income is prepared on an accrual accounting basis.

Cash in this Statement refers to Bank Deposits and other forms of highly liquid investments that can readily be converted to cash such as cash invested with Fund Managers.

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

1. *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 costs associated with the sale of assets.

Payments: All cash paid by Council from its bank account to staff, creditors and other persons. It does not include the costs associated with the creation of assets.

2. *Cash Flows from Investing Activities*

This section shows the cash invested in the creation or purchase of Property, Infrastructure, Plant and Equipment assets and the cash received from the sale of these assets.

3. *Cash Flows from Financing Activities*

This is where the receipt and repayment of borrowed funds are recorded. The bottom line of the Statement of Cash Flows is the cash at the end of the financial year. This shows the capacity of Council to meet its cash debts and other liabilities.

Notes to the Accounts

The Notes are an important and informative section of the report. The Australian Accounting Standards are not prescriptive in 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 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: the cost of the various functions of Council; the breakdown of expenses, revenues, reserves and other assets; contingent liabilities; transactions with persons related to Council; and financial performance indicators. The Notes should be read at the same time as, the Financial Statements to get a clear picture of the accounts.

PERFORMANCE STATEMENT

For the year ended 30 June 2015

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 2015

Indicator/measure	2015	Comments
Own-source revenue Own-source revenue per head of municipal population [Own-source revenue / Municipal population]	\$2,101	This is due to several factors being 1) The rate increase in 2014/15 of 6% 2) Small population size 3) Reliance on rates as main income source.
Recurrent grants Recurrent grants per head of municipal population [Recurrent grants / Municipal population]	\$1,770	Early receipt of the 2015/16 VGC allocation and the 2015/16 libraries allocation in June 2015 have resulted in a higher than expected amount of grants received for the 2014/15 year.
Population Expenses per head of municipal population [Total expenses / Municipal population]	\$3,748	The reasons being - * a smaller population base to distribute total expenses * The large area and dispersal of population increases transport costs when compared to city Councils. This impacts on the cost of supplying services, often being up to two and a half times greater than supplying the same services in a metropolitan area.
Infrastructure per head of municipal population [Value of infrastructure / Municipal population]	\$28,603	With a small population and an extensive road network this figure is always going to be quite large.
Population density per length of road [Municipal population / Kilometres of local roads]	1.14	The Shire encompasses a total land area of approximately 8,000 square kilometres and has a population of approximately 6,000.
Disadvantage Relative Socio-Economic Disadvantage [Index of Relative Socio-Economic Disadvantage by decile]	3	

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 decile 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.

PERFORMANCE STATEMENT

Service Performance Indicators

For the year ended 30 June 2015

Service/Indicator/measure	Results - 2015	Comments
Governance Satisfaction Satisfaction with council decisions [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	50	
Statutory Planning Decision Making Council planning decisions upheld at VCAT [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	100%*	*Two planning decisions were sent to VCAT during 2014/15 but both were withdrawn before VCAT were required to make a decision.
Roads Satisfaction Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	44%	
Libraries Participation Active library members [Number of active library members / Municipal population] x100	5.42%	Council currently receives library services from three different library corporations. As a result the service delivery varies throughout the shire. This service will be reviewed in 2015-16.
Waste Collection Waste diversion Kerbside collection waste diverted from landfill [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	27%	This figure is low because we are unable to accurately measure the weight of both garbage and recyclables as there is no weighbridge available to do so. The estimate is based on bin size.
Aquatic Facilities Utilisation Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	6.6	Whilst this figure is quite high it is only an estimate as Council does not charge for the use of aquatic facilities. It would be expected that given the weather pattern of the Buloke Shire (very hot summers) that the pools would be used on a regular basis by the population.

Service/Indicator/measure	Results - 2015	Comments
Animal Management Health and safety Animal management prosecutions [Number of successful animal management prosecutions]	2	Council only prosecutes as a last resort. Most matters are resolved without the need to prosecute.
Food Safety Health and safety Critical and major non-compliance outcome notifications [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	100%*	*Council experienced no issues which were considered to be critical and a major compliance issue in relation to Food Safety.
Home and Community Care (HACC) Participation Participation in HACC service [Number of people that received a HACC service / Municipal target population for HACC services] x100 Participation Participation in HACC service by CALD people [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100	44% 27%	The demographics of the Buloke Shire indicate a high proportion of the population above 65 and therefore more likely to use these services.
Maternal and Child Health (MCH) Participation Participation in the MCH service [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100 Participation Participation in the MCH service by Aboriginal children [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	85% 100%	

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* of the Commonwealth

PERFORMANCE STATEMENT

Financial Performance Indicators

For the year ended 30 June 2015

Dimension/indicator/measure	2015	2016	2017	2018	2019	Comments
Operating position Adjusted underlying result Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100	5.4%	2.5%	-1.1%	0.9%	2.9%	The SRP is based on the assumption of a 6% rate increase p.a. and rate capping will impact this ratio. Council is also highly reliant on grant funding.
Liquidity Working capital Current assets compared to current Liabilities [Current assets / Current liabilities] x100	151%	139%	246%	363%	491%	The ratio improves because of * better operating surplus and * there is no principal repayment on the \$7million (5 year) interest only loan and this is reflected by a lower current liabilities.
Unrestricted cash Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100	32%	90%	195%	310%	436%	As above
Obligations Loans and borrowings Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x100	63%	58%	55%	52%	49%	The ratio is higher than permissible as a result of the \$7mloan. No future borrowings have been planned.

Dimension/indicator/measure	2015	2016	2017	2018	2019	Comments
Loans and borrowings repayments compared to rates Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	9.7%	4.3%	2.3%	2.2%	2.1%	The ratio is lower than permissible range as there no principal repayment for a 5 year period.
Indebtedness Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100	59%	56%	54%	51%	49%	As above - no principal repayment
Asset renewal Asset renewal compared to depreciation [Asset renewal expense / Asset depreciation] x100	59%	56%	90%	90%	90%	There will be an asset renewal backlog. Council is highly reliant on grant funding for its capital works. The capital works of \$6m p.a. programmed for 2017 -2019 will be on renewal works. These works are subject to Council being successful on receiving grant funding of \$4m p.a.. The rates contribution to capital works is capped at \$2m p.a.. * Council's infrastructure, particularly buildings are reaching a stage where a large capital investment is required. With the changes to population and demographics it is critical that all assets are assessed for their affordability and usefulness to the community in the future.
Stability Rates concentration Rates compared to adjusted underlying Revenue [Rate revenue / Adjusted underlying revenue] x100	47%	53%	53%	59%	60%	The SRP is based on the assumption of a 6% rate increase p.a. and rate capping will impact this ratio.

PERFORMANCE STATEMENT

Financial Performance Indicators Continued

For the year ended 30 June 2015

Dimension/indicator/measure	2015	2016	2017	2018	2019	Comments
<p>Rates effort</p> <p>Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality] x100</p>	0.90%	0.95%	1.00%	1.06%	1.12%	Rates increase is 6% p.a. vs minimum property values growth.
<p>Efficiency</p> <p>Expenditure level</p> <p>Expenses per property assessment [Total expenses / Number of property assessments]</p>	\$3,687	\$3,589	\$3,576	\$3,657	\$3,739	Due to very limited opportunity for property development and subdivision, while Council's expenses will increase each year, there will not be a corresponding increase in assessments so the expense per assessment will increase.
<p>Revenue level</p> <p>Average residential rate per residential property assessment [Residential rate revenue / Number of residential property assessments]</p>	\$806	\$854	\$854	\$959	\$1,017	Based on a 6% increase as per the SRP, the average rate burden will increase. This is also due to minimal increase to the number of assessments.
<p>Workforce turnover</p> <p>Resignations and terminations compared to average staff [Number of permanent staff Resignations and terminations / Average number of permanent staff for the financial year] x100</p>	15%	12%	12%	12%	12%	Staff positions stabilised through restricting and reduction in the number of staff. There is an aging staff in both the outdoor and homecare staff and over the next 5 years there will probably be an increase in retirements. Council will however continue to assess each position as it becomes vacant to determine if the position is required.

Definitions

"adjusted underlying revenue" means total income other than—

(a) non-recurrent grants used to fund capital expenditure; and

(b) non-monetary asset contributions; and

(c) contributions to fund capital expenditure from sources other than those referred to in paragraphs (a) and (b)

"adjusted underlying surplus (or deficit)" means adjusted underlying revenue less total expenditure

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

"current assets" has the same meaning as in the AAS

"current liabilities" has the same meaning as in the AAS

"non-current assets" means all assets other than current assets

"non-current liabilities" means all liabilities other than current liabilities

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

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

"population" means the resident population estimated by council

"rate revenue" means revenue from general rates, municipal charges, service rates and service charges

"recurrent grant" means a grant other than a non-recurrent grant

"residential rates" means revenue from general rates, municipal charges, service rates and service charges levied on residential properties

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

"unrestricted cash" means all cash and cash equivalents other than restricted cash.

Other Information

For the year ended 30 June 2015

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.

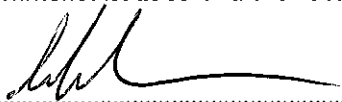
Where applicable the results in the performance statement have been prepared on accounting bases consistent with those reported in the Financial Statements. The other results are based on information drawn from council information systems or from third parties (e.g. Australian Bureau of Statistics).

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 17 June 2015 and which forms part of the Council Plan. The Strategic Resource Plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The Strategic Resource Plan can be obtained by contacting council.

Certification of the Performance Statement

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



William Hutcheson - Advanced Diploma Business (Accounting)

Principal Accounting Officer

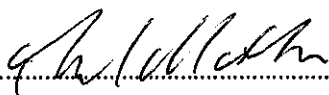
Dated 16-9-15

In our opinion, the accompanying Performance Statement of the Buloke Shire for the year ended 30 June 2015 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.

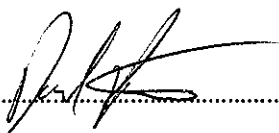
We have been authorised by the Council and by the Local Government (Planning and Reporting) Regulations 2014 to certify this Performance Statement in its final form.



Reid Mather

Councillor

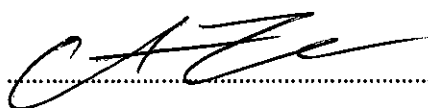
Dated: 16-9-2015



David Pollard

Councillor

Dated: 16-9-15



Anthony Judd

Acting Chief Executive Officer

Dated: 16-9-15

VAGO

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INDEPENDENT AUDITOR'S REPORT

To the Councillors, Buloke Shire Council

The Financial Report

The accompanying financial report for the year ended 30 June 2015 of Buloke Shire Council which comprises the comprehensive income statement, balance sheet, statement of changes in equity, statement of cash flows, statement of capital works, notes comprising a summary of the significant accounting policies and other explanatory information, and the certification of the financial statements has been audited.

The Councillors' Responsibility for the Financial Report

The Councillors of Buloke Shire Council are responsible for the preparation and the fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*.

The Councillors are responsible for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Audit Act 1994* and the *Local Government Act 1989*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

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

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Councillors, as well as evaluating the overall presentation of the financial report.

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

Auditing in the Public Interest

Independent Auditor's Report (continued)


Independence

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

Opinion

In my opinion the financial report presents fairly, in all material respects, the financial position of Buloke Shire Council as at 30 June 2015 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*.

MELBOURNE
17 September 2015


John Doyle M.Acc FCA
Auditor-General

FINANCIAL REPORT

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Comprehensive Income Statement

For the year ended 30 June 2015

	Note	2015 \$'000	2014 \$'000
Income			
Rates and charges	3	11,445	10,445
Statutory fees and fines	4	101	134
User fees	5	670	639
Contributions - cash	7	324	503
Grants - Operating	6	10,010	4,008
Grants - Capital	6	4,589	40,243
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	8	146	46
Other revenue	9	417	1,016
Share of net profits / (losses) of associates accounted for by the equity method	16	8	27
Total income		27,710	57,061
Expenses			
Employee costs	10	(9,056)	(9,850)
Materials and services	11	(5,861)	(6,346)
Bad and doubtful debts	12	(23)	(8)
Depreciation	13	(6,742)	(7,673)
Finance costs	14	(355)	(134)
Other expenses	15	(770)	(802)
Total expenses		(22,807)	(24,813)
Surplus/(deficit)		4,902	32,248
Other comprehensive income			
Net asset revaluation increment / (decrement)	27	-	(10,529)
Total comprehensive result		4,902	21,719

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

Balance Sheet

As at 30 June 2015

	Note	2015 \$'000	2014 \$'000
Assets			
Current assets			
Cash and cash equivalents	17	5,395	30
Trade and other receivables	18	1,475	1,924
Inventories	19	132	79
Non current assets classified as held for sale	20	189	-
Other assets	21	213	203
Total current assets		7,404	2,236
Non-current assets			
Investments in associates	16	221	213
Property, infrastructure, plant and equipment	22	178,432	179,653
Total non-current assets		178,653	179,866
Total assets		186,057	182,102
Liabilities			
Current liabilities			
Trade and other payables	23	2,012	5,385
Trust funds and deposits	24	121	147
Provisions	25	2,581	2,160
Interest-bearing loans and borrowings	26	201	4,915
Total current liabilities		4,915	12,607
Non-current liabilities			
Provisions	25	485	539
Interest-bearing loans and borrowings	26	7,000	201
Total non-current liabilities		7,485	740
Total liabilities		12,400	13,347
Net Assets		173,657	168,755
Equity			
Accumulated surplus		88,032	83,130
Reserves	27	85,625	85,625
Total Equity		173,657	168,755

The above balance sheet should be read in conjunction with the accompanying notes.
Refer Note 1 (a) Financial Viability.

Statement of Changes in Equity

For the year ended 30 June 2015

	Note	Total 2015 \$'000	Accumulated Surplus 2015 \$'000	Revaluation Reserve 2015 \$'000	Other Reserves 2015 \$'000
2015					
Balance at beginning of the financial year		168,755	83,130	85,620	5
Comprehensive result	27	4,902	4,902	-	-
Balance at end of the financial year		173,657	88,032	85,620	5

	Note	Total 2014 \$'000	Accumulated Surplus 2014 \$'000	Revaluation Reserve 2014 \$'000	Other Reserves 2014 \$'000
2014					
Balance at beginning of the financial year		147,036	50,882	96,149	5
Comprehensive result	27	21,719	32,248	(10,529)	-
Balance at end of the financial year		168,755	83,130	85,620	5

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

Statement of Cash Flows

For the year ended 30 June 2015

	2015 Inflows/ (Outflows) \$'000	2014 Inflows/ (Outflows) \$'000
Cash flows from operating activities		
Rates and charges	11,278	10,415
Statutory fees and fines	72	105
User fees	712	698
Grants - operating	9,992	4,124
Grants - capital	4,437	40,194
Contributions	347	144
Interest	105	64
Trust funds and deposits	(26)	31
Other receipts	872	831
Net GST refund/(payment)	1,310	4,805
Materials and consumables	(5,959)	(11,547)
Employee costs	(8,602)	(10,217)
Other payments	(818)	(752)
Net cash provided by (used in) operating activities	28 <u>13,720</u>	<u>38,895</u>
Cash flows from investing activities		
Payments for property, infrastructure, plant and equipment	(10,458)	(44,446)
Proceeds from sale of property, infrastructure, plant and equipment	340	66
Net cash provided by (used in) from investing activities	<u>(10,118)</u>	<u>(44,380)</u>
Cash flows from financing activities		
Finance costs	(323)	(134)
Proceeds from interest bearing loans and borrowings	7,000	1,550
Repayment of loans and advances	(784)	(2,148)
Utilisation of bank overdraft facility	(4,130)	4,131
Net cash provided by (used in) financing activities	<u>1,763</u>	<u>3,399</u>
Net increase (decrease) in cash and cash equivalents	5,366	(2,086)
Cash and cash equivalents at the beginning of the financial year	30	2,116
Cash and cash equivalents at the end of the financial year	29 <u>5,395</u>	<u>30</u>
Financing arrangements	<u>30</u> 3,000	<u>4,500</u>
Restrictions on cash assets	<u>17</u> 3,716	<u>1,268</u>

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

Refer Note 1 (a) Financial Viability.

Statement of Capital Works

For the Year Ended 30 June 2015

	Note	2015 \$'000	2014 \$'000
Property			
Land		-	-
Land improvements		-	-
Total land		<u>-</u>	<u>-</u>
Buildings		2,308	1,765
Heritage Buildings		-	-
Building improvements		-	-
Leasehold improvements		-	-
Total buildings		<u>2,308</u>	<u>1,765</u>
Total property		<u>2,308</u>	<u>1,765</u>
Plant and equipment			
Heritage plant and equipment		-	-
Plant, machinery and equipment		851	590
Fixtures, fittings and furniture		-	4
Computers and telecommunications		146	344
Library books		-	-
Total plant and equipment		<u>997</u>	<u>938</u>
Infrastructure			
Roads		1,698	42,938
Bridges		81	614
Footpaths and cycleways		290	3
Drainage		70	72
Recreational, leisure and community facilities		281	629
Landfill sites		-	31
Parks, open space and streetscapes		29	-
Aerodromes		11	26
Off street car parks		-	-
Other infrastructure		141	28
Total infrastructure		<u>2,601</u>	<u>44,341</u>
Total capital works expenditure	22	<u>5,906</u>	<u>47,044</u>
Represented by:			
New asset expenditure		251	45,462
Asset renewal expenditure		3,988	359
Asset expansion expenditure		-	1,223
Asset upgrade expenditure		1,667	-
Total capital works expenditure	22	<u>5,906</u>	<u>47,044</u>

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

Notes to the Financial Statements

For the year ended 30 June 2015

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 Auditor - AFS - Chartered Accountants - Bendigo

Solicitors - Maddocks

- Karen Lee Probst Solicitors

- John R. Buman & Co

Bankers - Commonwealth Bank of Australia

- National Australia 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*.

(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 (s))

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.

Notes to the Financial Statements

For the Year Ended 30 June 2015

Note 1 Significant accounting policies

Financial viability

As at 30 June 2015, Council's Equity, represented by Accumulated Surplus of \$88,032,000 (\$83,130,000 in 2014) and Reserves of \$85,625,000 (\$85,625,000 in 2014). Council has moved from a working capital deficit of \$10,371,000 in 2014 to a surplus of \$2,489,000 in 2015.

Council recorded a Comprehensive Result for the year of \$4,902,000 compared to a Comprehensive Result of \$21,719,000 in 2014. The comprehensive result in 2014 was largely attributed to the receipt of large flood reconstruction capital grants.

Unrestricted cash at end of year has improved from a negative 1,238,000 in 2014 to positive \$1,679,000 in 2015.

The material uncertainty about Council's ability to continue as a going concern at the end of 2014 was addressed by a range of measures and initiatives.

* The Revised Council Plan (2015 - 19) adopted by Council on 8 April 2015 focusses on delivering services in a financially sustainable manner. A key strategy to achieving this is adopting increasing surplus budgets over the life of the Council Plan with net increase in cash and cash equivalent for each financial year.

* The 2015/16 Adopted Budget was a continuation of a two year initiative commenced as part of the 2014/15 Adopted Budget to reduce Council's operating expenditure by \$4 million over 2014-2016.

* Organisation wide service reviews undertaken in 2013/14 resulted in the identification of significant expenditure reduction opportunities across the organisation.

* Staff EFT reduction from 138 in 2013/14 to 115 in 2015/16 occurred earlier than expected due to natural attrition. This has resulted in the reduction of employee costs in 2014/15 and stabilisation of workforce.

* The Council has drawn down its budgeted \$7m Local Government Funding Vehicle (LFGV) loan as facilitated by the Municipal Association of Victoria (MAV). This positive financing initiative greatly enhances the Council's liquidity with the added bonus of a low interest rate of 4.24% fixed over a five year term.

The successful implementation of the 2015/16 Budget which is a culmination of the expenditure reduction initiatives as contained in the 2014/15 Budget is critical to Council's ability to manage debt, generate surplus cash funds and aim to become financially sustainable within the forecast period to 30 June 2018.

The intensive focus on Buloke Shire Council's financial operations throughout 2013/14 and 2014/15 have resulted in the Council developing an enhanced understanding of its financial position by adopting a clear and thorough plan by way of the Revised Council Plan 2015 - 2019 and the 2015/16 Adopted Budget which pave the way to achieving financial viability in the short to medium term and long term financial sustainability.

Councillors are of the view that Council's financial viability is dependant on achieving the strategic objective of delivering services in a financially sustainable manner and have prepared the financial report on a going concern basis subject to achieving this.

(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 2015, and their income and expenses for that part of the reporting period in which control existed.

Council has no entities that it controls.

Notes to the Financial Statements

For the year ended 30 June 2015

Note 1 Significant accounting policies (cont.)

(d) Committees of management

Committees of management include -

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

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 and joint arrangements

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.

Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement.

(i) Joint operations

Council recognises its direct right to the, and its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate headings.

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.

Notes to the Financial Statements

For the Year Ended 30 June 2015

Note 1 Significant accounting policies (cont.)

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.

(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 observable; and

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

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

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

(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

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

(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.

Notes to the Financial Statements

For the year ended 30 June 2015

Note 1 Significant accounting policies (cont.)

(k) Inventories

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

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.

(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 22, 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.

Notes to the Financial Statements

For the Year Ended 30 June 2015

(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	100 years	All
sealed road pavements	60 years	All
unsealed road pavements	25 years	All
sealed road surfaces	13 - 15 years	All
bridges	50 years	All
footpaths and cycleways	45-50 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

Notes to the Financial Statements

For the year ended 30 June 2015

(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 24).

(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 qualifying asset constructed by Council. Except where specific borrowings are obtained for the purpose of specific asset acquisition, the weighted average interest rate applicable to borrowings at balance date, excluding borrowings associated with superannuation, is used to determine the borrowing costs to be capitalised.

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

(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.

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.

Notes to the Financial Statements

For the Year Ended 30 June 2015

Note 1 Significant accounting policies (cont.)

(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 32 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.

(y) Pending accounting standards

Certain new AAS's have been issued that are not mandatory for the 30 June 2015 reporting period. Council has assessed these pending standards and has identified that no material impact will flow from the application of these standards in future reporting periods.

(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.

Notes to the Financial Statements

For the year ended 30 June 2015

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 percent or \$50,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures detailed below are those adopted by Council on 25 June 2014. 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 2015 \$'000	Actual 2015 \$'000	Variance 2015 \$'000	Ref
Income				
Rates and charges	11,453	11,445	(8)	
Statutory fees and fines	84	101	17	
User fees	744	670	(74)	1
Grants - operating	6,665	10,010	3,345	2
Grants - capital	5,969	4,589	(1,380)	3
Contributions - monetary	132	324	192	4
Contributions - non monetary	-	-	-	
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	10	146	136	5
Fair value adjustments for investment property	-	-	-	
Share of net profits/(losses) of associates and joint ventures	-	8	8	
Other income	262	417	155	6
Total income	25,319	27,710	2,391	
Expenses				
Employee costs	10,135	9,056	1,079	7
Materials and services	5,785	5,861	(76)	8
Bad and doubtful debts	11	23	(12)	
Depreciation and amortisation	7,334	6,742	592	9
Borrowing costs	376	355	21	
Other expenses	729	770	(41)	
Total expenses	24,370	22,807	1,563	
Surplus/(deficit) for the year	949	4,902	3,953	

Notes to the Financial Statements

For the Year Ended 30 June 2015

Variance Ref	Item	Explanation
1	User Fees	Negative variance primarily relate to a reduction in Home and Community Service (HACC) and brokered programs service hours. Service delivery efficiencies implemented over 2014/15 resulted in operational savings and a corresponding reduction in user fees income.
2	Grants - operating	Positive variance primarily relate to the early receipt of the 2015/16 Victoria Grants Commission allocation (\$2.74m) and 2015/16 Public Libraries Grant allocation (\$108,000). Additional grant for municipal emergency management (\$60,000) was received during 2014/15. The Charlton St Arnaud Road Floodway grant (received \$250,000) and Birchip Community Gym upgrade grant (\$39,600) have been moved from capital to operating grants as they relate to non council owned/maintained assets.
3	Grants - capital	Negative variance relate to a number of reasons - a. Part of budgeted grant funding for the flood study and levee bank projects is expected to be received in 2015/16 upon completion of milestones (\$492,000). b. Flood grant monies which were budgeted to be received in 2014/15 were received earlier than expected in 2013/14 (\$228,000). c. The Charlton St Arnaud Road Floodway grant (2014/15 Budget = \$500,000) and Birchip Community Gym upgrade grant (\$39,600) as mentioned in Ref 2 have been moved from capital to operating. d. Final grant instalment of the halls renewal projects will be received in 2015/16 upon acquittal of grant monies received.
4	Contributions - monetary	Positive variance relate to a number of contributions that had not been budgeted. They include - a. Fire Services Levy administration contribution (\$36,000) b. Walking tracks and pedestrian crossings upgrade (\$65,000) c. Public places recycling bins (\$16,000) d. Allocation of flood donations to Donald Levee Bank Construction project (\$54,000)
5	Net gain/(loss) on disposal of property, infrastructure, plant and equipment	The net gain/loss on disposal represents the sale/trade-in of assets (\$308,000) which is partly offset by the a non cash accounting loss from sale (\$162,000). The budget was based on a conservative estimate.
6	Other income	Represents additional other income raised across a broad range of organisational areas. These include a one off insurance indemnity after settlement of a legal dispute and higher than expected interest income.
7	Employee costs	Reduction in the number of EFT positions foreshadowed to occur in 2015/16 was achieved to varying extents in 2014/15 due to accelerated natural attrition. EFT numbers at July 2014 = 131 EFT numbers at June 2015 = 112.5
8	Materials and services	Represents savings across a broad range of organisational areas. In particular, operating efficiencies in plant and fleet have resulted in savings. These savings have been offset by the transfer of expenditure budgeted in the capital works program into operating materials and services. These include - * The Charlton-St Arnaud Road Floodway (\$250,000) project is an operating expense as it relates to a VicRoads asset. * Non council owned halls renewals works = \$109,000 * Landfill new cells (useful life < 12 months) = \$47,000 * Street light sustainability upgrade = \$66,000 * Birchip Community Gym upgrade = \$67,000
9	Depreciation and amortisation	Reduction in depreciation is due to reclassification of assets that were inappropriately classified and depreciated incorrectly.

Notes to the Financial Statements

For the year ended 30 June 2015

Note 2 Budget comparison (cont)

b) Capital Works

	Budget 2015 \$'000	Actual 2015 \$'000	Variance 2015 \$'000	Ref
Property				
Land	-	-	-	
Land improvements	-	-	-	
Total Land	-	-	-	
Buildings	2,703	2,308	(395)	1
Heritage buildings	-	-	-	
Building improvements	-	-	-	
Leasehold improvements	-	-	-	
Total Buildings	2,703	2,308	(395)	
Total Property	2,703	2,308	(395)	
Plant and Equipment				
Heritage plant and equipment	-	-	-	
Plant, machinery and equipment	760	851	91	2
Fixtures, fittings and furniture	150	-	(150)	3
Computers and telecommunications	-	146	146	3
Library books	-	-	-	
Total Plant and Equipment	910	997	87	
Infrastructure				
Roads	1,494	1,698	204	4
Bridges	485	81	(404)	4
Footpaths and cycleways	94	290	196	4
Drainage	1,675	70	(1,605)	5
Recreational, leisure and community facilities	-	281	281	1
Waste management	190	-	(190)	1,6
Parks, open space and streetscapes	-	29	29	1
Aerodromes	10	11	1	
Other infrastructure	222	141	(81)	7
Total Infrastructure	4,170	2,601	(1,569)	
Total Capital Works Expenditure	7,783	5,906	(1,877)	
Represented by:				
New asset expenditure	2,042	251	(1,791)	8
Asset renewal expenditure	4,085	3,988	(97)	
Asset expansion expenditure	-	-	-	
Asset upgrade expenditure	1,656	1,667	11	
Total Capital Works Expenditure	7,783	5,906	(1,877)	

Notes to the Financial Statements

For the Year Ended 30 June 2015

(i) Explanation of material variations		
Variance Ref	Item	Explanation
1	Buildings	Buildings budget includes works on recreational, leisure and community facilities, waste management and other infrastructure. Budgeted expenditure relating to works done on non-council owned/maintained assets (\$242,000) have been moved to operating expense.
2	Plant, machinery & equipment	Overspend relates to the purchase of two new graders which is offset by higher than expected trade-ins.
3	Fixtures, fittings and furniture	This budget relates to computers and telecommunications and expenses have been classified accordingly.
4	Roads, bridges, footpath and cycleways	Majority of the expense relating to a major bridge project budgeted to be carried forward to 2014/15 was completed early than expected in 2013/14. Projects were funded under the Roads to Recovery and Country Roads and Bridges Program. Overspends within areas are offset by savings in other areas.
5	Drainage	Two major projects - Charlton Flood Study - Levee Detailed Design and Donald Flood Study - Levee Development are multi year projects and unspent budgets are carried forward into 2015/16. The Charlton-St Arnaud Road Floodway (\$500,000) project is an operating expense as it relates to a VicRoads asset and the unspent budget has been carried forward into the 2015/16 operating budget.
6	Waste Management	Two projects budgeted under waste management - landfill rehabilitation and landfill new cells (useful life < 12 months) - are not capital expenditure and have been moved to operating expenditure. Landfill rehabilitation costs have been offset against provision. The other 3 projects have been moved into the buildings class.
7	Other infrastructure	Kerb & Channel works budgeted under other infrastructure have been moved to the roads class. Gravel pit rehabilitation also budgeted under this category is not a capital expenditure and has been moved to operating expenditure. Gravel pit rehabilitation costs have been offset against provision.
8	New Asset Expenditure	This variance relates to the drainage projects that have been carried forward into 2015/16.

Notes to the Financial Statements

For the year ended 30 June 2015

Note 3	Rates and Charges	\$ '000	\$ '000
	<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 2014/15 was \$1.268 billion (2013/14 \$1.203 billion). The 2014/15 rate in the CIV dollar was a General Rate of 0.007606 cents (2013/14, 0.007621 cents) and a Farm Rate of 0.007455 cents (2013/14, 0.007469 cents).</p>		
	Rates - Residential	2,322	2,223
	Rates - Commercial	586	540
	Rates - Rural	6,624	6,275
	Municipal Charge	654	569
	Garbage Charges	1,278	852
	Rates - Early payment discount	(19)	(14)
	Total rates and charges	11,445	10,445
	<p>The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2014, and the valuation first applied in the rating year commencing 1 July 2014.</p> <p>The date of the previous general revaluation of land for rating purposes within the municipal district was 1 January 2012 and the valuation first applied to the rating period commencing 1 July 2012.</p>		
Note 4	Statutory fees and fines		
	Compliance	66	92
	Planning Permits & Certificates	26	34
	Revenue Collection	5	5
	Building Regulations and Inspections	4	3
	Total statutory fees and fines	101	134
Note 5	User fees		
	Pound Fees	46	34
	Senior Citizen's Centre	3	3
	Home and Community Care	174	152
	Brokered Programs Charges	169	152
	Public Health and Wellbeing Charges	24	20
	Building Services charges	52	88
	Caravan Parks & Halls	27	27
	Waste and Environment	63	70
	Saleyards / Truck Wash	110	80
	Other	2	13
	Total user fees	670	639

Notes to the Financial Statements

For the Year Ended 30 June 2015

Note 6	Grants	\$ '000	\$ '000
	Grants were received in respect of the following :		
	Summary of grants		
	Commonwealth funded grants	9,748	2,679
	State funded grants	4,851	41,572
	Total	14,599	44,251
	Operating Grants		
	Recurrent - Commonwealth Government		
	Victoria Grants Commission	8,236	2,679
	Other	1	-
	Recurrent - State Government		
	Primary care partnerships		
	General home care	607	596
	Aged care	171	167
	School crossing supervisors	13	7
	Libraries	219	99
	Maternal and child health	129	195
	Recreation	55	55
	Community safety	24	24
	Environmental planning	70	80
	Other	140	39
	Total recurrent operating grants	9,665	3,941
	Non-recurrent - State Government		
	Community Safety	10	8
	Recreation	48	8
	Natural Disaster Resilience	250	21
	Other	37	30
	Total non-recurrent operating grants	346	67
	Total operating grants	10,010	4,008
	Capital Grants		
	Recurrent - Commonwealth Government		
	Roads to recovery	1,112	-
	Total recurrent capital grants	1,112	-
	Non-recurrent - Commonwealth Government		
	Buildings	400	-
	Non-recurrent - State Government		
	Country Roads & Bridges	1,000	1,000
	NDRAA Flood reconstruction	-	37,900
	Buildings	1,425	1,333
	Drainage	566	-
	Footpaths and cycleways	86	-
	Plant and machinery	-	10
	Total non-recurrent capital grants	3,477	40,243
	Total capital grants	4,589	40,243

Notes to the Financial Statements

For the year ended 30 June 2015

	Conditions on grants	\$ '000	\$ '000
	Grants recognised as revenue during the year that were obtained on condition that they be expended in a specified manner that had not occurred at balance date were:		
	Victoria Grants Commission	2,738	-
	Drainage	566	-
	Libraries	108	-
	Community	128	16
	Buildings	-	1,105
	Total	3,541	1,121
	Grants which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were:		
	Flood Recovery	-	(2,823)
	Roadworks	-	(1,054)
	Community	(16)	(49)
	Other	(1,105)	(1,422)
		(1,121)	(5,348)
	Net increase (decrease) in restricted assets resulting from grant revenues for the year:	2,420	(4,227)
Note 7	Contributions		
	Cash		
	Economic Development Projects Contributions	1	1
	Revenue Collection Contributions	118	4
	Youth Development Contributions	2	29
	Other Community Service Contributions	70	16
	Capital Works Contributions	114	419
	Reimbursements	19	34
	Total Contributions	324	503
	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	54	-
	Total	54	-
Note 8	Net gain/(loss) on disposal of property, infrastructure, plant and equipment		
	Proceeds of sale	309	66
	Written down value of assets disposed	(163)	(20)
	Total	146	46
Note 9	Other revenue		
	Interest on Rates and Charges	73	47
	Interest on Investments	36	17
	Rent Council Properties	20	38
	Office Services Income	-	12
	Shared services charge	56	57
	Sundry external works	120	690
	Other Income	112	155
	Total other revenue	417	1,016

Notes to the Financial Statements

For the Year Ended 30 June 2015

Note 10 (a)	Employee costs	\$ '000	\$ '000
	Wages and salaries	7,433	7,881
	Allowances	262	296
	Workcover	187	246
	FBT	36	66
	Worksafe	19	24
	Superannuation	729	793
	Casual wages	390	544
	Total employee costs	9,056	9,850

Note 10 (b)	Superannuation		
	Council made contributions to the following funds:		
	Defined benefit fund		
	Employer contributions to Local Authorities Superannuation Fund (Vision Super)	84	104
	Employer contributions - other funds	-	-
		84	104
	Employer contributions payable at reporting date.	-	-
	Accumulation funds		
	Employer contributions to Local Authorities Superannuation Fund (Vision Super)	375	451
	Employer contributions - other funds	270	238
		645	689
	Employer contributions payable at reporting date.	48	73

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 2015, this was 9.5% required under Superannuation Guarantee legislation (for 2013/14, this was 9.25%)).

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.

Notes to the Financial Statements

For the year ended 30 June 2015

		2015 \$ '000	2014 \$ '000
Note 11	Materials and services		
	Operational Materials	523	529
	Operational Contracts and Services	2,088	1,769
	Vehicle and Plant Costs	1,164	1,510
	Consultants Fees	473	703
	Utilities	428	507
	Insurance	284	302
	Information Technology	316	437
	Photocopier Charges	72	83
	Promotion/Public Education	74	49
	Purchased Labour/Labour Hire	61	93
	Repairs & Maintenance - Facilities	45	11
	Staff Amenities and Recruitment	50	113
	Subscriptions/Memberships/Publications	92	66
	Travel and Accommodation	31	27
	Training	77	93
	Garbage	82	54
	Total materials and services	<u>5,861</u>	<u>6,346</u>
Note 12	Bad and doubtful debts		
	Other debtors	23	8
	Total bad and doubtful debts	<u>23</u>	<u>8</u>
Note 13	Depreciation and amortisation		
	Property	856	826
	Plant and Equipment	939	1,031
	Infrastructure	4,948	5,816
	Total depreciation and amortisation	<u>6,742</u>	<u>7,673</u>
	Refer Note 22 for a more detailed breakdown of depreciation and amortisation charges		
Note 14	Finance costs		
	Bank overdraft and bank charges	99	78
	Interest - Borrowings	256	56
	Total	<u>355</u>	<u>134</u>
Note 15	Other expenses		
	Auditors' remuneration - VAGO - audit of the Financial Statements, performance statements and grant acquittals	30	29
	Auditor's Remuneration - internal	44	16
	Councillors' allowances	148	146
	Council Contributions and Donations	284	358
	Council meeting expenses	10	1
	Miscellaneous	55	72
	Street lights upgrade	99	-
	Flood emergency management	5	13
	Legal Expenses	95	167
	Total other expenses	<u>770</u>	<u>802</u>

Notes to the Financial Statements

For the Year Ended 30 June 2015

	2015	2014
	\$ '000	\$ '000
Note 16		
Investments in associates		
Investments in associates accounted for by the equity method are:		
- Wimmera Regional Library Corporation	221	213
Total	<u>221</u>	<u>213</u>
Wimmera Regional Library Corporation		
<i>Background</i>		
Buloke Shire Council is one of six participating Councils with equity in the Wimmera Regional Library Corporation. The Shire currently holds a 7.02% share in the equity of this corporation.		
Council's share of accumulated surplus (deficit) at start of year	98	91
Comprehensive result	10	6
Transfers (to) from reserves	8	(1)
Variation - Change in equity	(1)	2
Council's share of accumulated surplus (deficit) at end of year	<u>115</u>	<u>98</u>
<i>Council's share of reserves</i>		
Council's share of reserves at start of year	115	95
Transfers (to) from reserves	8	1
Variation - Change in Equity	(1)	19
Council's share of reserves at end of year	<u>122</u>	<u>115</u>
<i>Movement in carrying value of specific investment</i>		
Carrying value of investment at start of year	213	186
Share of surplus (deficit) for year	10	6
Variation - Change in equity	(2)	21
Carrying value of investment at end of year	<u>221</u>	<u>213</u>
Note 17		
Cash and cash equivalents		
Cash on hand	-	1
Cash at bank	2,940	29
Term Deposits	2,455	-
Total cash and cash equivalents	<u>5,395</u>	<u>30</u>
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)	3,541	1,121
Unexpended contributions (Note 7)	54	-
Trust funds and deposits (Note 22)	121	147
Restricted Funds	<u>3,716</u>	<u>1,268</u>
Total unrestricted cash and cash equivalents	<u>1,679</u>	<u>(1,238)</u>
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	112	-
Total funds subject to intended allocations	<u>112</u>	<u>-</u>

Notes to the Financial Statements

For the year ended 30 June 2015

	2015	2014
	\$ '000	\$ '000
Note 18		
Trade and other receivables		
<i>Current</i>		
Rates debtors	760	593
Grant debtors	257	-
Infringement debtors	140	111
Other debtors	215	756
Provision for doubtful debts	(30)	(27)
GST receivable	133	491
Total trade and other receivables	1,475	1,924
a) Ageing of Receivables		
At balance date other debtors representing financial assets were past due but not		
Current (not yet due)	379	498
Past due by up to 30 days	23	135
Past due between 31 and 180 days	73	102
Past due between 181 and 365 days	2	132
Past due by more than 1 year	135	-
Total trade & other receivables	612	867
b) Movement in provisions for doubtful debts		
Balance at the beginning of the year	27	24
New Provisions recognised during the year	21	8
Amounts already provided for and written off as uncollectible	(18)	(5)
Amounts provided for but recovered during the year	-	-
Balance at end of year	30	27
c) Ageing of individually impaired Receivables		
There is no impaired Trade and Other Receivable at the balance date.		
Note 19		
Inventories		
Inventories held for distribution	132	79
Total inventories	132	79
Note 20		
Non current assets classified as held for sale		
Cost of acquisition	189	-
Total non current assets classified as held for resale	189	-
Note 21		
Other assets		
<i>Current</i>		
Prepayments	199	153
Accrued income	5	41
Financial Asset: Community Bank Shares	2	2
Other	7	7
Total	213	203

Notes to the Financial Statements

For the Year Ended 30 June 2015

Note 22 Property, infrastructure plant and equipment

Land and Buildings	Note	Land - non specialised	Land under roads	Total Land	Buildings - non-specialised	Total Buildings	Work In Progress	Total Property
At fair value 1 July 2014		4,386	5	4,391	49,061	49,061	788	54,239
Accumulated depreciation at 1 July 2014		-	-	-	(28,543)	(28,543)	-	(28,543)
		4,386	5	4,391	20,518	20,518	788	25,696
Movements in fair value								
Acquisition of assets at fair value		-	-	-	2,253	2,253	-	2,253
Revaluation increments/decrements		-	-	-	-	-	-	-
Fair value of assets disposed		(35)	-	(35)	-	-	-	(35)
Impairment losses recognised in operating result		-	-	-	-	-	-	-
Transfers		-	-	-	755	755	(788)	(32)
		(35)	-	(35)	3,008	3,008	(788)	2,186
Movements in accumulated depreciation								
Depreciation and amortisation		-	-	-	(856)	(856)	-	(856)
Accumulated depreciation of disposals		-	-	-	-	-	-	-
Impairment losses recognised in operating result		-	-	-	-	-	-	-
Transfers		-	-	-	-	-	-	-
		-	-	-	(856)	(856)	-	(856)
		-	-	-	-	-	-	-
At fair value 30 June 2015		4,351	5	4,356	52,069	52,069	-	56,425
Accumulated depreciation at 30 June 2015		-	-	-	(29,399)	(29,399)	-	(29,399)
		4,351	5	4,356	22,671	22,671	-	27,026

Notes to the Financial Statements

For the year ended 30 June 2015

Note 22 Property, infrastructure plant and equipment (cont'd)

Plant and Equipment	Note	Plant machinery and equipment	Fixtures fittings and furniture	Computers and telecomms	Work In Progress	Total plant and equipment
At fair value 1 July 2014		10,117	467	2,616	-	13,200
Accumulated depreciation at 1 July 2014		(6,701)	(384)	(1,661)	-	(8,746)
		<u>3,416</u>	<u>83</u>	<u>955</u>	<u>-</u>	<u>4,454</u>
Movements in fair value						-
Acquisition of assets at fair value		797	-	126	74	997
Revaluation increments/decrements		41	-	-	-	41
Fair value of assets disposed		(1,517)	(48)	(1,204)	-	(2,768)
Impairment losses recognised in operating result		-	-	-	-	-
Transfers		(810)	-	-	-	(810)
		<u>(1,489)</u>	<u>(48)</u>	<u>(1,078)</u>	<u>74</u>	<u>(2,540)</u>
Movements in accumulated depreciation						-
Depreciation and amortisation		(636)	(38)	(265)	-	(939)
Accumulated depreciation of disposals		1,348	48	1,204	-	2,599
Impairment losses recognised in operating result		-	-	-	-	-
Transfers		621	-	-	-	621
		<u>1,334</u>	<u>10</u>	<u>939</u>	<u>-</u>	<u>2,282</u>
						-
At fair value 30 June 2015		8,627	420	1,538	74	10,660
Accumulated depreciation at 30 June 2015		(5,367)	(374)	(723)	-	(6,464)
		<u>3,260</u>	<u>45</u>	<u>815</u>	<u>74</u>	<u>4,195</u>

Notes to the Financial Statements

For the Year Ended 30 June 2015

Note 22 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
Infrastructure												
Note												
At fair value 1 July 2014	197,837	6,372	8,596	10,004	5,264	1,300	648	1,094	3,720	664	235,497	302,937
Accumulated depreciation at 1 July 2014	(68,127)	(1,084)	(3,913)	(5,555)	(2,279)	(844)	(592)	(1,039)	(2,561)	-	(85,994)	(123,284)
	129,709	5,287	4,683	4,449	2,985	456	56	55	1,159	664	149,503	179,653
Movements in fair value												
Acquisition of assets at fair value	1,698	81	290	64	281	29	11	-	141	60	2,655	5,906
Revaluation increments/decrements	-	-	-	-	-	-	-	-	-	-	-	41
Fair value of assets disposed	(1,618)	(294)	-	-	-	-	-	(361)	(576)	-	(2,848)	(5,651)
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	614	-	8	42	-	-	-	-	(664)	(0,000)	(843)
	79	401	290	73	323	29	11	(361)	(435)	(604)	(193)	(548)
Movements in accumulated depreciation												
Depreciation and amortisation	(4,327)	(60)	(180)	(100)	(105)	(22)	(7)	(6)	(141)	-	(4,948)	(6,742)
Accumulated depreciation of disposals	1,618	294	-	-	-	-	-	361	576	-	2,848	5,448
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	621
	(2,709)	234	(180)	(100)	(105)	(22)	(7)	355	435	-	(2,099)	(673)
At fair value 30 June 2015	197,916	6,773	8,886	10,076	5,587	1,329	659	733	3,285	60	235,304	302,389
Accumulated depreciation at 30 June 2015	(70,836)	(850)	(4,093)	(5,655)	(2,384)	(866)	(599)	(684)	(2,126)	-	(88,094)	(123,957)
	127,080	5,922	4,792	4,422	3,203	462	60	49	1,159	60	147,211	178,432

Notes to the Financial Statements

For the year ended 30 June 2015

Note 22 Property, infrastructure, plant and equipment (cont)

Valuation basis

Non-specialised land, non-specialised buildings

Non-specialised land and non-specialised buildings are valued using the market based direct comparison method. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value.

For non-specialised land and non-specialised buildings, an independent valuation was performed by LG Valuation Services Pty Ltd to determine the fair value using the market based direct comparison method. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. From the sales analysed, an appropriate rate per square metre has been applied to the subject asset. The effective date of the valuation is 30 June 2014.

To the extent that non-specialised land and non-specialised buildings do not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market based direct comparison approach.

Specialised land and specialised buildings

The market based direct comparison method is also used for specialised land although is adjusted to reflect the specialised nature of the assets being valued. For Council specialised buildings, the depreciated replacement cost method is used, adjusting for the associated depreciations. Specialised assets contain significant, unobservable adjustments, therefore these assets are classified as Level 3 fair value measurements.

An adjustment is made to reflect a restriction on the sale or use of an asset by Council. The adjustment is an allowance made to reflect the difference in value between unrestricted assets and those held by the Council which are impacted by external restraints on their use.

An independent valuation of Council's specialised land and specialised buildings was performed by LG Valuation Services Pty Ltd. The valuation was performed using either the market based direct comparison method or depreciated replacement cost, adjusted for restrictions in use. The effective date of the valuation is 30 June 2014.

Land Under Roads

Land under roads 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.

	Level 1	Level 2	Level 3
Land - Non specialised	-	4,351	-
Land - Specialised	-	-	-
Land under roads	-	-	5
Land Improvements	-	-	-
Buildings - Non Specialised	-	22,671	-
Buildings - Specialised	-	-	-

Notes to the Financial Statements

For the Year Ended 30 June 2015

Note 22 Property, infrastructure, plant and equipment (cont)

Infrastructure

Infrastructure is valued using the depreciated replacement cost method. This cost represents the replacement cost of the building/component after applying depreciation rates on a useful life basis. Replacement costs relate to costs to replace the property to an "as new" standard. Economic obsolescence has also been factored into the depreciated replacement cost calculation.

Infrastructure assets contain significant unobservable adjustments, therefore these assets are classified as Level 3.

Valuation of road infrastructure and bridges has been determined in accordance with a valuation undertaken by Assets Engineer, Naga Sundararajah, B Sc (Hons) in Civil engineering (UK) and M Engineering in Construction Management (SL) as at 30 June 2014.

A valuation of Council's kerb and channel assets was performed by Mr Peter Moloney, Dip Civil Engineering (FIT), Member Institute of Engineers (Aust) MIE. The effective date of the valuation is 30 June 2013.

Valuation of drains has been determined in accordance with a valuation undertaken by Assets Engineer, Naga Sundararajah, B Sc (Hons) in Civil engineering (UK) and M Engineering in Construction Management (SL) as at 30 June 2013.

For all assets measured at fair value, the current use is considered the highest and best use.

	Level 1	Level 2	Level 3
Roads	-	-	127,080
Bridges	-	-	5,922
Footpath & Cycleways	-	-	4,792
Drainage	-	-	4,422
Recreational, leisure and community facilities	-	-	3,203
Parks, open space and streetscapes	-	-	462
Aerodromes	-	-	60
Landfill sites	-	-	49
Other Infrastructure	-	-	1,159

Notes to the Financial Statements

For the year ended 30 June 2015

Note 23 Trade and other payables

Trade payables	1,840	5,241
GST payable	33	28
Accrued expenses	139	116
Total trade and other payables	2,012	5,385

Note 24 Trust funds and deposits

Funds held on behalf of community groups and third parties	26	69
Retention Amounts	16	26
Overpaid rates and charges	71	49
Fire Services Levy	7	2
Other refundable deposits	1	1
Total trust funds and deposits	121	147

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 elapsing of time, these amounts will be paid to the relevant contractor in line with Council's contractual obligations.

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 25 Provisions

	Landfill restoration	Pit restoration	Total
	\$ '000	\$ '000	\$ '000
2015			
Balance at beginning of the financial year	340	469	809
Additional provisions	80	177	257
Amounts used	(50)	(23)	(73)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	(28)	(85)	(113)
Balance at the end of the financial period	341	538	879
2014			
Balance at beginning of the financial year	766	145	911
Additional provisions	-	324	324
Amounts used	(426)	-	(426)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	-	-	-
Balance at the end of the financial period	340	469	809

Notes to the Financial Statements

For the Year Ended 30 June 2015

	\$'000	\$'000
a. Employee provisions -		
Current Provisions expected to be settled within 12 months		
Annual leave	441	577
Long service leave	129	146
Rostered days off	28	22
	<u>598</u>	<u>745</u>
Current Provisions expected to be settled after 12 months		
Annual leave	229	-
Long service leave	1,216	946
	<u>1,445</u>	<u>946</u>
Non-current		
Long service leave	144	199
	<u>144</u>	<u>199</u>
Aggregate carrying amount of employee benefits:		
Current	2,043	1,691
Non-current	144	199
	<u>2,187</u>	<u>1,890</u>

The following assumptions were adopted in measuring the present value of employee benefits:

Weighted average increase in employee costs	4.44%	4.44%
Weighted average discount rates	2.47%	2.99%
Weighted average settlement period (months)	12	12

(b) Gravel pit restoration -

(i) Current

Pit restorations measured at present value	538	469
	<u>538</u>	<u>469</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 (currently under review) is based on current estimates of remaining suitable gravel availability and unrestored areas of individual sites. The provision for pit restoration has been calculated based on the present value of the expected cost of works to be undertaken.

Weighted average increase in costs	1.20%	3.00%
Weighted average discount rates	2.65%	3.23%

(c) Landfill restoration -

(ii) Non-current

Landfill restorations measured at present value	341	340
	<u>341</u>	<u>340</u>

Weighted average increase in costs	1.20%	3.00%
Weighted average discount rates	2.48%	3.07%

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

Notes to the Financial Statements

For the year ended 30 June 2015

	2015 \$'000	2014 \$'000
Note 26 Interest-bearing loans and borrowings		
<i>Current</i>		
Borrowings - secured	-	784
Bank Overdraft	-	4,131
Superannuation loan liability	201	-
	<u>201</u>	<u>4,915</u>
<i>Non-current</i>		
Borrowings - secured	7,000	201
	<u>7,000</u>	<u>201</u>
Total	<u>7,201</u>	<u>5,116</u>
Borrowings are secured by way of mortgages over the general rates of the Council.		
The maturity profile for Council's borrowings is:		
Not later than one year	201	4,915
Later than one year and not later than five years	7,000	201
Later than five years	-	-
Total	<u>7,201</u>	<u>5,116</u>
Aggregate carrying amount of interest-bearing loans and borrowings:		
Current	201	4,915
Non-current	7,000	201
Total interest-bearing loans and borrowings	<u>7,201</u>	<u>5,116</u>

Notes to the Financial Statements

For the Year Ended 30 June 2015

Note 27 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				
2015				
Property				
Land	2,022	-	-	2,022
Buildings	7,315	-	-	7,315
	9,337	-	-	9,337
Infrastructure				
Roads	65,127	-	-	65,127
Bridges	2,085	-	-	2,085
Footpaths and cycleways	4,434	-	-	4,434
Kerb and channel	1,759	-	-	1,759
Drainage	2,515	-	-	2,515
Other infrastructure	363	-	-	363
	76,283	-	-	76,283
Total asset revaluation reserve	85,620	-	-	85,620
2014				
Property				
Land	1,997	25	-	2,022
Buildings	7,918	(603)	-	7,315
	9,915	(578)	-	9,337
Infrastructure				
Roads	75,078	(9,951)	-	65,127
Bridges	2,085	-	-	2,085
Footpaths and cycleways	4,434	-	-	4,434
Kerb and channel	1,759	-	-	1,759
Drainage	2,515	-	-	2,515
Other infrastructure	363	-	-	363
	86,234	(9,951)	-	76,283
Total asset revaluation reserve	96,149	(10,529)	-	85,620
(b) Other reserves				
2015				
General reserve	5	-	-	5
Total Other reserves	5	-	-	5
2014				
General reserve	5	-	-	5
Total Other reserves	5	-	-	5

Notes to the Financial Statements

For the year ended 30 June 2015

	2015 \$'000	2014 \$'000
Note 28 Reconciliation of cash flows from operating activities to surplus (deficit)		
Surplus / Deficit for the year	4,902	32,248
Non-cash movements:		
Depreciation/amortisation	6,742	7,673
Net (gain)/loss on disposal of property, infrastructure, plant and equipment	(146)	(46)
Movement in carrying value of associated entities	(8)	(27)
<i>Change in assets and liabilities:</i>		
(Increase)/Decrease in trade and other receivables	449	(713)
(Increase)/Decrease in inventories	(53)	15
(Increase)Decrease in prepayments	(46)	(19)
(Increase)/Decrease in accrued income	36	(24)
(Increase)/Decrease in other assets	-	(7)
Increase/(Decrease) in trade and other payables	1,489	466
Increase/(Decrease) in other liabilities	-	-
Increase(Decrease) in trust funds and deposits	(26)	31
Increase(Decrease) in provisions	70	(102)
Increase(Decrease) in employee benefits	309	(600)
Net cash provided by/(used in) operating activities	13,720	38,895
Note 29 Reconciliation of cash and cash equivalents		
Cash and cash equivalents (see note 17)	5,395	30
Less bank overdraft	-	4,131
Total reconciliation of cash and cash equivalents	5,395	(4,101)
Note 30 Financing arrangements		
Bank overdraft	3,000	4,500
Used facilities	-	4,131
Unused facilities	3,000	369

Council's overdraft limit will be \$2.5m from 1 July 2015.

Notes to the Financial Statements

For the Year Ended 30 June 2015

Note 31 Commitments

The Council has entered into the following commitments

2015	Not later	Later than 1	Later than 2	Later than 5	Total
	than 1 year	year and not later than 2	years and not later than		
	\$'000	years	5 years	years	\$'000
Operating					
Recycling	83	86	179	-	349
Garbage collection	233	240	502	-	975
Valuation services	124	-	-	-	124
Provision of library services	290	164	-	-	454
Vehicle leases	66	66	58	-	190
Information systems and technology	184	178	379	25	766
Photocopier management agreement	49	49	99	-	197
Office Equipment	8	8	-	-	17
Street Lighting	73	-	-	-	73
Total	1,111	792	1,217	25	3,145
Capital					
Infrastructure	41	-	-	-	41
Total	41	-	-	-	41
2014					
	Not later	Later than 1	Later than 2	Later than 5	Total
	than 1 year	year and not later than 2	years and not later than		
	\$'000	years	5 years	years	\$'000
Operating					
Recycling	85	88	277	-	450
Garbage collection	222	228	718	-	1,168
Valuation services	20	134	-	-	154
Provision of library services	310	248	178	-	736
Fire hazard reduction works	266	-	-	-	266
Road assets condition assessment	34	-	-	-	34
Information systems and technology	85	88	91	-	264
Photocopier management agreement	92	77	-	-	169
Electricity	253	258	263	-	774
Total	1,367	1,121	1,527	-	4,015
Capital					
Buildings	1,442	-	-	-	1,442
Roads	74	-	-	-	74
Infrastructure	363	-	-	-	363
Total	1,879	-	-	-	1,879

Notes to the Financial Statements

For the year ended 30 June 2015

Note 32 Contingent liabilities and contingent assets

Contingent liabilities

1. Superannuation obligations

a. Defined Benefits Superannuation obligation

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme to ensure that the liabilities of the fund are covered by the assets of the fund. As a result of the 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.

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.

The Fund's latest actuarial investigation was held as at 30 June 2014 and it was determined that the vested benefit index (VBI) of the defined benefit category of which Buloke Shire Council is a contributing employer was 103.4%. To determine the VBI, the fund Actuary used the following long-term assumptions:

Net investment returns 7.5% pa

Salary information 4.25% pa

Price inflation (CPI) 2.75% pa.

Vision Super has advised that the estimated VBI at quarter end June 2015 was 105.8%.

The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 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 most recent full actuarial investigation conducted by the Fund's Actuary as at 30 June 2014, 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 2015, 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.

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.

Notes to the Financial Statements

For the Year Ended 30 June 2015

Latest actuarial investigation surplus amounts

The Fund's latest actuarial investigation as at 30 June 2014 identified the following in the defined benefit category of which Buloke Shire Council is a contributing employer:

- A VBI surplus of \$77.1 million; and
- A total service liability surplus of \$236 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 2014.

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 results of the actuarial investigation during January 2015.

b. Superannuation contributions

Contributions by Buloke Shire Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2015 are detailed below:

Scheme	Type of scheme	Rate	2015	2014
			\$'000	\$'000
Vision Super	Defined benefits	9.50%	375	104
Vision Super	Accumulation	9.50%	84	451
Australian Super	Accumulation	9.50%	65	47
HESTA	Accumulation	9.50%	7	16
Hostplus	Accumulation	9.50%	10	14
LUCRF	Accumulation	9.50%	17	16
Master	Accumulation	9.50%		11
Prime	Accumulation	9.50%	10	11
REST Master	Accumulation	9.50%	23	22
Vicsuper	Accumulation	9.50%	23	13
Other	Accumulation	9.50%	115	88
			729	793

The expected contributions to be paid to the defined benefit category of Vision Super for the year ending 30 June 2016 is \$75,912.

Notes to the Financial Statements

For the year ended 30 June 2015

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

	2015	2014
	\$'000	\$'000
Bank Guarantee	150	-
TOTAL	150	-

Contingent Assets

Nil

Notes to the Financial Statements

For the Year Ended 30 June 2015

Note 33 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 32.

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

(d) Liquidity risk

Liquidity risk includes the risk that, as a result of 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 32, 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.

Notes to the Financial Statements

For the year ended 30 June 2015

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 26.

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 1.8%.

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.

Notes to the Financial Statements

For the Year Ended 30 June 2015

Note 34 Related party transactions

(i) Responsible Persons

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

Councillors

Reid Mather (Mayor)
David Pollard
Stuart McLean
Graeme Milne
Gail Sharp
Leo Tellefson
Ellen White

Chief Executive Officer

John Hicks
Anthony Judd (Acting CEO)

23-Feb-15 27-Feb-15

(ii) Remuneration of Responsible Persons

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

	2015 No.	2014 No.
\$1 - \$9,999	-	1
\$10,000 - \$19,999	6	6
\$20,000 - \$29,999	-	1
\$50,000 - \$59,999	1	1
\$140,000 - \$149,999	-	1
\$190,000 - \$199,999	-	-
\$220,000 - \$229,999	1	-
\$330,000 - \$339,999	-	1
This relates to full settlement of all employee entitlements for a former CEO	-	1
	<u>8</u>	<u>11</u>
	2015	2014
	\$'000	\$'000
Total Remuneration for the reporting year for Responsible Persons included above amounted to:	385	680

(iii) No retirement benefits have been made by the Council to a Responsible Person. (2014/15, Nil).

(iv) No loans have been made, guaranteed or secured by the Council to a Responsible Person during the reporting year (2014/15, Nil).

(v) Responsible persons related parties transactions

Notes to the Financial Statements

For the year ended 30 June 2015

(vi) **Senior Officers Remuneration**

A Senior Officer other than a Responsible Person, is an officer of Council who:
 a. has management responsibilities and reports directly to the Chief Executive Officer or
 b. whose total annual remuneration exceeds \$136,000

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

	2015	2014
Income Range:	No.	No.
<\$136,000	5	3
\$136,001 - \$139,999	-	-
\$140,000 - \$149,999	2	-
\$150,000 - \$159,999	-	3
	<u>7</u>	<u>6</u>
Total Remuneration for the reporting year for Senior Officers included above, amounted to:	691	794

Note 35 Events occurring after balance date

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

Certification of the Financial Statements

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



Bill Hutcheson
Principal Accounting Officer

Date : 16 September 2015
Wycheproof

In our opinion the accompanying Financial Statements present fairly the financial transactions of Buloke Shire Council for the year ended 30 June 2015 and the financial position of the Council as at that date.

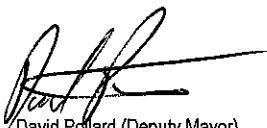
As at the date of signing, we are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

We have been authorised by the Council on 16 September 2015 to certify the financial statements in their final form.



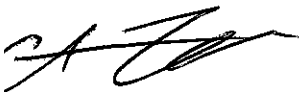
Reid Mather (Mayor)
Councillor

Date : 16 September 2015
Wycheproof



David Pollard (Deputy Mayor)
Councillor

Date : 16 September 2015
Wycheproof



Anthony Judd
Acting Chief Executive Officer

Date : 16 September 2015
Wycheproof

VAGO

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INDEPENDENT AUDITOR'S REPORT

To the Councillors, Buloke Shire Council

The Financial Report

The accompanying financial report for the year ended 30 June 2015 of Buloke Shire Council which comprises the comprehensive income statement, balance sheet, statement of changes in equity, statement of cash flows, statement of capital works, notes comprising a summary of the significant accounting policies and other explanatory information, and the certification of the financial statements has been audited.

The Councillors' Responsibility for the Financial Report

The Councillors of Buloke Shire Council are responsible for the preparation and the fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*.

The Councillors are responsible for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Audit Act 1994* and the *Local Government Act 1989*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

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

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Councillors, as well as evaluating the overall presentation of the financial report.

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

Auditing in the Public Interest

Independent Auditor's Report (continued)


Independence

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

Opinion

In my opinion the financial report presents fairly, in all material respects, the financial position of Buloke Shire Council as at 30 June 2015 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*.

MELBOURNE
17 September 2015


John Doyle M.Acc FCA
Auditor-General



BULOKE
SHIRE COUNCIL

