

2011/12

ANNUAL REPORT



BULOKE
SHIRE COUNCIL



“VISION, MISSION AND VALUES STATEMENTS DEFINE AND GUIDE AN ORGANISATION’S ABILITY TO CREATE A FUTURE FOR ITS COMMUNITY. THESE THREE STATEMENTS ARE SOME OF THE SIMPLEST AND MOST EFFECTIVE GOVERNANCE TOOLS YOU CAN FIND.”





*WE WILL ALWAYS BE
CONSCIOUS OF HOW
TODAY'S DECISIONS MAY
AFFECT THE FUTURE OF THE
INDIVIDUALS INVOLVED
AND THEIR COMMUNITIES,
THE ENVIRONMENT
AND OUR WORLD*

OUR VISION

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

OUR MISSION

Our Mission is to ensure the community has the practical tools to make the Buloke Shire an amazing place to live. We do this by:

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

OUR VALUES

To accomplish our Mission, we base our decisions and actions on the following core Values:

ACCOUNTABILITY FOR THE FUTURE

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

CREATING THE FUTURE

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

ASSET-BASED APPROACHES

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

INTERCONNECTED AND INTERDEPENDENT

- We will consult regularly with residents, ratepayers and other stakeholders;
- We know that the Buloke Shire does not exist in a vacuum and that individuals, organisations, communities, and government agencies are all interconnected and interdependent. None of us can create a significant impact on our own and our potential is greatest when we work together;
- We know that the best decisions are those that provide the best end result for our residents. Sometimes not everyone will agree with the decisions we make, but we will always be accountable for what we do and willing to discuss it with anyone interested;

- We will treat all residents, stakeholders and staff with respect, compassion, generosity, humanity and kindness;
- We will value the work of volunteers and actively encourage and further develop the volunteer ethic that has characterised the history of the Buloke Shire;
- We will encourage all individuals and organisations in the Buloke Shire to work side by side, to share in each other's wisdom and to effect greater change; and
- We will have ownership of and responsibility for the future we are creating within the Buloke Shire community.

ALWAYS PRACTICAL

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

SERVICE PRINCIPLES

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

ABOUT BULOKE

The Buloke Shire is located in north-western Victoria, between 210 and 360 kilometres north-west of Melbourne, and has a population of 6,384 people (ABS 2011).

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

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

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

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

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

THE BULOKE SHIRE IS NAMED AFTER THE 'BULOKE' OR 'BULLOAK TREE', ALLOCASUARINA LUEHMANNII, WHICH IS COMMON IN THE AREA.





CONTENTS

MAYOR'S REPORT	1
CHIEF EXECUTIVE OFFICER'S REPORT	3
A YEAR IN REVIEW CHIEF EXECUTIVE	5
- Procurement	5
- Municipal Flood Recovery	5
- Statutory Planning	7
- Community Development	7
- Economic Development	8
- Human Resources	9
- Local Laws and Fire Prevention	9
CORPORATE SERVICES	10
- Customer Service	10
- Information Technology	11
- Records Management	12
COMMUNITY SERVICES	13
- Aged and Disability Services	13
- Maternal and Child Health Services	14
- Youth Services	15
ASSETS AND INFRASTRUCTURE	16
- Building and Property Maintenance	16
- Building Services	17
- Environmental Compliance	18
- Environmental Health	19
- Recreation Services	19
- Swimming Pools	20
- Road Asset Management	21
- Plant Maintenance and Management	21
WORKS AND CONSTRUCTION	23
- Parks and Gardens	23
- Urban Infrastructure	24
- Road Services	25
- Waste Management	25
FINANCE	27
PROGRESS AGAINST THE COUNCIL PLAN 2009-2013	28
- Strategic Objectives, Strategies, Strategic Indicators and Performance Measures for 2011-2012	28

THE COUNCIL	32
- The Council's Role	32
- Council Map	33
CORPORATE GOVERNANCE	34
- Council Code of Conduct	34
- Council Meetings	34
- Councillor Allowances	34
- Council Representation on Committees	35
- Audit Advisory Committee	36
- Statutory Officers	36
- Whistleblower Protection Act 2001 (Victoria)	36
- Information Privacy Act 2000 (Victoria)	37
- Freedom of Information	37
- Risk Management	38
- Business Continuity Planning	39
- Municipal Emergency Management	39
OUR ORGANISATION	40
- Employee Statistics	41
- Equal Opportunity	41
- Health and Safety	41
- Employees by Department	42
- Workers' Compensation	42
COMMUNITY GRANTS AND DONATIONS	43
GRANTS RECEIVED FROM EXTERNAL SOURCES	47
BEST VALUE STATEMENT	49
NATIONAL COMPETITION POLICY COMPLIANCE	51
COMMUNITY SATISFACTION	52
- Local Government Community Satisfaction Survey	52
- Comparative to State and Small Rural Shires	53
VICTORIAN LOCAL GOVERNMENT INDICATORS	54
FINANCIAL REPORT	56
PERFORMANCE STATEMENT	117
- Annual Measures and Targets	117
- Strategic Objectives, Strategies, Strategic Indicators and Performance Measures for 2011-2012	117
- Certification of the Performance Statement	120



MAYOR'S REPORT

This is the time of year when we would usually look back on the projects and services delivered to take stock of our success and look at how we can do better next year. However, in the past year, our priorities have been reset as a result of the flood events of September 2010 and January 2011. Recovery from these events has been a dominant focus of Council during 2011-2012.

Like everyone else in the Shire, prior to these events Council thought we had a good idea of where we were heading in the future and the projects and services that would be required. The flood events changed all of that and from January 2011 many of our plans had to be put on hold while we focused on the recovery process. Just like the residents of the towns directly affected by the flood events and many of our farming families, we were faced with a whole new set of priorities and we are still working through the ramifications. Persons with natural disaster recovery experience, particularly those who were involved with recovery from the 2009 bushfires, warned us that the recovery process would take a long time, affect people in widely different ways and involve establishing partnerships and working relationships with a wide range of individuals and organisations. These predictions have proven to be correct and even now, 18 months since the January 2011 event, the effects are still being felt.

What we have seen over the last 18 months is our whole community, and a wide range of Government and non-Government agencies, swing into action to provide the help and assistance required to assist people, businesses and organisation to recover from the flood events. Everyone had a part to play in the recovery process and as a Shire we can be proud of the way everyone has rallied together to help those in need and provide support for neighbours, family and friends. From the destruction and difficulty caused by the flood events we can take some positives: we have grown stronger together and now know from firsthand experience that we can rely on each other during times of emergency and community stress. We also know that 'champions' come in many forms and that leadership qualities are not always as obvious as many would like to think.

What we have also seen over the last 18 months is the depth of 'social capital' that exists in our community. The resilience and strength we saw in the early part of this century as the community dealt with the impact of nearly 10 years of drought was quickly evident in the face of this new crisis. People from every part of the Shire volunteered time, equipment, expertise and money to help those in need. Volunteers from outside the Shire were welcomed and made to feel part of the Buloke 'family', something many of them have mentioned to me that they will remember for many years. It was a great effort and a credit to everyone who lives in Buloke.

At the same time as managing the flood recovery process, Council has had to continue to provide all of the services normally expected of local government. I believe we have achieved this, and it is a credit to our Management Team and staff that we have been able to do so without causing other problems. While I do not specifically want to be seen to be praising one section of our staff over others, I do want to acknowledge the work of our Works and Construction teams who have spent much of the last year keeping our local road network trafficable despite the extensive damage caused by the floods. Permanent repairs to these roads will commence in 2012-2013 and be completed in 2013-2014.

Council has learned a lot from our experiences over the last 12 months. From an emergency management perspective we have learnt that there is a huge gap between having an adopted Recovery Plan and actually managing the recovery process. Coordination of all of the aspects of recovery, particularly of all of the individuals, agencies and organisations that have a specific role to play in the process and the individuals, businesses and organisations that just turn up to volunteer their services or expertise, has proven to be a major task. Communication with everyone involved has also proven to be a significant challenge.

From a general service perspective we have learnt that we have the organisational capacity to respond to an emergency situation, and also to continue to provide normal services across the Shire. We have also learnt that our work systems are resilient and able to continue to function, even when many of our own staff has been directly affected by an external event.

While the focus of these comments has of necessity been on flood recovery it would be remiss of me not to comment on Council's financial position, particularly given the qualification made by the Victorian Auditor-General to Council's 2010-2011 Annual Accounts. Council's 2010-2011 Annual Accounts were qualified on the basis that the Auditor-General was concerned about our ability to meet operating costs. The qualification was not expected, but Council is fully aware of the financial challenges it faces looking forward. Councillors know that some hard decisions are going to need to be made in the next few years as population continues to slowly decline and farming practices change. Both of these factors will have an impact on the nature of business opportunities in the Shire and will also impact on the continued provision of some services. Without intervention from other levels of Government, Council's options are limited: either reduce services, increase revenue, or adopt a mix of both. These are decisions that Council could make on its own, but we think it is essential that the whole community be given the opportunity to have a say. One of our priorities in 2012-2013 will therefore be to work with the community to understand what you think is essential and to assist us in planning for the future.

In conclusion I would like to take this opportunity to thank all of my Council colleagues for their support during the past year, all staff for their combined and individual contributions to the outcomes we have achieved and all in the community for your continued support of the Shire.

Cr David Pollard
Mayor





CHIEF EXECUTIVE OFFICER'S REPORT

The 2011-2012 financial year was busy. Flood recovery, preparing specification and contract documents for the repair of flood-damaged roads, an update of Council's land use planning strategy, forward financial planning, negotiation of a new enterprise bargaining agreement with staff, a review of several key services, completion of a review of future information technology directions, and completion of a large capital works program were just some of the matters addressed throughout the year.

Highlights of the year from a service delivery perspective are summarised in the following pages, as well as a broad range of information designed to provide a snapshot of Council's achievements and outcomes for the 2011-2012 year.

While the information contained in this report does not show all of the steps necessary to ensure the successful delivery of all of the services and programs delivered across the year, it does reflect the breadth of the role local government plays in people's everyday lives.

Buloke, like most Councils across the State delivers more than 100 services a day, every day, every week of the year, come 'hail or shine'. Many of these services like street lighting and public toilets are taken for granted. Many others, such as food safety, building control, fire hazard reduction, animal control and other regulatory activities take place in the background, and only come to the fore when there is a problem. Everyday services such as garbage collection, street sweeping, road maintenance and maintenance of parks and reserves are often seen, but more often than not are also taken for granted, being seen as just something that the Council does. Services to targeted populations such as families with newborn children, families with kindergarten-aged children and older and infirm residents are often not seen by others, but are vital to those who receive them. Other service activities, particularly regulatory or compliance in nature, of course only impact on those directly affected. In addition, every one of the services Council provides has its own health and safety requirements, competencies, codes of practice, etc., all of which require careful attention to the training and skills of the staff involved.

The Council staff that provide these services are incredibly proud of what they do, and of the benefits that accrue to the community from their efforts. I hope that the information in this report reflects the pride that staff take in their work, and their achievements.

Of course not everything goes right everyday and just as we look to the community for positive feedback on what we achieve, we also welcome suggestions as to how we can improve. We also welcome reports from the community of hazards or other problems with the assets (roads, footpaths, reserves, halls, drains, etc.) under our control. To report hazards or other problems simply call 1300 520 520 and speak to one of our Customer Service Officers. Your report will be forwarded to the relevant section of Council and feedback provided as to what action is taken.

The Mayor has made mention in his report of Council's financial situation, particularly the capacity to meet the cost of continuing to provide a full range of services to all sections of the Buloke community. It is of little consolation that this problem is not a new one, and that it is not unique to Buloke. Other small rural municipalities across Australia are facing similar challenges and both the State and Commonwealth Governments are aware of the need to find a solution. Trying to find medium-to long-term solutions to this situation for Buloke has been one of my focuses during 2011-2012.

Decisions made by Council in formulating the 2012-2013 Budget, particularly in terms of future rating strategy and the focus of service reviews in 2012-2013 are the first of several steps that need to be taken to find a viable and achievable long-term strategy. However, as mentioned by the Mayor, the Council and the Buloke community face some difficult service-related decisions in the near future. Not the least of these is the ability to continue to provide a full range of services in some of our very small towns, especially services to our ageing community and initiatives to further reduce the impact of Council operations on the environment. We will also need to deal with the impact of a carbon tax on the cost of our operations, continue to increase our investment in our infrastructure as it ages, and meet the increased need for community services.

Involving the community in these decision-making processes will be critical to finding workable solutions. Council's asset management responsibilities make finding a solution essential. There is certainly no room for complacency. Continued attention to Council's finances will be required to ensure the organisation lives within its means in the forthcoming financial year.

In conclusion I would like to make special mention of the Victorian Government and the Commonwealth Government for the financial and other resource assistance they have provided to Council and the Buloke community as part of the flood recovery process. Council is very appreciative of the support provided and has used it to ensure the community recovers as quickly as possible from the impact of the flood events. The Victorian Government's support for asset management improvement through the Country Roads and Bridges Program and the Local Government Improvement Program is also appreciated. Funds from both of these sources have assisted Council in meeting some of its long-term infrastructure needs.

I would also like to thank my Management Team, Councillors and staff for their support during 2011-2012. The continued focus of all on best value outcomes for the community is one of the satisfying aspects of working in Buloke.

Warwick Heine
Chief Executive Officer



A YEAR IN REVIEW

CHIEF EXECUTIVE

PROCUREMENT

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

ACHIEVEMENTS

- Improvement in procurement processes undertaken by all departments to ensure consistency and compliance;
- Introduction of Corporate Card Policy following an organisational trial;
- Development of Standard Operating Procedures for all plant acquisitions;
- Centralisation of procurement to maximise efficiency gains;
- Migration from 'Running Sheets' with suppliers to planned purchasing and Purchase Orders;
- Training and employment of a Procurement Trainee for 24 months; and
- Training and employment of a Procurement Cadet for seven weeks.

CHALLENGES

- Major flood events tested business continuity;
- Implications of Carbon Tax; and
- Reduced plant budget.

FUTURE DIRECTIONS

- Ongoing procurement training for new and existing employees;
- A continuation of Buy Local initiatives to build and strengthen supplier relationships; and
- Follow up and implementation of recommendations stemming from the Victorian Auditor-General's Office (VAGO) Fraud Audit.

MUNICIPAL FLOOD RECOVERY

The Municipal Flood Recovery Team was established in February 2011 as a result of the devastating floods that affected around 80% of the Buloke Shire in January 2011. The Team endeavours to effectively coordinate response to minimise effects of an emergency situation and to enable the community to recover from that emergency.

Flood Recovery activities continued throughout 2011-2012 and were probably the most challenging period of the recovery process for communities, individuals and the Buloke Shire itself.

ACHIEVEMENTS

- Recovery Action Plan 80% complete (438 actions complete out of a total of 552);
- Twenty (20) Flood Recovery Newsletters produced and distributed to provide up-to-date information to residents;
- Advocated to Commonwealth and State Governments on behalf of flood-affected families and individuals;
- Provided administrative and other support to local Community Recovery Committees (CRC) established in Charlton, Donald and Culgoa;
- Participated in regional flood recovery meetings arranged by the State Government and not-for-profit organisations involved in the recovery process;
- Worked with and advocated to government agencies to identify gaps and needs in assistance;
- Management of the Flood Recovery Centre in Charlton;
- Provided support to a range of government and non-government organisations that provide a broad range of support services to flood-affected residents;
- Assisted the CRCs, the community and community organisations with grant applications;
- Assisted at more than twenty-five (25) community events and activities, from small scale senior citizens' lunches to large gatherings such as the Emirates Melbourne Cup Tour;
- Convened and coordinated eleven (11) rural 'Fire Shed' gatherings attended by more than 400 people;

- Doorknocked homes in Charlton, Donald and Culgoa with assistance from Case Support Workers;
- Grant acquittal and data reporting to State Government;
- Repair and restoration of buildings, parks and recreation reserves;
- Successful in gaining funding for the solar heating system at the Donald Pool;
- Flood recovery information incorporated as part of the Community Matters page publication;
- Submissions written in response to flood-related government inquiries; and
- Liaisons with Catchment Management Authorities with flood mitigation studies for Charlton and Donald including mapping of the water in Wycheproof and surrounds.

CHALLENGES

- Recovery is a long, slow process and it has proven difficult to maintain momentum in the second year;
- Damage to many flood-affected homes was much greater than initially assessed resulting in disruption to normal lives continuing for much longer than anticipated;
- Maintaining 'energy' levels in the community;
- Keeping local roads trafficable while the process of arranging long-term repairs is put in place;
- Working with affected residents, some of whom did not request assistance until sometime after the initial emergency; and
- Translating the lessons learnt from the flood emergency into practical emergency management strategies.

FUTURE DIRECTIONS

- Transfer of recovery activities from the Recovery Team to normal business units of the Buloke Shire;
- Local organisations to continue to support community recovery through social events and activities;
- Repair and restoration of local road network;
- Ongoing support of CRCs;
- Review of emergency management arrangements; and
- Production of specific flood preparedness guides for Charlton, Donald and Culgoa.



STATUTORY PLANNING

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

ACHIEVEMENTS

- Amendment C12 corrected mapping anomalies within the Buloke Planning Scheme;
- Amendment C20 introduces additional properties and precincts to the Heritage Overlay of the Buloke Planning Scheme; and
- Creation of urban township strategies.

CHALLENGES

- Enforcement of Planning Permit conditions;
- Balancing development with environmental planning considerations; and
- Raising the profile of strategic and statutory planning throughout the Buloke Shire.

FUTURE DIRECTIONS

- Focusing on an Industrial Land Use study and associated Planning Scheme Amendment;
- Updating the Municipal Strategic Statement including new township strategies; and
- Rural Land Use Strategy including land use capabilities across the Buloke Shire's Farming Zone.

COMMUNITY DEVELOPMENT

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

ACHIEVEMENTS

- Flood recovery, particularly with the business community in Charlton;
- Rural engagement in conjunction with flood recovery efforts;

- Buloke community forums revisited their community plans to reflect the needs of each community;
- Ten (10) 'Fire Shed' gatherings held throughout the financial year and seven (7) more planned through to March 2013. The financial support of the Department of Planning and Community Development (DPCD), through the Community Recovery Fund for these gatherings is gratefully acknowledged;
- \$50,000 grant monies received for the Volunteer Capacity Project;
- \$58,500 grant monies received for the 'Strong Roots Resilient Communities' project; and
- Regular information about funding opportunities circulated to Buloke communities, forums and other community networks. Local interest areas include historical, sporting, infrastructure, youth and schools, community gardens, kitchen grants, flood repair/restoration, grant application writing tips, volunteer small grants for training and equipment, digital inclusion grants, and men's shed and community event grants.

CHALLENGES

- Recovery from the recent floods following on from 13 years of severe drought;
- The impact of flooding on community priorities and the importance of good community planning;
- Economic and community development in Charlton, Donald and Culgoa;
- A changing economic environment has increased competition for a shrinking Community Development funding resource; and
- The careful setting of priorities and well-developed shovel-ready projects will be an increasing factor for communities to secure funding.

FUTURE DIRECTIONS

- Continue to focus on attracting funding for projects in Buloke;
- Continued involvement in the development of community plans and community engagement; and
- Ongoing information will continue to be provided to Buloke's communities.

ECONOMIC DEVELOPMENT

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

ACHIEVEMENTS

- The Economic Development Team represented Buloke Shire at the first annual Regional Victorian Living Expo in Melbourne during April 2012;
- Assisting with the redevelopment of the Buloke Tourism Board website www.buloke.com.au designed to advertise and highlight tourism opportunities in Buloke;
- The Economic Development Team represented Buloke Shire at the Wimmera Mallee Regional Tourism Association meetings, which included promotion of the Wimmera Mallee region;
- In conjunction with the Buloke Tourism Board, a second annual Shire-wide Buloke Calendar of Events has been produced;
- The Team was actively involved in the flood recovery process, visiting many businesses (including farm businesses) to provide information and support;
- Buloke Shire, as a major sponsor, attended the Birchip Cropping Group (BCG) held in Birchip;
- Continued to advocate for the expansion of the poultry industry throughout the Shire;
- Assisted local businesses to remain viable with the uptake of the internet and online shopping options; and
- Continued relationship with Hobsons Bay City Council and held a successful Annual Bowls Tournament in spring at Charlton. This was a significant milestone as the Clubrooms were only just made available after flood repairs were carried out.

CHALLENGES

- Continued effects from the January floods in Charlton, Donald and Culgoa in both a personal and business basis carried over into this year and will continue to be felt for some time;
- Harvest in the agricultural sector was generally good this year but the good yields were offset by low prices leaving many farmers still facing economic hardships;
- Suitable housing for inward migration in Buloke continues to be a challenge; and
- Many traditional local businesses do not identify themselves as being actively involved in tourism.

FUTURE DIRECTIONS

- Working with local forums and caravan parks to attain RV accreditation, including the installation of a new dump points in Wycheproof and Birchip;
- Continue to support the initiatives of the Buloke Tourism Board, including its website;
- Continue to source training opportunities for local businesses and their employees to assist the standard of business management;
- Continue to promote and encourage people in the community to 'Buy Local';
- Advocate for the development of Regional Industry Link;
- Continued investigations that lead to opportunities to value-add farming products before they leave the Shire;
- Develop new industries and businesses by supporting the Northern Poultry Cluster and the Agriculture and Machinery Cluster; and
- Continue to provide assistance to industries looking to establish in Buloke.

HUMAN RESOURCES

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

ACHIEVEMENTS

- Provision of training programs for staff, including front end loader and front end loader/back hoe assessments, new supervisor training, training on bullying and harassment in the workplace, traffic management training, traffic control training, electrical spotters, first aid, OHS five-day Representative Course and Return to Work training;
- Development of Compliance Training Calendar;
- Development of training database for staff qualifications and licences;
- Development of staff suggestion scheme;
- Development of Staff Consultative Committee Charter;
- Certificate of Buloke Shire's Enterprise Agreement;
- Resolving anomalies within the general ledger relating to superannuation and Workers' Injury Claims;
- Resolving anomalies in relation to long service leave accruals; and
- Implementation of key recommendations under Internal Payroll System Audit.

CHALLENGES

- Rationalising compliance training requirements for staff to ensure that training is relevant to the position;
- Finalising Enterprise Agreement processes in a timely manner; and
- Requirement of support staff to assist in Payroll functions.

FUTURE DIRECTIONS

- Payroll System Audit and Procedure development;
- Review and implementation of Corporate Training Calendar;
- Introduction of preferred suppliers for training, Employee Assistance Program (EAP) and consultants;
- Investigations into electronic personnel file management;

- Continued development of Employee Induction Manual;
- Development of the Human Resources Service Charter; and
- Development of the Human Resources Operational Plan.

LOCAL LAWS AND FIRE PREVENTION

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

ACHIEVEMENTS

- Issued 583 Fire Hazard Notices which resulted in 117 fines being issued;
- Impounded seventy-two (72) dogs, with thirty-eight (38) being claimed by their owners. Twenty-seven (27) were rehoused, with seven (7) found to be unsuitable for rehousing or had behaviour problems and were euthanised; and
- Impounded 102 cats (same as the previous year), of which seventy-two (72) were feral animals; sadly only domestic two (2) cats were claimed by their owners. The Compliance Team found homes for twenty-five (25) cats with three (3) being euthanised.

CHALLENGES

- Educating the community in responsible pet ownership as a result of the increase in impoundments; and
- Educating property owners on fire prevention, and the importance of taking fire preparedness seriously.

FUTURE DIRECTIONS

- Development of educational programs to address disputes and avoid escalation;
- Continue to promote responsible pet ownership; and
- Continue to work with other organisations and governmental departments to educate the community on fire preparedness and responsibilities.



CORPORATE SERVICES

CUSTOMER SERVICE

The Customer Service Team is the first point of contact for Buloke Shire's customers through the handling of telephone calls and personal front desk enquiries including cashiering functions.

ACHIEVEMENTS

- Over 57,000 customer contacts over the counter and by telephone, in part including:
 - 40,000 telephone calls into the main Call Centre;
 - 2,928 VicRoads transactions totalling 392 hours over the five (5) district offices;
 - 10,941 over-the-counter payments, including: 1,201 payments for animal registrations and renewals, and 3,877 property rates payments;
 - 2,624 requests for service logged into our Customer Request Management System and all customers supplied with a request number to assist them to track the request if necessary;
 - 751 customer bookings for use of Council community buildings at Birchip, Charlton, Donald and Wycheproof; and
 - Bookings for the community bus in Birchip and Charlton and enquiries for booking Street stalls.
- Community Satisfaction Survey result of 80 which is 13% higher than the State average benchmark of 71;
- Implemented 'Messages on Hold' into Buloke Shire's phone system;
- Continued improvement to the internal electronic Customer Service Manual;
- Commenced review to improve Customer Request Management System and Council website;
- Creation of a central forms register and used Business Victoria 'Smartforms' in line with legislative requirements;
- Assisting other Departments during peak periods; and
- Continual training and development with Geographical Information Systems (GIS) and VicRoads.

CHALLENGES

- Recommencing projects that were put on hold after the floods;
- Ensuring all staff have a full understanding of Customer Service Standards and performance expectations of the community; and
- Manage responsiveness and resources to meet standards and expectations of the community.

FUTURE DIRECTIONS

- Finalise and launch the upgraded Customer Request Management System with improved service standards;
- Launch of the new Buloke Shire Council website;
- Focus on service delivery standards, including how they can be measured and improved;
- Ongoing development of the new website and exploring options for more eServices;
- Develop an e-learning version of the Induction Program;
- Development of a Corporate Service Charter through the improvement of the Customer Request Management System;
- Continue to improve awareness and educate the Customer Service Team about the organisation and current issues so they are knowledgeable and can respond to general enquiries; and
- Complete an Operational Plan for the Customer Service Team.



INFORMATION TECHNOLOGY

The Information Technology Team provides technology services and network administration across the Buloke Shire. This includes regular maintenance of the Council's data and telephone network, network administration, computer system platforms, information systems and software applications.

ACHIEVEMENTS

- Tender and contract for wireless connection between Council's five (5) district offices;
- Expressions of interest and agreement for Council's information technology support services;
- Tender and contract for Council's telecommunications network provider;
- Continued upgrade of Council's computer hardware, phone network and two-way radios;
- Development of three new information technology policies, for Disaster Recovery, Information Security and Electronic Communication;
- Stage I GIS roll-out completion;
- Security upgrades including remote server access;
- Wireless ports installed at all five (5) of Council's chambers; and
- A 20% decrease in phone costs on the previous year.

CHALLENGES

- Ongoing staff shortages;
- Ongoing demands for best practice software solutions;
- Integration of Council's corporate systems;
- Increased security requirements in an ever-changing information technology environment;
- Growing demands from staff for increased information technology services;
- Distance between offices and the addition of office areas such as Watson Street in Charlton;
- Staff expectations to be able to work remotely; and
- Smart phone and tablet options.

FUTURE DIRECTIONS

- Windows 2007 upgrade;
- Exchange 2010 server upgrade;
- Launch of Council's new website;
- Intranet development and launch;
- Review existing security and upgrades as required;
- Review of ongoing GIS needs and deployment of solutions;
- Review of printer requirements at all offices and depots;
- Installation of wireless network linking Council's five (5) district offices;
- Deployment of network redundancy capacity between Council offices;
- Integration of corporate applications; including Customer Request Management System and property database;
- Continued upgrade of server hardware to keep abreast of ever-changing needs;
- Further 5% decrease on telephone costs; and
- Needs analysis for future corporate systems.

RECORDS MANAGEMENT

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

ACHIEVEMENTS

- Property file system implemented and fully operational;
- Further re-filing of loose documentation to Council's property files;
- 15% increase in the number of documents scanned and filed, despite continuing challenges as a result of the January 2011 floods;
- Increased use of central email inbox by all staff; and
- Internal mail pickup and delivery of over 15,500 documents.

CHALLENGES

- Records dispersed across Council's five (5) district offices;
- Decentralised office system;
- The Records Management Team still has a staff member seconded to the Flood Recovery Team until December 2012;
- Changes to records management standards; and
- Combined staff experience is limited.

FUTURE DIRECTIONS

- Further implementation of the property file system including back scanning of all building and planning permits to allow for full electronic and hard copy property file records;
- Increase in electronic capture of records;
- Development of policies and procedures in line with the Public Record Office requirements;
- Continued implementation of archiving procedures; and
- Continued development of central records including electronic document management.

Scanned Documents

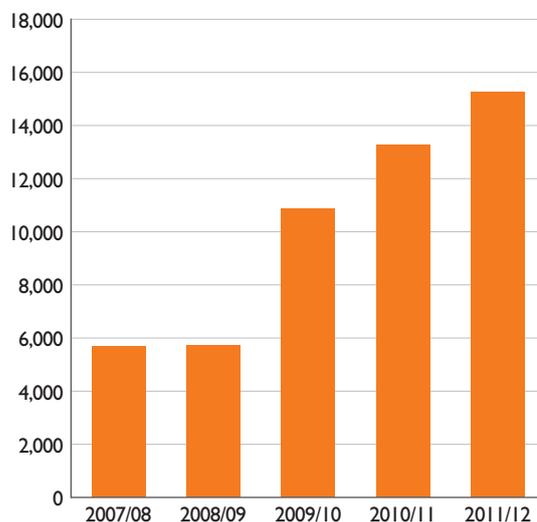


Chart: Total number of scanned documents within a financial year.



COMMUNITY SERVICES

AGED AND DISABILITY SERVICES

The Aged and Disability Services Team provides Home and Community Care (HACC) services to the Buloke community. These services include Department of Veterans' Affairs Assessments, Community and Aged Care Packages (CACPS), Extended at Home Care Packages (EACH), assessments, general home care, respite care, personal care, meals on wheels, and social support including volunteer transport and seniors clubs.

ACHIEVEMENTS

- Provided 321 trips for people requiring transport for specialist medical appointments;
- 22,973 hours of home care, personal care, respite care and home maintenance;
 - 15,551 meals delivered to HACC and Packaged Care clients;
- Sixty-three (63) improvement activities undertaken by the Aged and Disability Services Team to enhance the provision of service to eligible clients;
- Funding received to employ an additional Assessment Officer for 12 months;
- Transfer of client files to an electronic data management system;
- Development of the Buloke Shire Disability Plan;
- Achieved 100% compliance in line with the Department of Health requirements;
- Partnered with Seniors Victoria to bring the 'Wicked Widows' to Buloke for Seniors Week 2011;
- Implementation of the Active Service Model Champions Project;
- Received Improved Liveability of Older Persons funding to enhance the lives of older persons within the Buloke Shire;
- The Aged and Disability Services Team's Active Service Model Implementation Plan approved by the Department of Health; and
- Management, HACC Coordinators and Direct Care Workers completed training in Active Service Model, Putting ASM into Practice, Better Health Self Management and New Supervisor.

CHALLENGES

- Implementation of the Common Care Community Standards, a new Commonwealth accreditation and quality review process that is far more comprehensive than previous systems; and
- Staff capability limitations in providing the required training to ensure all HACC staff have the relevant qualifications to continue developing necessary skills.

FUTURE DIRECTIONS

- Continued participation by the Aged and Disability Services Team in the full implementation of the Active Service Model and Diversity;
- Continue to lobby State and Federal Governments for funding to enhance service provision to the elderly in Buloke Shire; and
- Development of a Diversity Plan.

MATERNAL AND CHILD HEALTH SERVICES

The Maternal and Child Health Services Team is staffed by qualified Maternal and Child Health nurses and provides free health services to all parents with children from birth to school age in the Buloke Shire, to help them give their children the best start in life.

ACHIEVEMENTS

- Fifty-one (51) birth notifications received;
- Meeting, and in some age groups exceeding, State Government targets for Key Ages and Stages visits;
- Early detection and an increase in the number of referrals to early intervention as a result of Brigrance screening, leading to improved outcomes for children;
- Excellent immunisation rates due to great working relationship between Immunisation Nurses and Maternal and Child Health Nurses regarding the follow-up of children who are overdue for immunisation;
- Promotion of Maternal and Child Health services through initiatives such as Mothers of Pre-schoolers (MOPS);
- Continual participation in the Enhanced Maternal and Child Health Program; and
- Completion and submission of the Department of Education and Early Childhood Development Maternal and Child Health Services Workforce Planning for 2012.

CHALLENGES

- The Maternal and Child Health Services Team have noted an increase in the number of complex clients moving into the Buloke Shire;
- Addressing the increase in clients with mental health issues and children with diagnosed physical and mental health conditions;
- Increase in the levels of support required by families after the flood events;
- Recruitment and retention of suitably qualified Maternal and Child Health Nurses; and
- Availability of relief staff.

FUTURE DIRECTIONS

- Implementation of a computer-based system for client records, which will assist in accurate Maternal and Child Health statistics collation;
- Continual professional development programs offered to Maternal and Child Health Nurses to increase their skill base;
- Continued implementation of Key Ages and Stages Child Development Program; and
- Continue to deliver, and build upon the Enhanced Maternal and Child Health Program across Buloke Shire.



YOUTH SERVICES

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

ACHIEVEMENTS

- The Youth Services FREEZA Events attracted a total of 1,720 young people;
- Reduction in incidents of underage drinking due to the implementation of a number of procedures that now underpin the FREEZA Events;
- 'Huddle for the Puddle', a FREEZA Event, was held in Birchip and attracted 620 young people from across and beyond the Buloke Shire;
- The L2P Program (L to P plates) was implemented across the Buloke Shire. Aimed at the provision of mentoring youth in learning to drive, the program was held in the townships of Wycheproof and Charlton;
- Links for Life, which matches mentors with youth and is run in partnership with the North Central Local Learning and Employment Network, continued to support young people across the region during 2012;
- Development of a Buloke Youth Advisory Committee; and
- Successful development of a Youth Space in the township of Donald.

CHALLENGES

- A lack of suitable activities for children and youth across Buloke Shire;
- The lack of transportation options for younger people;
- The ever-increasing need to provide support programs for families, including support activities for parents in the Buloke Shire; and
- Continual need to access grant monies to provide youth services across Buloke.

FUTURE DIRECTIONS

- Continue to support and focus on the L2P Program with intentions of expanding to other regions;
- Further development of the Back Chat Program, which supports and develops individual personal skills together with training focused around governance and event management;
- Continue to develop activities for children and youth across the Buloke Shire including the development of Gordon Park in the township of Charlton;
- Further development of the Buloke Youth Charter; and
- Develop a robust system of partnerships/grants application writing to support Youth Services in Buloke.



ASSETS AND INFRASTRUCTURE

BUILDING AND PROPERTY MAINTENANCE

The Building and Property Maintenance Team is involved with inspection, maintenance and cleaning of all Buloke Shire-controlled buildings and playgrounds.

ACHIEVEMENTS

Capital replacements:

- Construction and opening of the Sea Lake Travellers Rest Facility;
- Capital works projects including Donald and Wycheproof Men's Shed upgrades, Birchip Senior Citizens Centre kitchen and flooring, Charlton Senior Citizens Centre spouting, Donald Lions Park Taggerty Train upgrade, Donald Recreation Reserve fire repair works, Landfill Offices across the Buloke Shire, Tchum Lake Community Room, Wycheproof Centenary Park barbeque and seating facilities and Wycheproof Saleyards Agent Office;
- Flood recovery projects including at Charlton Bowling Club, Angling Club, Gordon Park, Swimming Pools, Shire Office and Charlton Park buildings;
- Painting at Sea Lake Kindergarten, Charlton Travellers Rest, Golden Grains Museum, Birchip Hall, Culgoa Bowling Club, Berriwillock Park, Donald Depot and Aerodrome; and
- Completion of over 300 projects by the Building and Maintenance Team through the works request system.

CHALLENGES

- Ensuring the large number of Council owned or managed built assets are maintained and managed in the most effective and financially responsible manner;
- Keeping up-to-date on new innovations to ensure Council owned or managed buildings are upgraded with environmentally sustainable design features; and
- Ensuring all new building related upgrades and works are completed to the highest standard and meet relevant regulations and codes.

FUTURE DIRECTIONS

- Continue with effective replacements, upgrades and renewals of Buloke Shire's built assets, including playgrounds, halls and key community buildings;
- Refine and redefine a forward capital works replacement program that mirrors both community and Buloke Shire priorities within restrictions of available funding;
- To pursue external funding, for the strategic objectives as identified by community and Buloke Shire priorities;
- Inspect and maintain Buloke Shire's controlled assets to a standard that complements the expectations of the residents that utilise the facilities;
- Improve the development of a priority listing for the continued and non-intrusive program of maintenance to prioritised facilities; and
- Continued improvement of essential services inspections and audits.



Photo: Wycheproof Men's Shed re-roof



Photo: Birchip Senior Citizens Centre Upgrade – kitchen and floor coverings

BUILDING SERVICES

The Building Services Team maintains standards of amenity, habitation and safety in buildings within the Buloke Shire. The Team provides services including building inspections, enforcement of safety standards, advice and consultation on building regulation issues and the issuing of building permits, provision of information on approved buildings and past permits, activity reports to the Building Commission and variations to regulatory siting requirements.

ACHIEVEMENTS

Building permits were issued by Buloke Shire's Building Surveyor and private building surveyors for:

- Five (5) new dwellings;
- Fifteen (15) extensions and alterations to dwellings;
- Twenty-one (21) commercial, industrial and public buildings;
- Five (5) demolitions and removals;
- Five (5) swimming pools;
- Seventy-three (73) other buildings, including sheds; and
- Thirty-two (32) further buildings, for which permits were issued by private surveyors.

CHALLENGES

- Building works being carried out prior to the issuing of a building permit, or not in accordance with the approved documents;
- Ensuring that all building permit applications meet the necessary requirements of recent

- Building Commission practice notes on documentation to accompany applications for building permits;
- Ensuring that buildings used for accommodation (i.e. motels, hotels, bed and breakfasts), where inspections are required to determine essential safety measures, are brought up to a satisfactory standard of safety for this type of use;
- Ensuring adherence to the Australian Building Codes Board's requirements that all new commercial and public buildings (including alterations and additions to these) provide access to disabled toilet facilities; and
- Ensuring that all commercial and public buildings have adequate essential safety measures which are maintained on a regular basis and recorded in a log book. These measures include fire hose reels, smoke alarms, fire extinguishers, exit signs, exit doors, paths of travel to exits, emergency lights, etc.

FUTURE DIRECTIONS

- Continue to process applications for building permits as quickly as possible;
- Educate and assist clients seeking building permits on the information required to accompany applications, ensuring compliance with regulatory requirements;
- Resolving issues which may arise from works that have been carried out in breach of the building regulations; and
- Inspect buildings including Council buildings to ensure that essential safety measures are installed and maintained in accordance with the requirements of the regulations, and that buildings provide an adequate level of safety for the occupants.



Photo: Culgoa Bowls Club exterior painting



Photo: Donald Lions Park – Dining Car Taggerty Restoration

ENVIRONMENTAL COMPLIANCE

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

ACHIEVEMENTS

- Buloke Shire spent 9% of total available expenditure on green products equating to \$37.75 green product spending per rateable property in the Shire. During the financial year, 518.2 megawatts of green energy was used by Council;
- Funding received from the Victorian Department of Primary Industries for follow-up eradication of rabbits and warrens from the northern part of the Buloke Shire. Rabbit control measures have been undertaken on over 700 kilometres of Buloke's arterial network with additional work carried out by various Landcare groups on private land and roadsides in the Mallee region of the Shire;
- Three faces of Woollen Rises Quarry were directly seeded with indigenous trees, shrubs and grasses. Over the years there has also been a lot of regeneration of native flowers, small shrubs and grasses;

- Development of Guidelines for Native Species for Gardens and Parks 2012. The document is a helpful tool for the Parks and Garden Team on a variety of shrub species that are drought-tolerant and suitable to be planted within Buloke's parks and gardens; and
- Funding received from Victorian Sustainability Accord to erect a 22kW Solar PV system on the Wycheproof Office. A total of ninety (90) solar panels were installed. The solar system will help reduce the Buloke Shire's energy consumption, impact on the environment, greenhouse gas emissions and carbon footprint.

CHALLENGES

- Protecting our valuable biodiversity in Buloke;
- Utilising natural resources efficiently and sustainably;
- Targeting a reduction in Buloke's greenhouse emissions by managing energy use and looking at alternative energy resources;
- Effectively managing water resources; and
- Identifying and controlling pest plant and animals species within Buloke Shire.

FUTURE DIRECTIONS

- Conducting nature strip audits in all townships within Buloke Shire;
- Spend more on recycled content and eco-friendly products to reduce Buloke Shire's environmental footprint and in turn reduce greenhouse gas emissions;
- Carry out an audit of pest flora and fauna on Buloke Shire's roadsides; and
- Continue to reduce power usage at Buloke Shire's offices.



Photos: Solar panels installed at the Wycheproof Office

ENVIRONMENTAL HEALTH

The Environmental Health Team is responsible for a range of health services including, communicable/infectious disease control, food surveillance and registration of food premises, accommodation standards, wastewater management, enforcement of the *Tobacco Act 1987* (Victoria), pest and vermin control, implementation of Buloke Shire's Public Health Plan and community education.

ACHIEVEMENTS

- Employment of a full-time Environmental Health Officer;
- Completion of assessments on Class 1 and Class 2 food and health registered premises;
- Food sampling has been conducted, targeting selected Class 2 (restaurants, cafés and manufacturers) premises in the Buloke Shire;
- *Tobacco Act 1987* surveillance has been completed at selected retail outlets and eating establishments to verify compliance with regulations;
- Implementation of State-wide temporary food premises registration forms;
- Online training made available for food businesses in the Buloke Shire;
- Monthly public immunisation clinics have been held in each of the major townships, including three (3) sessions per annum at each of the Shire's five (5) secondary schools; and
- Infant and pre-school immunisation coverage figures at 90% and secondary school coverage figures at 97%; both are above State and national averages.

CHALLENGES

- Ensuring the community are aware and informed of the requirement to register any temporary stalls at events, fetes and markets;
- Active participation in Regional Public Health Planning Forums and annual reviews of the Public Health and Wellbeing Plan; and
- Registration of all caravan parks within the Buloke Shire.

FUTURE DIRECTIONS

- Continue to apply risk management principles in the delivery of environmental health services;
- Implementation of the Environmental Health Service Plan;

- Development of the Domestic Wastewater Management Plan;
- Continued education on the requirements and standards expected under the *Food Act 1984* (Victoria) and the *Public Health and Wellbeing Act 2008* (Victoria) for proprietors of registered food and accommodation; and
- Expected changes to immunisation schedules for both school and pre-school vaccinations in the coming twelve months.

RECREATION SERVICES

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

ACHIEVEMENTS

- Completion of the Donald Recreation Reserve Master Plan;
- Upgrade of the Wycheproof Netball Courts to meet Netball Victoria Standards;
- Completion of a hockey feasibility study for the Donald Recreation Reserve;
- Completion of the Green Lake Master Plan;
- Birchip Leisure Centre extensions;
- Commencement of Sea Lake and District Community Centre Kitchen upgrade;
- Development of concept designs for the redevelopment of Charlton Park Recreation Reserve facilities; and
- Flood repairs to a number of sport and recreation facilities throughout the Buloke Shire.



Photo: Wycheproof Netball Court resurface.

CHALLENGES

- Attraction of funding opportunities for the development of larger scale projects;
- Ongoing flood redevelopment of Charlton and Donald recreational facilities; and
- Support and development of the volunteer pool across the Buloke Shire.

FUTURE DIRECTIONS

- Review of Buloke Shire's Recreation Strategy;
- Further netball court upgrades throughout the Buloke Shire;
- Development of master plans for recreational lakes; and
- Review of committees of management and associated roles and responsibilities for Buloke Shire's buildings and facilities

SWIMMING POOLS

The Swimming Pools Team is responsible for the development, operation and management of Buloke Shire's seven (7) seasonal aquatic facilities.

ACHIEVEMENTS

- Redevelopment of Sea Lake Swimming Pool change facilities;
- Pipe work upgrade and installation of a vinyl liner at Wycheproof Swimming Pool;

- Development of a shade pavilion and solar heating at Donald Swimming Pool;
- Funding secured for the hydraulic upgrade of Sea Lake Swimming Pool including the installation of a vinyl liner;
- Flood repairs completed at Donald and Charlton Swimming Pools;
- Electrical upgrades at Birchip and Donald Swimming Pools; and
- Shade sail upgrades at Donald, Birchip and Charlton Swimming Pools.

CHALLENGES

- Keeping swimming pools open on a regular basis due to ongoing shortages in qualified lifeguards;
- Continued lobbying to State and federal governments for funding opportunities to allow pool upgrades to continue; and
- Increasing patronage to the swimming pools by initiatives such as free swimming, family barbecues and other events.

FUTURE DIRECTIONS

- Implementing a hydraulic upgrade and vinyl liner to Sea Lake Swimming Pool;
- Review of Buloke Shire's swimming pool technical audit and strategy;
- Upgrade of swimming pool plant equipment to ensure ongoing water hygiene and stability; and
- Conversion of pool disinfection systems to a safer and more efficient chemical.



Photo: Donald Swimming Pool pavilion



Photo: Sea Lake Swimming Pool change rooms

ROAD ASSET MANAGEMENT

The Road Asset Management Team is responsible for the planning, prioritisation, design and programming of upgrades to Buloke Shire's road assets.

ACHIEVEMENTS

- Road rehabilitation of sections of Massey-Bangerang Road, Watchupga-Culgoa Road, Wilkur-Watchupga Road and Main Street, Culgoa;
- Forty (40) kilometres of roads sealed;
- Thirty-eight (38) kilometres of sealed road shoulder work completed;
- Gravel resheeting works on Nullawil-Quambatook Road and resheeting works on McLeans Road, Curtis Road and Ingrams Road; and
- Seven hundred and fifty (750) metres of footpath work completed;
- Five hundred (500) metres of kerb and channel works completed;
- Obtained over \$1 million of 'Road to Recovery' funding for various road-related renewal works; and
- Facilitated nine (9) temporary road closures for local community events in the townships of Berriwilllock, Birchip, Charlton, Donald, Sea Lake and Wycheproof.
- Re-development of standard designs and specifications for maintenance and construction works.

CHALLENGES

- The Buloke Shire road network suffered quite a measurable condition decline and life span reduction due to the recent flood events;
- Ensuring ongoing flood repair programs to restore the declined road network condition and related infrastructures back to safe trafficable condition with limited funding;
- Ongoing flood effects significantly widening the capital works renewal funding gap;
- Maintaining and managing the large road network with limited resources;
- Continuously identifying and sourcing external funding to assist with the effective management of roads, footpaths, kerbs, channels and drainage assets; and
- Significant shortages of gravel material in the region due to significant flood reconstruction works.

FUTURE DIRECTIONS

- Review of Buloke Shire's Road Management Plan;
- Review and redevelopment of Buloke Shire's forward capital works program;
- Implementation of standard designs and specifications for road maintenance and road construction works; and
- Commencement of flood repair and reconstruction works across the road network.

PLANT MAINTENANCE AND MANAGEMENT

The Plant Maintenance and Management Team provides plant (machinery and equipment) to the works and construction crew for the purpose of implementing Buloke Shire's maintenance and construction works. This includes maintaining and strategically planning plant requirements.

ACHIEVEMENTS

- Purchase of a new street sweeper, backhoe, sandbagging machine, front end loader, line marker and ride on mower;
- Improvements in inventory control and management of plant related parts; and
- Mentoring, training and the development of two apprentices.

CHALLENGES

- Ensuring maximum usage and minimum downtime of plant to ensure effective and efficient delivery of Council services;
- Continued training of workshop staff to ensure skills are kept up to date with the latest technology and OHS practices; and
- Managing and maintaining the ageing fleet of heavy plant in a manner that produces the best cost-benefit outcomes.

FUTURE DIRECTIONS

- Continued redevelopment of the long-term plant replacement and rationalisation strategy to guide Council's decision making in investing and maintaining in plant;
- Enhanced reporting of activities and actions to the end users of heavy plant; and
- Continued improvement in workflows, procedures and strategic decision making when undertaking proactive and reactive servicing and maintenance of heavy plant.



WORKS AND CONSTRUCTION

PARKS AND GARDENS

The Parks and Gardens Team is responsible for routine, preventative, on-going maintenance and improvements to enhance the viability and vibrancy of all parks, gardens, playgrounds, streetscapes, furniture and public amenities provided by Buloke Shire.

ACHIEVEMENTS

- Replacement of seven (7) wooden seats and four (4) wooden table settings in various parks with new recycled plastic street furniture;
- Continued improvements to streetscapes in all townships across the Buloke Shire;
- New Travellers Rest toilet block, barbecues and gardens in Sea Lake; and
- Nullawil Park improvements including new garden beds, plants, borders, paths, rubbish bins and holders, paving and edges.

CHALLENGES

- Ensuring toilets are maintained, cleaned and presentable to the public at all hours of the day;
- Identifying and implementing new service standards within the Parks and Gardens Team;
- Ongoing funding to continue the beautification and presentation of Buloke Shire's parks and gardens, open spaces, playgrounds and streetscapes; and
- Utilising existing staff to maintain larger workloads due to increasing demands by regulatory bodies and more stable weather patterns.

FUTURE DIRECTIONS

- Staff to work within Buloke Shire's new service standards for parks and gardens. These standards will be monitored and altered to ensure residents and visitors continue to receive well-maintained and clean public conveniences and outdoor areas;
- Additional watering systems in all parks and streetscapes, utilising water re-use systems where possible; and
- Gradually replace all older park furniture with new user friendly recycled plastic units.



Photos: Sea Lake Travellers Rest

URBAN INFRASTRUCTURE

- The Urban Infrastructure Team carries out routine, preventative maintenance and improvements to enhance the visual amenity and vibrancy of urban areas. These include all footpaths, kerbs and channels, urban drainage systems, street furniture, street signage and trees within all townships. The Team also assists with continuous improvements in street, footpath, drainage and streetscape standards set out in Buloke Shire's Road Management Plan.

ACHIEVEMENTS

- Repair and maintenance of drainage systems following floods in the townships of Charlton and Donald;
- Installation of a self-levelling rising pit at the Byrne Street Pond in Donald and the renewal of the walking track around Meyer Island;
- Purchase of a footpath sweeper known as the 'Green Machine', to improve cleaning and maintenance of footpaths and public areas throughout the Buloke Shire;
- Installation of two (2) new stormwater pits in Birchip and Donald;
- Concrete Crew replaced one hundred (100) metres of concrete footpath in Webster Street, Wycheproof, as a part of the Capital Works Program 2011-2012;
- Penfolds Dam in Donald cleared of silt and reeds; and
- Throughout the year across all townships within Buloke Shire the below were completed:
 - Fifty-five (55) kilometres of footpath inspected;
 - Two hundred and forty-nine (249) Customer Requests received;
 - Three (3) kilometres of footpath repaired, to remove tripping hazards;
 - Four hundred (400) metres of smaller sections of footpath replaced;
 - Two hundred (200) metres of smaller sections of kerb and channel replaced;
 - Thirty-nine (39) trees removed;
 - One hundred and fifty-two (152) tree stumps ground out;

- Tree trimming across all streets;
- Installation and maintenance of drainage systems in urban areas;
- Installation of one hundred and twenty (120) fire hydrant guide posts and maintenance of fire hydrant plugs;
- Mowing and slashing of urban areas and approaches to all townships throughout; and
- Twenty-two (22) new stormwater pit surrounds and lids replaced.

CHALLENGES

- Constant maintenance of underground stormwater systems to ensure maximum efficiency at all times;
- Climatic conditions impacting on ground movement under many footpaths, and kerb, channel and stormwater systems; and
- Managing trees that were planted years ago in nature strips that are now causing major problems to Buloke Shire's infrastructure by lifting both footpath and kerbing.

FUTURE DIRECTIONS

- Continually improving road, street, footpath and drainage services and standards;
- Being more proactive than reactive in the urban environment; and
- Upgrade of pump stations at re-use dams in a number of townships to cope with large rain events.



Photo: Buloke Shire's new Green Machine, coming to a street near you.

ROAD SERVICES

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

ACHIEVEMENTS

- A total of 1,964 kilometres of roads graded, comprising:
 - Three hundred and forty-seven (347) kilometres of sealed road shoulders;
 - Six hundred and seventy-seven (677) kilometres of gravel roads;
 - Eight hundred and fifteen (815) kilometres of earth roads;
 - One hundred and twenty-one (121) kilometres of firebreaks; and
 - Four (4) kilometres of other roads;
- Seven hundred and fifty-nine (759) loads carted; and
- Changes to the business model for the Road Patrol as a result of changing work practices and plant improvements.

CHALLENGES

- The September 2010 and January 2011 flood events brought forth significant challenges over the last twelve months resulting in changes to normal work programs;
- Ensuring all rural roads are trafficable for both harvest and cropping seasons and to reopen closed roads as flood water subsided;
- Major plant breakdowns have impacted outputs; and
- Limits to funding availability to renew old and outdated plant equipment.

FUTURE DIRECTIONS

- Continue to improve the rural road network within Buloke Shire;
- Continual training of grader and patrol crews to ensure all work is carried out consistently and effectively; and
- Introduce a fully planned Work Program for all grader and patrol crews with seasonal conditions, staff leave and other considerations taken into account.

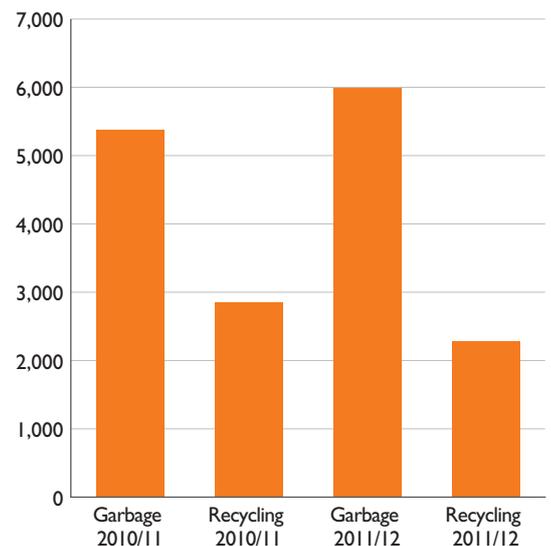
WASTE MANAGEMENT

The Waste and Environment Services Team is responsible for the maintenance and improvement of Buloke Shire's landfills and transfer stations as well as providing residential kerbside garbage and recycling services in all townships within Buloke Shire.

ACHIEVEMENTS

- Ongoing progressive rehabilitation at all Council landfills that complies with Environmental Protection Agency requirements;
- Public Place Recycling Grant received, which incorporated eight (8) new double bin surrounds at Wycheproof, Charlton, Donald and Birchip;
- Draft Waste Strategy developed for the next ten years;
- Upgrades to landfill site offices that comply with WorkSafe standards at Sea Lake Transfer Station and at Culgoa and Donald landfills;
- Final capping and rehabilitation at the old Berriwilllock landfill site completed;
- Drum muster milestone and award for the collection of one million recycled chemical containers throughout the central Murray region, of which Buloke Shire collected 376,033 drums; and
- An increase in the customer satisfaction rating from 74 to 76 (State Government Annual Customer Satisfaction Survey).

**Buloke Shire Waste Collection
(in tonnes) 2010-2011 and 2011-2012**



CHALLENGES

- Limited markets for some waste streams (televisions, computer screens and tyres);
- Reduced burning of green waste resulting in a need to turn product in to reusable mulch;
- Upgrading infrastructure at landfills for increasing deposits of comingled recyclable materials;
- Providing a consistent service at all Council landfills and Sea Lake Transfer Station;
- Reduction in waste to landfills with the view of encouraging recycling;
- Reducing the airborne litter contamination at all Council landfills; and
- Contamination rate of recycling bins has risen slightly from 6% of garbage in the recycle bins to 8%, with a challenge being to get the figure down to 5%.

FUTURE DIRECTIONS

- Converting landfills with limited space into transfer stations;
- Sourcing grant funding to improve infrastructure at Buloke's landfills; and
- Converting green waste into a reusable product.



Photo: New office at the Charlton landfill



Photo: Public place recycling bins



Photo: Final capping and rehabilitation at the old Berriwillock landfill



Photo: Waste audit conducted in Wycheproof

FINANCE

Finance encompasses the areas of financial reporting, rates, debtors and creditors.

ACHIEVEMENTS

- Council land and buildings were re-valued during 2011-2012 and the outcome of this is reflected in the 2011-2012 Financial Statements;
- Improvements have continued to be made to management reporting practices in line with recommendations from the Audit Advisory Committee and as a result of an internal audit review. New report formats were introduced as part of the April 2012 reporting cycle and further adjustments made as feedback was received from Councillors and the Audit Advisory Committee;
- A new structure for Council's chart of accounts was implemented from 1 July 2011. This necessitated changes to internal reporting systems. The BIS (Business Information System) software was reconfigured to improve reporting capacity and allow better budget management and control. All department heads and managers now have access to their year to date operating results and budget comparatives online;
- The audit process for the 2010-2011 Annual Accounts proceeded well and there was a further reduction in the number of items identified that require follow-up action;
- Internal audit completed a review of the integrity of the new chart of accounts and financial reporting standards;
- A new Senior Finance Officer was appointed as part of a succession plan to ensure continuity of finance skills are maintained as a senior member of the Department approaches retirement; and
- The Audit Advisory Committee met on four occasions during the year. Mr Ian Cuthbertson continues as chair of the Committee. Mr Geoffrey Ballard and Mr Eugene Sibelle retired from the Committee.

CHALLENGES

- As reported elsewhere in this document Council's 2010-2011 Annual Accounts were qualified by the Victorian Auditor-General's Office (VAGO) on the basis of a concern with Council's capacity to trade as a going concern. The qualification has resulted in a wide-ranging review of internal management and control systems, particularly in terms of management reporting structures, medium- to long-term financial planning, cash flow management and financial forecasting. Further improvements are proposed for 2012-2013 when the outcome of a review of Council's financial capacity, instigated by the Minister for Local Government, is completed; and
- Council participated in a sector-wide review, 'Fraud Prevention Strategies in Local Government', conducted by the VAGO. The review identified a number of potential weaknesses in internal control systems and actions have been taken to address these. Not all of the recommendations will be taken up immediately as some require the commitment of resources which Council does not have access to at this time.

FUTURE DIRECTIONS

- Continued improvement to financial forecasting and reporting will be a priority for 2012-2013;
- Council is required to prepare a new Council Plan following the October 2012 elections and preparation of the Strategic Resource Plan that forms part of that Council Plan will be an important task in 2012-2013 and into 2013-2014, particularly given the questions raised in 2010-2011 concerning Council's financial capacity;
- Further action to implement the recommendations from the VAGO report on fraud prevention will be a continuing focus of activity for the Department. The preparation of a Fraud Management Plan will be completed in 2012-2013; and
- A total review of all finance policies will be undertaken following the Council elections in October 2012.

PROGRESS AGAINST THE COUNCIL PLAN 2009-2013

STRATEGIC OBJECTIVES, STRATEGIES, STRATEGIC INDICATORS AND PERFORMANCE MEASURES FOR 2011-2012

Every four years, in line with Council elections, the Council develops a four-year Plan. The Plan provides information on Council's activities, including everything from rates to roads to children's services. The Plan also details how the Buloke community can measure Council's progress in delivering the proposals set out in the Plan.

I. OUR COMMUNITY

Strategic statements:

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

2011-2012 Strategic Indicator	Performance Measure	Performance Target	Outcome	Status
Community satisfaction with Council's overall performance	Maintain satisfaction	65	62*	Target not met
Community satisfaction with Council's engagement in decision making on key local issues	Maintain satisfaction	63	66*	Target met and exceeded
Increase in the annual number of visits recorded to Council's website	Increase site visitations	6,000	19,384	Target met and exceeded
Average number of Home and Community Care hours of service provided per month	Increase in annual hours of service	1,265	1,389	Target met and exceeded
Community satisfaction with Health and Human Services	Maintain satisfaction	75	80*	Target met and exceeded
Number of grants applied for or facilitated by Council staff annually	Number of grant applications Maintained or increased	23	66	Target met and exceeded
Total value of grants applied for or facilitated by Council staff annually	Value of grant applications Maintained or increased	\$4.25 M	\$20.5 M	Target met and exceeded

* Please note that comparisons should not be made with Community Satisfaction Survey results from 2011 and prior. As a result of feedback from extensive consultations with councils, in 2012 there have been necessary and significant changes to the methodology and content of the survey which make comparisons invalid. As such, the results of the 2012 Community Satisfaction Survey should be considered as a benchmark. Tracking comparisons will be possible in the future years.

2. OUR LOCAL ECONOMY

Strategic statements:

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

2011-2012 Strategic Indicator	Performance Measure	Performance Target	Outcome	Status
Number of jobs in Buloke	Number of jobs maintained or increased	2,646	2,646	Target met
Number of local workforce employed in Buloke jobs	Number of local workforce employed in Buloke maintained or increased	2,403	2,403	Target met
Number of regional workforce employed in Buloke jobs	Number of local workforce from within the region maintained or increased	243	243	Target met
Community satisfaction with economic development	Maintain satisfaction	58	62*	Target met and exceeded
Total participants in local economy support events	Number of participants maintained	350	610	Target met and exceeded
Level of commercial and industrial development within the Buloke Shire	Value of building approvals maintained or increased	\$2.20 M	\$0.928 M	Target not met

* Please note that comparisons should not be made with Community Satisfaction Survey results from 2011 and prior. As a result of feedback from extensive consultations with councils, in 2012 there have been necessary and significant changes to the methodology and content of the survey which make comparisons invalid. As such, the results of the 2012 Community Satisfaction Survey should be considered as a benchmark. Tracking comparisons will be possible in the future years.

3. OUR BUILT ENVIRONMENT

Strategic statements:

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

2011-2012 Strategic Indicator	Performance Measure	Performance Target	Outcome	Status
Community satisfaction with town planning and policy approvals	Maintain satisfaction	61	62*	Target met and exceeded
Community satisfaction with recreational facilities	Maintain satisfaction	71	72*	Target met and exceeded
Customer satisfaction with local roads and footpaths	Maintain satisfaction	47	59*	Target met and exceeded
Community satisfaction with the appearance of public areas	Maintain satisfaction	69	76*	Target met and exceeded
100% of planning applications processed within the statutory limit	No applications outside of statutory limit	100%	98%	Target not met
Average number of service requests and work orders received per month	Number of requests received increased	245	219	Target not met

* Please note that comparisons should not be made with Community Satisfaction Survey results from 2011 and prior. As a result of feedback from extensive consultations with councils, in 2012 there have been necessary and significant changes to the methodology and content of the survey which make comparisons invalid. As such, the results of the 2012 Community Satisfaction Survey should be considered as a benchmark. Tracking comparisons will be possible in the future years.

4. OUR NATURAL ENVIRONMENT

Strategic statement:

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

2011-2012 Strategic Indicator	Performance Measure	Performance Target	Outcome	Status
Town garbage collection, measured as kilograms per household	Decrease in kilograms collected per household	690 kilograms	483 kilograms	Target met and exceeded
Recyclables collection, measured as kilograms per household	Increase in kilograms collected from household	280 kilograms	272.6 kilograms	Target not met
Energy usage figures MW	Reduction in energy, water, petrol, diesel and LPG gas usage	Energy 0.267500 MW	Energy 863.5 MW	Energy Target not met
Water – ML		Water 0.65500 ML	Water 87.7 ML	Water Target not met
LPG – L		Petrol 79,184 L	Petrol 92,333 L	Petrol Target not met
Petrol – L		Diesel 476,969 L	Diesel 453,989 L	Diesel Target met
Diesel – L		LPG 61,336 L	LPG 60,758 L	LPG Target met

5. OUR PEOPLE AND ORGANISATION

Strategic statements:

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

2011-2012 Strategic Indicator	Performance Measure	Performance Target	Outcome	Status
Conduct regular Audit Committee meetings	Minimum four meetings per year	4	4	Target met
Level of rates levied (rates per assessment) compared with neighbouring municipalities	Current ratio maintained or reduced	102%	106%	Target not met
Community satisfaction with the advocacy performance of Council	Maintain satisfaction	68	62*	Target not met
Community satisfaction with Council's interaction and responsiveness in dealing with the public	Maintain satisfaction	72	80*	Target met and exceeded
Number of workforce entry-level positions (traineeships, apprenticeships, students and graduates)	Number of positions available annually maintained or increased	6	15	Target met and exceeded

* Please note that comparisons should not be made with Community Satisfaction Survey results from 2011 and prior. As a result of feedback from extensive consultations with councils, in 2012 there have been necessary and significant changes to the methodology and content of the survey which make comparisons invalid. As such, the results of the 2012 Community Satisfaction Survey should be considered as a benchmark. Tracking comparisons will be possible in the future years.





THE COUNCIL

Buloke Shire is the local government body responsible for the Buloke municipality. The Council consists of a Mayor, Deputy Mayor and five (5) Councillors.

THE COUNCIL'S ROLE

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

BULOKE SHIRE COUNCIL:

- Acts as a representative Government and considers community needs when making decisions;

- Establishes strategic objectives for municipal services and monitors their achievement;
- Ensures the responsible and accountable management of the Council's resources;
- Advocates local community interests to other communities and Governments;
- Provides fair and equitable representation of constituents;
- Is a responsible partner in Government, taking the needs of other communities into account;
- Fosters community cohesion and encourages participation in civic life;
- Manages community assets; and
- Enforces by-laws.

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

MT JEFFCOTT WARD



Councillor Leo Tellefson
DEPUTY MAYOR
M: 0427 320 166
E: crtellefson@buloke.vic.gov.au



Councillor Harold Flett
M: 0408 128 247
E: crflett@buloke.vic.gov.au



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

LOWER AVOCA WARD



Councillor David Pollard
MAYOR
M: 0458 918 638
E: crpollard@buloke.vic.gov.au



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

MALLEE WARD

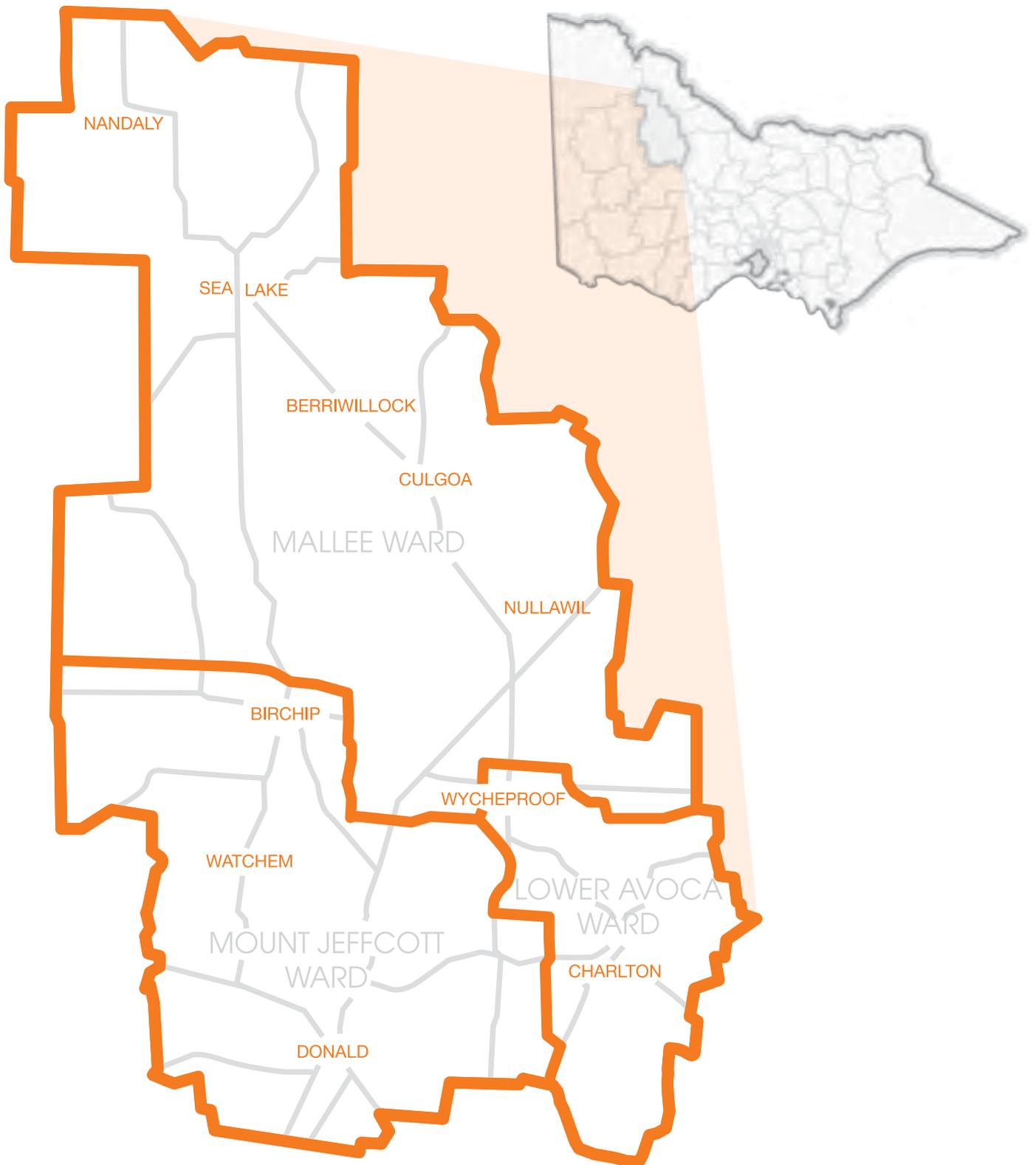


Councillor Ellen White
M: 0417 560 706
E: crwhite@buloke.vic.gov.au



Councillor Reid Mather
DEPUTY MAYOR
M: 0438 306 259
E: crmather@buloke.vic.gov.au

COUNCIL MAP



CORPORATE GOVERNANCE

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

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

COUNCIL CODE OF CONDUCT

Buloke Shire reviewed its Code of Conduct in 2011-2012. A revised Code of Conduct (incorporating Caretaker Statement) was adopted by Council in June 2012. The Code of Conduct sets out guidelines within which Councillors, Council staff and Council representatives must operate. The Code also outlines behaviours and actions, which will reduce the risk of corruption or misuse of Council assets, including information.

The Code is a key component of the Buloke Shire's commitment to open and accountable governance.

COUNCIL MEETINGS

Buloke Shire conducts its business in open and publicly advertised meetings. In 2011-2012 there were eleven (11) Ordinary Meetings and seven (7) Special Meetings. These meetings are held on a rotating basis in each major town within the Shire.

Councillor attendance 1 July 2011–30 June 2012	Ordinary Meeting	Special Meeting
Number of meetings held	11	7
Councillor David Pollard (Mayor)	11	7
Councillor Leo Tellefson (Deputy Mayor)	10	5
Councillor Gail Sharp	9	6
Councillor Ellen White	10	4
Councillor Stuart McLean	11	7
Councillor Reid Mather	10	5
Councillor Harold Flett	10	6

* Listed above is the number of meetings attended by each individual Councillor.

COUNCILLOR ALLOWANCES

The *Local Government Act 1989* (Victoria), regulates the allowance 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 allowable range, determine the allowances it will pay to its Mayor and Councillors, having regard to the local situations and priorities.

The Mayoral annual allowance for the 2011-2012 financial year was \$45,057.56. The Mayor also has use of a Council-funded mobile phone, a fully maintained vehicle for use on Council business and a laptop computer with intranet and internet access.

The Councillors' annual allowance for the 2011-2012 financial year was \$16,166.18, with the exception of the Deputy Mayor's being \$19,607.17. Councillors also have the use of a Council-funded mobile phone, access to a fully maintained vehicle for use on Council business and a laptop computer with intranet and internet access.

In addition, Councillors are entitled to claim some expenses they have incurred in their capacity as a Councillor. Buloke Shire is committed to publishing Councillors' expenses in the Annual Report to ensure greater transparency to the Buloke community (please refer to table on page 35).

Councillor	Mobile telephone and information technology	Professional development	Forums and conferences	Travel reimbursements	Total
Cr David Pollard	\$2,666.45	\$1,358.40	\$175.00	vehicle provided	\$4,199.85
Cr Leo Tellefson	\$4,034.50	\$0.00	\$3,018.45	access to Council vehicle	\$7,052.95
Cr Gail Sharp	\$312.22	\$0.00	\$0.00	minimal access to Council vehicle	\$312.22
Cr Ellen White	\$1,043.05	\$0.00	\$0.00	access to Council vehicle	\$1,043.05
Cr Stuart McLean	\$3,328.03	\$0.00	\$373.10	access to Council vehicle	\$3,701.13
Cr Reid Mather	\$374.17	\$0.00	\$0.00	\$4,900.40*	\$5,274.57
Cr Harold Flett	\$1,579.89	\$0.00	\$2,268.60	access to Council vehicle	\$3,848.49
Total	\$13,338.31	\$1,358.40	\$5,835.15	\$4,900.40	\$25,432.26

*Cr Mather did not have access to a Council-provided vehicle for the financial year.

COUNCIL REPRESENTATION ON COMMITTEES

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

Committee Appointments	Councillor
Central Murray Waste Management Group	Cr Tellefson
Wimmera Regional Library Corporation	Cr White
North West Municipalities Association	Mayor and Cr Mather
Sea Lake Community Complex Committee	Cr White
Buloke Network	Cr Sharp and Cr Tellefson
Wimmera Regional Transport Group	Cr Flett
Municipal Association of Victoria	Mayor and Cr Mather
Workplace Australia	Cr Tellefson
Livestock Saleyards Association of Victoria (Mallee Region)	Cr McLean
Victorian Feedlot Committee (MAV/State Government-appointed)	Cr McLean
North Central Local Learning Employment Network	Cr Sharp
Country Fire Authority (Municipal Fire Management Planning Committee)	Mayor and Cr Tellefson
Calder Highway Improvement Committee	Mayor
Central Victorian Greenhouse Alliance	Cr Tellefson
Sunraysia Highway Improvement Committee	Cr Flett
Heritage Committee	Mayor, Cr White and Cr Sharp
Business Excellence Awards Steering Committee	Cr McLean, Cr White and Cr Tellefson
Australian Local Government Women's Association	Cr White and Cr Sharp
Electric Line Clearance Consultative Committee	Cr McLean
Charlton Stadium Committee	Mayor
Lake Batyo Catyo Rich Avon Weir Management Group	Cr Flett
Buloke and Northern Grampians Landcare Network	Cr Tellefson

Committee Appointments	Councillor
Wimmera Mallee Sustainability Alliance	Cr Tellefson
Murray Mallee Regional Transport Strategy Study	Mayor and Cr Flett
Recreational Water Users Alliance	Cr Sharp
Rural Councils Victoria	Cr Tellefson
Alliance of Councils for Rail Freight Development	Mayor
The Charlton Information Resource Centre and Learning Environment (CIRCLE)	Cr White

AUDIT ADVISORY COMMITTEE

MEMBERS

September and November 2011 Meetings

- Mr Ian Cuthbertson (Chair)
- Cr Leo Tellefson
- Mr Eugene Sibelle
- Mr Geoff Ballard

MEMBERS

February and May 2012 Meetings

- Mr Ian Cuthbertson (Chair)
- Cr David Pollard
- Mr Tom Evans
- Mr Brian Keane
- Ms Jessica Alder

The Audit Advisory Committee met on four (4) occasions during the financial year. Mr Ian Cuthbertson continues as Chair of the Committee. Mr Geoffrey Ballard and Mr Eugene Sibelle have retired from the Committee and Buloke Shire is very appreciative of the valuable contributions these members have made during their term on the Committee.

New members were appointed to the Audit Advisory Committee. Mr Tom Evans, Mr Brian Keane and Ms Jessica Alder are welcomed aboard and all bring with them a wealth of public sector and private sector financial knowledge.

STATUTORY OFFICERS

Chief Executive Officer	Warwick Heine
Protected Disclosure Officer	Warwick Heine
Protected Disclosure Officer	Gaynor Doreian
Principal Accounting Officer	Bill Ryan
Councillor Conduct Panel Registrar	Gaynor Doreian
Freedom of Information Officer	Naomi Grant
Municipal Emergency Response Officer	Wayne Wall
Municipal Emergency Recovery Coordinator	Naomi Grant
Municipal Fire Prevention Officer	Wayne Wall
Environmental Health Officer	Kia Grieves
Municipal Building Surveyor	Terry Hall

WHISTLEBLOWER PROTECTION ACT 2001 (VICTORIA)

The *Whistleblower Protection Act 2001 (Victoria)* came into effect on 1 January 2002. Its purpose is to encourage and facilitate the disclosure of improper conduct by Councillors and Council Officers. The Act also provides protection for persons making disclosures who may suffer reprisals as a result of their actions. Buloke Shire recognises the value of transparency and accountability in its administrative and management practices and supports the making of a disclosure.

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

registers, annual reports, corporate plans, yearly financial statements and Council budgets.

PROCEDURES FOR REQUESTING ACCESS TO A DOCUMENT

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

Freedom of Information	2009 -2010	2010 -2011	2011 -2012
Total number of requests	2	2	2
Access granted in full	1	1	1
Access granted in part	0	0	0
Other	0	0	1
Access denied in full	0	0	0
Requests still under consideration	1	1	1
Number of internal reviews sought	0	0	0
Number of appeals lodged with the Administrative Appeals Tribunal	0	0	0
Total Charges Collected	\$46.80	\$23.90	\$24.40

INFORMATION PRIVACY ACT 2000 (VICTORIA)

Standards set out by the *Information Privacy Act 2000* (Victoria) control how we manage personal information. The *Privacy Act 1988* (Commonwealth) and *Health Records Act 2001* (Victoria) also include privacy principles that relate to the collection, use and disclosure of information. Privacy compliance is included in the Code of Conduct and the induction program for Council staff, which includes the signing of a Privacy and Confidentiality Agreement. Buloke Shire is committed to ensuring full compliance with the privacy principles contained in the legislation, together with the responsible management of any personal information or health information.

FREEDOM OF INFORMATION

The *Freedom of Information Act 1982* (Victoria) provides the public with access to Buloke Shire's documents.

MATERIAL PREPARED BY COUNCIL

The public may inspect, free of charge all the information prescribed under Part 10 of the Local Government Regulations 1990, including Buloke Shire agendas and minutes, planning schemes, local laws, pecuniary interest register, town planning

INFORMATION AVAILABLE FOR INSPECTION

- Details of current salaries and allowances fixed for Buloke Shire Councillors;
- Details of Senior Officers' gross salaries, allowances and other benefits for the current financial year and two previous financial years;
- Details of overseas or interstate travel (with the exception of interstate travel to a neighbouring municipality undertaken in an official capacity) for Councillors and any member of Council staff in the previous twelve months;
- Names of Council Officers who were required to submit a Return of Interest during the financial year and the dates the returns were submitted;
- Agendas and minutes of Ordinary and Special Council Meetings kept under Section 93 of the *Local Government Act 1989* (Victoria) except where such minutes relate to parts of meetings that have been closed to members of the public under Section 90 of the Act;

- A list of all major Committees established by Buloke Shire and the purpose for which each Committee was established;
- A list of all major Committees established by Buloke Shire which were abolished or ceased to function during the financial year;
- Minutes of meetings of Special Council Committees established under Section 86 of the *Local Government Act 1989* except where such minutes relate to parts of meetings that have been closed to members of the public under Section 89 of the Act;
- Application for enrolment on the voters' roll under Section 12 and 13 of the *Local Government Act 1989* for the immediate past roll and the next roll being prepared;
- Register of delegations kept under Section 87, Section 88 and Section 98 of the *Local Government Act 1989*;
- Submissions received under Section 223 of the *Local Government Act 1989* during the previous twelve months;
- Agreements to establish regional corporations under Section 197 of the *Local Government Act 1989*; and
- Register of Authorised Officers appointed under Section 224 of the *Local Government Act 1989*.

RISK MANAGEMENT

Buloke Shire maintains an effective risk management program to ensure that exposure to operational, legal, material, contractual and financial risks are minimised. It is a requirement of Council's insurers that appropriate risk management processes and practices are implemented throughout Council to minimise its exposure to asset and public liability insurance claims. Risk management planning and activities are done as a Shire-wide exercise, encompassing enterprise risks, which include major risks that have the ability to significantly affect Council's ability to achieve its strategic outcomes, in addition to operational risks which are focussed on individual functions and departments.

Buloke Shire complies with its obligations under the *Local Government Act 1989* (Victoria) and maintains the risk management practices, principles and procedures, with reference to the Australian Standard AS/NZS ISO 31000:2009, which address the process of risk identification, risk control, risk evaluation, risk treatment and risk financing.

Buloke Shire is committed to continuous improvement and ensuring that controls are regularly reviewed to mitigate any risk.

In early 2012 Liability Mutual Insurance (LMI) conducted a Public Liability and Professional Indemnity Audit for 2010-2012 to rate Council's exposure to public liability risk. Council received an overall final score of 57%. The Audit identified that Council has implemented strong risk management systems both at an organisational level and in selected operational areas, including Food Safety and Town Planning. However, a need for further improvements in areas including Building Essential Safety Measures, and Road and Footpath Management were identified. A number of action plans have been developed to address specific areas and form part of larger projects currently being undertaken by Buloke Shire.

In addition, a Victorian Auditor-General's Office (VAGO) Performance Audit in 2011-2012 analysed fraud risks to Council and the associated reports captured the existing controls and also identified the control weaknesses. A comprehensive review of Buloke Shire's Fraud Prevention Policy and framework to comply with Australian standards and industry best practice resulted in an expansion of fraud and corruption-specific risk assessments of higher risk areas across Council, and the further development of a Fraud Risk Register, incorporating additional risk mitigation and action plans.

Buloke Shire will continue to regularly review the risks and implement appropriate additional controls, where appropriate.

ACHIEVEMENTS IN 2011-2012 INCLUDED:

- Staff development and training, including succession planning and involvement in seminars and forums, including those with an industry-specific risk management focus;
- Expansion of the risk management component of the staff induction program, including identification and explanation of risk management principles together with identification of major areas of risk to Council. In addition, a Fraud Awareness and Whistleblower training package has been developed and subsequently incorporated into the induction program;
- Completion of various audits including insurance audits and the VAGO Audit;

- Involvement with the Audit Committee and their internal audit program, which incorporates a review of the Buloke Shire's Risk Management Policy, framework and strategies;
- Development of an effective risk management culture across the organisation, including project-based risk management which has included risk assessments for specific events or programs and the reporting of relevant statistics and information specific to each department;
- Introduction of a quarterly risk management newsletter, 'RiskFactor', which is distributed to all staff. This initiative was developed to assist staff in identifying a number of areas of risk management and increasing understanding of risk issues across the Shire. The newsletter further aims to improve employee safety and assist staff to use risk management tools to avoid potential mistakes, uncover opportunities and also manage scarce resources;
- Ongoing development of Buloke Shire's Corporate Risk Register to assist Council in maintaining a risk management framework that achieves best practice in managing risks associated with Council's business activities;
- Continued evolution of the Occupational Health and Safety Committee, including regular reporting; and
- Continued review and development of risk management and reporting systems.

BUSINESS CONTINUITY PLANNING

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

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 with minimal disruption to stakeholders, should they be disrupted in any way.

MUNICIPAL EMERGENCY MANAGEMENT

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

Buloke Shire has a Municipal Emergency Management Plan that documents the requirements and procedures for emergency operations within the municipality. The aim of the Plan is to ensure an effective and coordinated response to minimise the effects of an emergency situation and to enable the community to recover from that emergency.

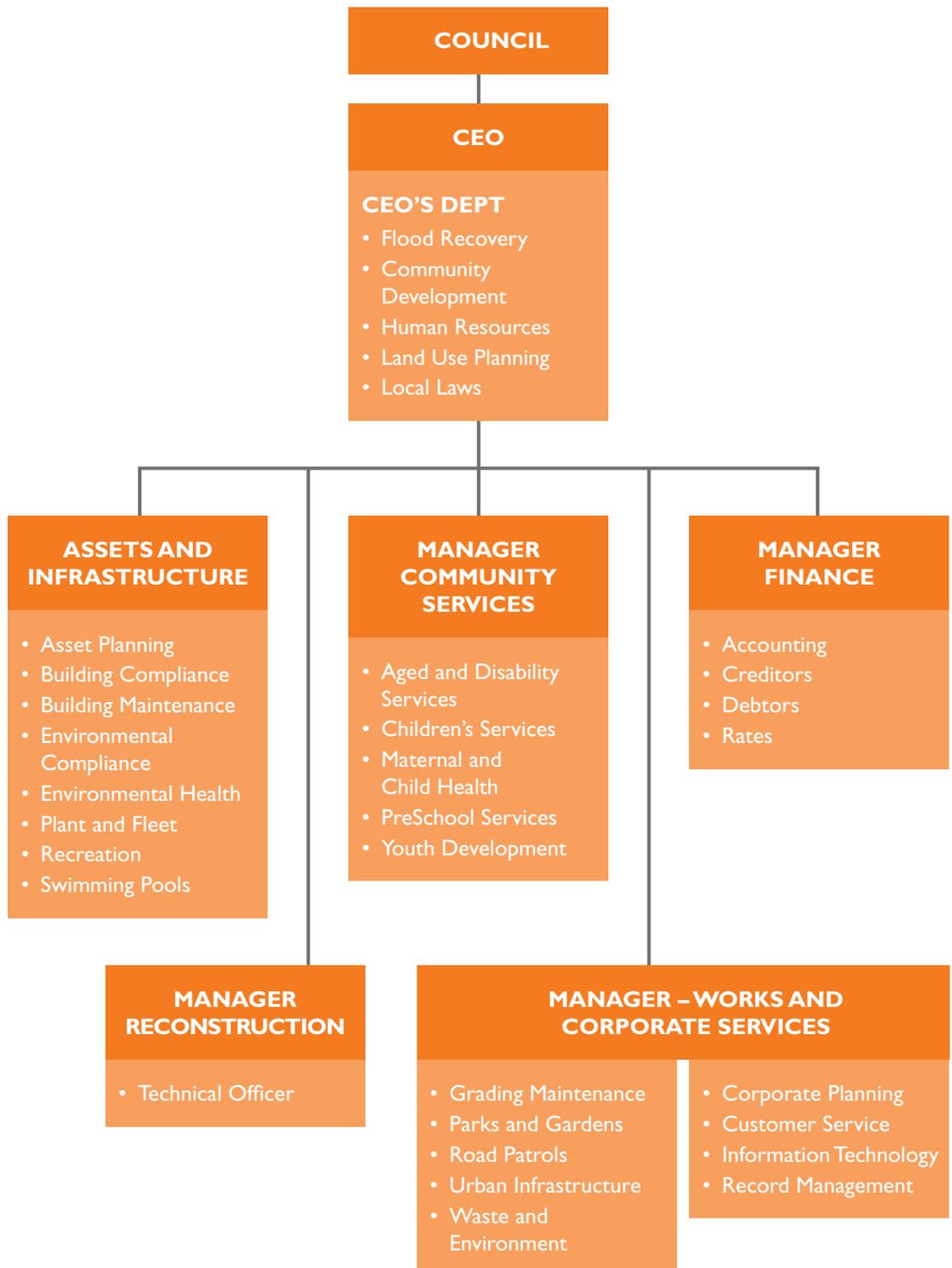
Currently, Buloke Shire's Emergency Management Plan is in the process of a review to ensure that the Plan will comply with and meet all legislative and audit requirements. As a part of the process a Municipal Flood Emergency Plan must also be developed. In August 2012 Council adopted the Municipal Fire Management Plan as a sub-plan of the Municipal Emergency Management Plan.

The Municipal Emergency Management Committee is responsible for undertaking annual reviews of the Municipal Emergency Management Plan to ensure that the Plan is kept up to date with any changes or other amendments that are required.

OUR ORGANISATION

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 (20) other locations in Birchip, Charlton, Donald and Sea Lake. These services include Maternal and Child Health Centres, childcare centres, depots and swimming pools.

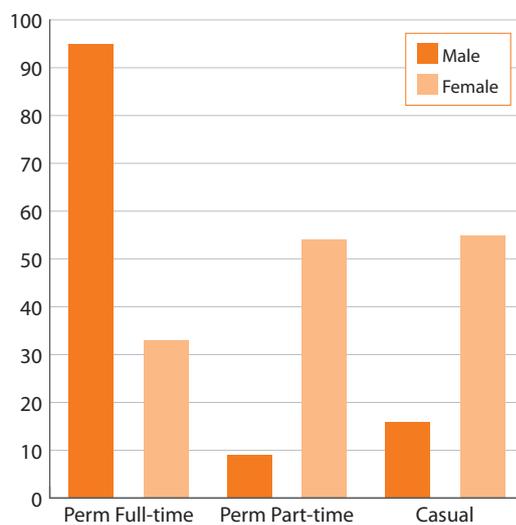


EMPLOYEE STATISTICS

	Male	EFT	Female	EFT	Total	EFT
Full-time	95	86	33	33	128	119
Part-time	9	2.95	54	21.3	63	24.3
Casual	16	1.91	55	6.95	71	8.8

EFT=Equivalent Full Time

Employees by Gender



During the course of 2011-2012, thirty-eight (38) positions were advertised with an average of 7.03 applicants per position. The majority of these vacancies were in direct relation to flood recovery positions and the recruitment of long-term vacant positions, including specialist and technical positions.

Service Milestones

Twenty-three (23) staff achieved service milestones of 5, 10, 15 or 20 years. Service milestone staff have been recognised for their achievements and contribution to the Buloke Shire.

5 Years of Service	Eight (8) staff members
10 Years of Service	Two (2) staff members
15 Years of Service	Three (3) staff members
20 Years of Service	Ten (10) staff members

EQUAL OPPORTUNITY

Buloke Shire is committed to providing workplace harmony and refuses to tolerate workplace harassment or any form of discrimination or offensive behaviour. To assist staff in identifying what their rights are and how they can recognise problems in the workplace and community Council, in conjunction with the Victorian Equal Opportunity and Human Rights Commission, provides training to all Buloke Shire employees on Human Rights Charter awareness.

Buloke Shire 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.

Buloke Shire's Human Resource Officer is the Equal Opportunity contact who is able to assist with resolving problems to create workplace harmony, positive morale and a productive environment for all.

HEALTH AND SAFETY

The Buloke Shire manages risk and occupational hazards by continuously improving its work environment and OHS management system.

Initiatives in 2011-2012 included training provided to management and staff which covered a number of areas including traffic management, traffic control, bullying and harassment, electrical spotting, first aid, and health and safety representation.

Workplace Incidents

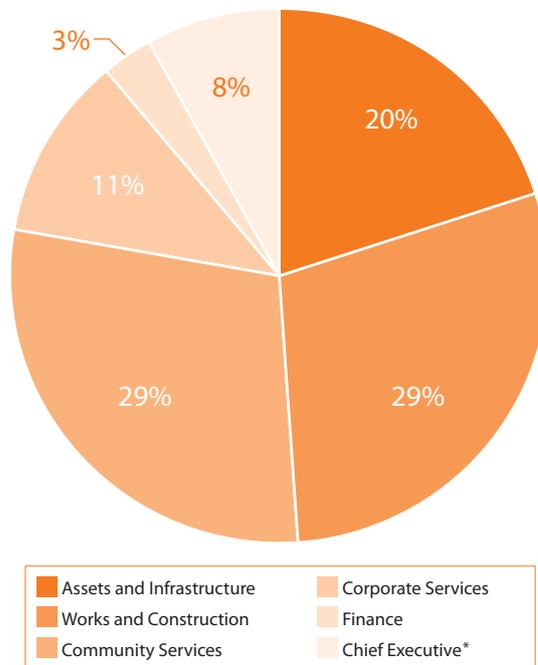
2010-2011	2011-2012	Result
69	51	Decrease

EMPLOYEES BY DEPARTMENT

Department	Employees
Assets and Infrastructure	52
Works and Construction	77
Community Services	76
Corporate Services	30
Finance	7
Chief Executive (incorporates Procurement, Economic Development, Community Development, Statutory Planning, Human Resources and Municipal Flood Recovery)	20

Absenteeism	2010-2011	2011-2012
Lost time injuries	8 injuries	10 injuries
Number of days lost to injury	386 days	385.28 days
Absence due to illness	1,257 days	1,311 days

Employees by Department



* Incorporates Procurement, Economic Development, Community Development, Statutory Planning, Human Resources and Municipal Flood Recovery.

N.B. Employees by Department Pie Chart includes casual staff.

WORKERS' COMPENSATION

Financial Year	Standard Claims	Minor Claims	Premium (\$)	Change in Premium on past year (%)
2011-2012	3	4	\$295,571.83	-22%
2010-2011	6	5	\$380,648.00	+19%
2009-2010	2	1	\$318,538.66	+23%
2008-2009	9	2	\$260,006.12	+8%

COMMUNITY GRANTS AND DONATIONS

Community grants, donations and contributions are made for programs, projects and activities that enrich and promote the community both personally and economically. Contributions include membership of advocacy and peak organisations with specific relevance to Buloke Shire and/or the local community. The following grants, donations and contributions were made during the 2011-2012 financial year.

Description	Recipient/Organisation	Amount (\$)
Advance Sea Lake	Christmas Promotion	500.00
Altona Crafters	Donation – Hall Hire fee	160.00
Berriwillock Recreation Reserve	Council Contribution 2010/2011	6,500.00
Berriwillock Community Development	*2009/2010 Council Contribution	200.00
Berriwillock Community Development	*2010/2011 Council Contribution	200.00
Birchip Business and Learning Centre	Donation – Hall Hire fees	250.00
Birchip Community Forum	Christmas Promotion	500.00
Birchip Community Forum	*2009/2010 Council Contribution	1,000.00
Birchip Community Forum	*2010/2011 Council Contribution	1,000.00
Birchip Flower Show	Donation – Hall Hire fee	360.00
Birchip Leisure Centre	Council Contribution	32,100.00
Birchip P-12 School	Mental Health Week Donation	200.00
Birchip P-12 School	2011 Awards Night Donation Birchip P12	100.00
Birchip Quarter Horse	Event Donation	212.45
Birchip Racing Club	2011 Event Sponsorship	500.00
Birchip Senior Citizens Club	Seniors Week Grant 2011	315.00
Birchip Senior Citizens Club	2011 Christmas Function	500.00
Birchip SES	Council Contribution	12,630.00
Bruce The Plumber	New Business Final Incentive	250.00
Buloke and Northern Grampians Landcare Network	Landcare support 2011-2012	5,000.00
Cabaritta CWA	Donation – Australia Day Breakfast – Charlton	299.04
Central Murray Regional Waste Management Group	Contribution-Central Murray Kerbside Pride Project	1,000.00
Central Murray Regional Waste Management Group	Contribution 2011/2012 Year	3,850.00
Charlton A & P Society Inc.	Council Contribution	100.00
Charlton Art Show	Council Contribution – Hall Hire fees	800.00
Charlton Chamber of Commerce	Christmas Promotion	500.00
Charlton College	2011 Awards Night Donation Charlton P12	100.00
Charlton College	L2P Project Contribution	12,000.00
Charlton Forum	Council Contribution	1,000.00
Charlton Golf Club	Event Donation	500.00
Charlton Harness Racing Club	2012 Event Sponsorship	500.00
Charlton Melbourne Cup Celebration	Council Contribution	895.00
Charlton Old Time Dance	Donation – Hall Hire fee	45.00
Charlton Old Time Dance Club Inc.	Donation – Hall Hire fee	160.00
Charlton Parks Committee	Council Contribution	36,400.00

Description	Recipient/Organisation	Amount (\$)
Charlton Rotary Club	Donation – Hall Hire fees	170.00
Charlton Rotary Club	Sponsorship Art Show 2012	100.00
Charlton Senior Citizens Club	Seniors Week Grant 2011	315.00
Charlton Senior Citizens Club	2011 Christmas Function	500.00
Circle Charlton-Insurance Information Day 15 July	Donation – Hall Hire Fees	40.00
City of Greater Bendigo	RSP Stakeholder Engagement 1 Yr Contribution	1,500.00
CJ & ME Cullen & VWR & JM Burton	2011/2012 Rate Incentive Prize	300.00
Community Leadership Loddon Murray	Council Contribution	14,000.00
Culgoa Recreation Reserve Committee of Management	Council Contribution	6,500.00
Culgoa Senior Citizens Club	Seniors Week Grant 2011	315.00
CWA East Wimmera Group	Donation – Hall Hire fees	750.00
Donald 2000	*2009/2010 Council Contribution	1,000.00
Donald 2000	*2010/2011 Council Contribution	1,000.00
Donald 2000 Committee	Walking Track Donation	800.00
Donald Chamber of Commerce	Christmas Promotion	500.00
Donald Christmas Promotion	Donation – Water tanker use	275.60
Donald High School	2011 Awards Night Donation Donald High	100.00
Donald Hockey Club	Donation – Grader work	280.00
Donald Lake	Donation – Refill contribution	1,382.70
Donald Lions Club	Donation – Hall hire fee	250.00
Donald P & A Society Inc.	Council Contribution	100.00
Donald P & A Society Inc.	Council Contribution	100.00
Donald P & A Society Inc.	Donation – Portable Toilet Hire	2,450.00
Donald Playgroup	Donation – Pavers	150.00
Donald Race Committee	Council Contribution	500.00
Donald Recreation Reserve Committee	Council Contribution	43,700.00
Donald RSL Ladies Aux	Donation – Hall hire fees	100.00
Donald Senior Citizens Club	Seniors Week Grant 2011	315.00
Donald Senior Citizens Club	2011 Christmas Function	500.00
Dr Louise Bibby	New Business Final Incentive	250.00
Dyall Custom Fabrication	New Business Incentive Payment	250.00
East Wimmera Health Service	Donation – Signage contribution Murray to Moyne	500.00
East Wimmera Health Service	Donation – Hall Hire fees	605.00
EWHS-Community Kitchen	Donation – Hall Hire fees	600.00
Flood Event 2011-Community Events	Council Contributions – Flood Events	24,400.00
Goodwin Homes	Donation – Grader Work	474.00
Great Grains Festival Wycheproof	Donation – Event Running Costs	2,712.00
GWM Water	Contribution – Water supplied to Green Lake	9,361.65
Horsham RSL	Donation – Function Members Lounge	116.27

Description	Recipient/Organisation	Amount (\$)
Kaneira Hotel-Christmas Event	Christmas Party Senior Citizens	431.80
LMCL Program Inc.	Contribution – Leadability Program for Women	500.00
Mt Wycheproof and District Racing Club	2011 Event Sponsorship	500.00
Mt Wycheproof Cup Art and Craft Show	Council Contribution – Hall hire fees	1,750.00
Municipal Association of Victoria	Contrib-Rural Councils Victoria Program	2,000.00
Nandaly Public Hall and Recreation Reserve	*2009/2010 Council Contribution	5,000.00
Nandaly Public Hall and Recreation Reserve	*2010/2011 Council Contribution	5,000.00
NCCMA Community Consultation	Donation – Hall Hire fees	170.00
Nullawil Recreation Reserve	Council Contribution	22,000.00
Nullawil Senior Citizens Club	Seniors Week Grant 2011	315.00
Nullawil Senior Citizens Club	2011 Christmas Function	500.00
Pets Haven	Donation	50.00
Premier Auto Electrics	New Business Final Incentive	250.00
Rail Freight Development Alliance	Membership levy-Rail Freight Development Alliance	2,000.00
Remember the Days	New Business Final Incentive	250.00
Satalyte Pty Ltd	New Business Final Incentive	250.00
Sea Lake & District Community Centre	Contribution	39,000.00
Sea Lake Golf Club	Event Donation	150.00
Sea Lake Senior Citizens Club	Seniors Week Grant 2011	315.00
Sea Lake Senior Citizens Club	2011 Christmas Function	500.00
Sea Lake Senior Indoor Bowlers	Donation – Hall Hire fees	47.50
St Georges Anglican Church	Donation – Hall Hire fees	160.00
St Joseph's School	Donation – Hall Hire fees	110.00
St Mary's Primary School Donald	Donation – Hall Hire fees	100.00
Sunraysia Highway Committee	Contribution	1,000.00
The Next Step Women's Day	Donation – Hall Hire fees	340.00
Tyrrell College	2011 Awards Night Donation Tyrrell College	100.00
United Ladies Guild	Donation – Hall Hire fees	115.00
Watchem Progress Association	*2007/2008 Council Contribution	4,500.00
Watchem Progress Association	*2010/2011 Council Contribution	4,500.00
Watchem Progress Association	*2007/2008 Council Contribution	200.00
Watchem Progress Association	*2010/2011 Council Contribution	200.00
Wimmera Mallee Regional Tourism Assoc	Council Contribution	5,000.00
Wimmera Mallee Sustainability Alliance	Wimmera Mallee Sustainability Alliance	1,000.00
Wooroonook Lake Committee	Lake Refill Contribution	9,209.30
Wycheproof A & P Society Inc.	Council Contribution	100.00
Wycheproof P-12 College	2011 Awards Night Donation Wyche P12	100.00
Wycheproof Recreation Reserve Committee	Council Contribution	33,100.00

Description	Recipient/Organisation	Amount (\$)
Wycheproof Senior Citizens Club	Seniors Week Grant 2011	315.00
Wycheproof Senior Citizens Club	2011 Senior Citizens Christmas Function	500.00
Wycheproof SES	Council Contribution	12,630.00
Wycheproof Vision	Contribution – \$1 Farmhouse Project	974.45
Wycheproof Vision	Council Contribution	1,000.00
Wycheproof Vision	Christmas Promotion	500.00
Wycheproof Vision – Ladies Afternoon Tea	Donation – Hall Hire fees	85.00
	Total	\$394,706.76

* The above listed organisations did not supply Buloke Shire with their Annual Financial Statements earlier, in order to receive payment in the previous year's 2009-2010 and 2010-2011.

GRANTS RECEIVED FROM EXTERNAL SOURCES

OPERATING GRANTS

No.	Funding Organisation	Project Summary	Amount Granted (\$)
1	Victorian Grants Commission	General Purposes Grants	3,771,436.42
2	Department of Planning and Community Development	Show Me The Money Grant Writing Project	8,252.00
3	Regional Development Victoria	Rural Skills Cadetship	46,250.00
4	Regional Development Victoria	Rural Skills Cadetship	500.00
5	VicRoads	School Crossings	12,483.00
6	Department of Human Services	Community Services Administration	37,086.53
7	Department of Human Services	Maternal and Child Health	62,361.50
8	Department of Human Services	Maternal and Child Health – Enhanced Home Visits	77,605.00
9	Department of Human Services	Pre-School – Subsidised	150,828.93
10	Department of Human Services	Pre-School – Group Employment	31,608.01
11	Department of Human Services	Senior Citizens Centre	50,200.00
12	Department of Human Services	Assessment and Care Management	106,394.42
13	Department of Human Services	Assessment and Care Management	2,500.00
14	Department of Human Services	Hospital to Home	26,611.86
15	Department of Human Services	Home Help General	318,108.70
16	Department of Human Services	Home Help Personal	15,353.52
17	Department of Human Services	Home Help Respite	12,281.25
18	Department of Human Services	Home Maintenance	53,780.22
19	Department of Human Services	Meals on Wheels	23,100.00
20	Department of Human Services	Volunteer Co-Ordination	36,534.07
21	Department of Human Services	Youth Development	14,400.00
22	Department of Human Services	Youth Development – FREEZA	24,300.00
23	Department of Human Services	Back Chat – Youth in Action	27,000.00
24	Department of Planning and Community Development	Library Services	90,569.00
25	Municipal Association of Victoria	Public Health and Well Being	7,275.33
26	Department of Health	Immunisation Services	5,321.25
27	Department of Health	Improved Liveability of Older Persons	80,000.00
28	Department of Primary Industry	Respond to Pests – Capacity Building	7,500.00
29	Department of Health	Home Help General	100.00
30	Department of Human Services	Youth Development	15,000.00
31	Department of Planning and Community Development	Regional Victoria Living Expo	20,000.00
32	Department of Planning and Community Development	Flood Emergency Management	591,374.00
33	Department of Planning and Community Development	Municipal Recovery	105,000.00

CAPITAL GRANTS

No.	Funding Organisation	Project Summary	Amount Granted (\$)
34	Department of Infrastructure and Transport	Federal Grants – Roads to Recovery	2,079,956.00
35	Department of Human Services	HACC Minor Equipment Grant	17,169.00
36	Victorian Grants Commission	Local Roads VGC Grants	2,525,926.00

No.	Funding Organisation	Project Summary	Amount Granted (\$)
37	Regional Development Victoria	Sea Lake Travellers Rest	150,000.00
38	Department of Sustainability and Environment	Flood Repairs – Charlton Football Social Rooms	110,796.72
39	Department of Sustainability and Environment	Flood Repairs – Charlton Football Home Rooms	47,724.00
40	Department of Sustainability and Environment	Flood Repairs – Charlton Netball Courts	107,652.00
41	Department of Sustainability and Environment	Flood Repairs – Charlton Tennis Courts	65,567.00
42	Department of Sustainability and Environment	Flood Repairs – Charlton Angling/Golf Club	3,690.00
43	Department of Sustainability and Environment	Flood Repairs – Charlton Park Grounds	16,284.00
44	Sustainability Victoria	All Towns – Install Public Place Recycling Bins	6,769.96
45	Department of Planning and Community Development	Sea Lake Pool Change Rooms	200,000.00
46	MacPherson Smith Community Trust	Wycheproof Men's Shed Storage Extension	18,600.00
47	Department of Human Services	Donald Men's Shed Extension	6,478.40
48	Department of Infrastructure and Transport	Country Roads and Bridges 2011-2012	1,000,000.00
49	Department of Planning and Community Development	Local Government Infrastructure Program	461,000.00
50	Department of Sustainability and Environment	Charlton Harness Racing Centre	80,000.00
51	Department of Planning and Community Development	Donald Lions Park – Railcar Restoration	31,830.00
52	Department of Planning and Community Development	Mt Jeffcott Reserve – Visitor Car Park	23,076.00
53	Department of Planning and Community Development	Mt Wycheproof Res – Visitor Centre	22,985.00
54	Department of Planning and Community Development	Donald Netball Court Upgrade	6,000.00
55	MacPherson Smith Community Trust	Tchum Lake Barbecue Shelter	25,850.00
56	Department of Planning and Community Development	Green Lake Masterplan	6,000.00
57	Department of Sustainability and Environment	Wycheproof Hall – Solar Panels	30,000.00
58	Regional Development Victoria	Birchip Community Leisure Centre Extension	85,000.00
59	Department of Planning and Community Development	Charlton Park 2020 Development – Design Services	55,000.00
60	Department of Planning and Community Development	Wycheproof Netball Courts Upgrade	47,300.00
61	Department of Sustainability and Environment	Flood Repairs – Charlton Swimming Pool	77,070.00
62	Department of Sustainability and Environment	Flood Repairs – Jeffcott Rooms/Toilets	37,671.50
63	Department of Treasury and Finance	Flood Emergency Management, January 2011	7,100,000.00
64	Regional Development Victoria	Roads to Recovery – Seven Mile Road Charlton	169,023.00
TOTAL			\$20,445,533.59

BEST VALUE STATEMENT

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

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

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

SERVICE IMPROVEMENT

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

Our objective is to provide value for internal and external customers by eliminating waste and duplication. We aim to provide the right service, in the right place, at the right time, by the right person and done right the first time.

Where we do not meet these requirements we are honest and transparent in keeping the community informed as to why we could not achieve to the levels we expected.

A continued focus of service improvement in 2011-2012 has been on procurement practices and procedures, tender documentation, 'just-in-time' inventory control and project planning. While significant progress has been made in terms of supplier relationships, the specification of goods and services to be purchased, and internal controls, there is still much to be done. A comprehensive report on procurement practices, which included 'local buy' statistics and the identification of savings, was made available to the community during the course of the year.

Service reviews of Council's Delivered Meals Service, commercial area street sweeping, road-making materials cartage, landfill recycling practices, geographic information systems and agency arrangements with VicRoads and CentreLink were commenced during 2011-2012. Actions from some of these reviews, although not 100% complete, have already been initiated.

A review of all of Council's Human Resources policies was also completed during 2011-2012. While these policies necessarily have an internal focus they do have implications for the delivery of quality services to the community.

COMMUNITY CONSULTATION

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

Councillors and staff make themselves available to meet with the community on a continuous basis in a range of both formal and informal settings.

The community is invited to meet with and make presentations to Councillors and senior staff a minimum of twice per month at varying locations across the Shire.

All decisions made by Council during 2011-2012 were made in open meetings and a comprehensive record of all Assembly of Council Meetings is tabled as part of the monthly Ordinary Meeting cycle.

Council also convenes consultation meetings in townships and localities across the Shire on a regular basis. Councillors and Senior Staff are regular attendees at Township Forum and Progress Association meetings. These meetings are generally well attended and provide an opportunity for Council to update the community on advocacy activities, plans and strategies. In addition to these larger town-based meetings, 27 'Fire Shed' meetings attended by more than 1,000 residents were held in 2011-2012. These meetings in small rural localities provide a great opportunity for Council and representatives from a range of local agencies to meet with residents to share information and listen to local concerns.

Council has also continued to publish its 'Community Matters' supplement in local newspapers. These one or two page supplements provide Council with the opportunity to inform the community on matters before it, to promote local events and to consult on key strategies and plans.

In 2011-2012 Community Matters was supplemented by a fortnightly Flood Recovery Newsletter. While not distributed to every household in the Shire, the 750 copies of the newsletter printed each week were distributed to households in Charlton, Culgoa and Donald and made available on Council's website. The Newsletter provided another opportunity to communicate with residents and to keep them informed of Council activities.

REPORTING ACHIEVEMENTS

Council regularly reported progress on its performance to the community through a variety of means in 2011-2012. These include the Annual Report, regular articles such as Community Matters in the local newspapers, Flood Recovery Newsletters, on Council's website www.buloke.vic.gov.au and through publications such as the Council Plan and Budget papers. Publications were forwarded to key local organisations and feedback was invited.

NATIONAL COMPETITION POLICY COMPLIANCE

CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER

A. TRADE PRACTICES COMPLIANCE

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

Buloke Shire Council is compliant

B. LOCAL LAWS COMPLIANCE

State whether Council is compliance or non-compliant. List all the local laws made or remade during 2011-2012 which impose restrictions on competition.

Buloke Shire Council is compliant

C. COMPETITIVE NEUTRALITY COMPLIANCE

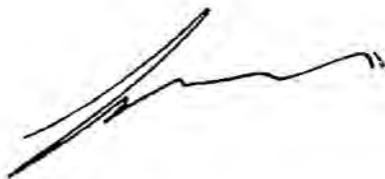
State whether Council is compliant or non-compliant for all significant businesses. List any businesses that are non-compliant.

Buloke Shire Council is compliant

I certify that:

- a) This statement has been prepared in accordance with the 2011-2012 National Competition Policy reporting guidelines, which is pursuant to the 2011 Statement; and
- b) This statement presents fairly the Council's implementation of the National Competition Policy.

Signed



Warwick Heine
Chief Executive Officer

COMMUNITY SATISFACTION

LOCAL GOVERNMENT COMMUNITY SATISFACTION SURVEY

The Office of Local Government undertakes an annual State-wide survey of Victorians, approximately 400 per municipality.

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

The survey is undertaken by an independent market research consultancy and conducted by telephone with residents aged 18 and over.

The survey focuses on nine service areas and four governance measures. Each of these is reported to show progress and improvements in performance, the importance of representation as well as an overall perception of performance.

In 2012 Buloke Shire recorded an Overall Performance Index Score of 62. This is 2 points higher than the State-wide average of 60 for this measure and significantly higher than the average of 59 for the Small Rural Shire Group.

Council's perceived strengths in 2012 remain predominantly in its ability to deliver services, with the highest satisfaction ratings being in the areas of Customer Service, Community Consultation and Engagement and Advocacy.

Buloke's results are better than the median results for other councils in its group (Small Shires) on most measures in the survey except for Overall Direction, Elderly Support Services and Waste Management, where performance is poorer than in previous years.

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

Local Government Indicators	2010	2011	2012	Change
Overall Performance	69	65	62	↓3
Advocacy	71	68	62	↓6
Community Engagement	68	63	66	↑3
Customer Contact	78	72	80	↑8

Specific Performance Areas	2010	2011	2012	Change
Overall Performance in Key Service Areas	68	65	62	↓3
Local Roads and Footpaths	54	47	59	↑12
Health and Human Services*	76	75	N/A	
• Elderly Support Services			72	↓3
Recreation Facilities	71	71	72	↑1
Appearance in Public Areas	73	69	76	↑7
Traffic Management and Parking*	71	68	N/A	N/A
Waste Management	75	76	74	↓2
Enforcement of Local Laws	66	64	66	↑2
Economic Development	62	58	62	↑4
Town Planning Policy and Approvals	68	61	62	↑1

* Health and Human Services performance areas were not surveyed in 2012; as such Elderly Support Services was surveyed and will substitute for this performance area. Traffic Management and Parking was also not surveyed for 2012.

COMPARATIVE TO STATE AND SMALL RURAL SHIRES

Indicator	Buloke Shire	State-wide Average	Small Rural Shire Average*
Customer Service	80	71	70
Community Satisfaction with Council's Overall Performance	62	60	59
Emergency and Disaster Management	71	70	70
Overall Council Direction	51	52	50
Community Satisfaction with Economic Development	62	62	62
Community Satisfaction with Town Planning and Policy Approvals	62	54	56
Community Satisfaction with Recreational Facilities	72	70	70
Community Satisfaction with Local Roads and Footpaths	59	46	48
Community Satisfaction with the Appearance of Public Areas	76	71	74
Roadside Slashing and Weed Control	56	61	59
Waste Management	74	72	72
Community Satisfaction with Council's Interaction and Responsiveness in Dealing with the Public	66	57	57
Lobbying on Behalf of the Community	62	55	56

N.B. Comparisons should not be made with Community Satisfaction Survey results from 2011 and prior. As a result of feedback from extensive consultations with Councils, in 2012 there have been necessary and significant changes to the methodology and content of the survey which make comparisons invalid. As such, the results of the 2012 Community Satisfaction Survey should be considered as a benchmark. Tracking comparisons will be possible in the future years.

* Councils listed in the Small Rural Shire group include Buloke, Alpine, Benalla, Central Goldfields, Gannawarra, Golden Plains, Hepburn, Hindmarsh, Indigo, Loddon, Mansfield, Mount Alexander, Murrindindi, Pyrenees, Queenscliff, Strathbogie, West Wimmera and Yarriambiack.

VICTORIAN LOCAL GOVERNMENT INDICATORS

Local Government Victoria collects a series of indicators from Local Government Authorities across the State. These indicators are collected annually through the mechanism of the Victorian Grants Commission Return Data Collection Process. Local Government Victoria has requested Councils publish these indicators as part of their Annual Reports to make the information available to the community.

Indicator	Description	Definition	Results
Overall performance	Community satisfaction rating for overall performance generally of the Council	Council results from the annual Community Satisfaction Survey for Local Governments coordinated by Local Government Victoria.	62
Advocacy	Community satisfaction rating for Council's lobbying on behalf of the community	Council results from the annual Community Satisfaction Survey for Local Governments coordinated by Local Government Victoria.	62
Community consultation	Community satisfaction rating for Council's community consultation and engagement	Council results from the annual Community Satisfaction Survey for Local Governments coordinated by Local Government Victoria.	66
All rates	Average rates and charges per assessment	Rates and charges declared as being receivable, in the calculations for the adopted rates, at the beginning of the year, including: <ul style="list-style-type: none"> • general rates and charges declared under ss.160, 161, 161A of the <i>Local Government Act 1989</i> • municipal charges and service rates and charges (that is, garbage services) levied under ss.159, 162 respectively • supplementary rates declared, divided by the number of assessments used in the calculation of the adopted rate (that is, when the rate was struck). 	\$1,503
Residential rates	Average residential rates and charges per assessment	Rates and charges declared for all residential assessments (including vacant residential assessments) as defined in "All rates", except for residential assessments only divided by the number of residential assessments used in the calculation of the adopted rate (that is, when the rate was struck).	\$950
Operating costs	Average operating expenditure per assessment	Total expenses per the Income Statement (previously known as the statement of financial performance) plus net gain (loss) on disposal of property, plant and equipment infrastructure divided by the number of assessments used in the calculation of the adopted rate (that is, when the rate was struck).	\$4,253
Capital expenditure	Average capital expenditure per assessment	Amount of Council's expenditure capitalised to the Balance Sheet (previously known as the statement of financial position) and contributions by a local government, to major assets not owned by the local government, including expenditure on: <ul style="list-style-type: none"> • capital renewal of existing assets which returns the service potential or the life of the asset up to which it had originally • capital expansion which extends an existing asset at the same standard as currently enjoyed by residents to a new group of users • capital upgrade which enhances an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally divided by the number of assessments used in the calculation of the adopted rate (that is, when the rate was struck). 	\$1,630

Indicator	Description	Definition	Results
Infrastructure	Renewal	Ratio of current spending on capital renewal of existing infrastructure assets which returns the service potential of the life of the asset up to that which it had originally to the AAAC totalled for each and every infrastructure asset to give one ratio.	92%
	Renewal and maintenance	Ratio of current spending on capital renewal of existing infrastructure assets which will return the service potential or the life of the asset up to that which it has originally plus current spending on maintenance: <ul style="list-style-type: none"> to AAAC plus all anticipated planned and unplanned maintenance (that is, the expected level of maintenance which was used in the calculation of the useful life of the asset) totalled for each and every infrastructure asset to give one ratio. <p>The Average Annual Asset Consumption (AAAC) is the amount of local government's asset base consumed during a year. It is based on the current replacement cost 'as new' divided by useful life.</p>	96%
Debts	Average liabilities per assessment	Total liabilities as per the Balance Sheet (previously known as the statement of financial position) less items held in trust (reflected in assets also held) divided by the number of assessments used in the calculation of the adopted rate (that is, when the rate was struck).	\$1,250
Operating results	Operating result per assessment	Profit/Loss for the period per the Comprehensive Income Statement (previously known as surplus (deficit) for the period per the Income Statement also previously known as the bottom line per statement of financial performance) divided by the number of assessments used in the calculation of the adopted rate (that is, when the rate was struck).	\$861

FINANCIAL REPORT

TABLE OF CONTENTS

FINANCIAL STATEMENTS			
Comprehensive Income Statement	57	Note 25 Reserves	82
Statement of Financial Position	58	Note 26 Reconciliation of cash flow from operating activities to surplus (deficit)	83
Statement of Changes in Equity	59	Note 27 Reconciliation of cash and cash equivalents	83
Statement of Cash Flow	60	Note 28 Financing arrangements	83
		Note 29 Restricted assets	83
NOTES TO THE FINANCIAL STATEMENTS		Note 30 Superannuation	84
Introduction	61	Note 31 Commitments	86
Note 1 Significant accounting policies	61	Note 32 Contingent liabilities and contingent assets	87
Note 2 Rates and charges	68	Note 33 Financial instruments	88
Note 3 Statutory fees and fines	68	Note 34 Auditors' remuneration	95
Note 4 User fees	68	Note 35 Events occurring after balance date	95
Note 5 Grants	69	Note 36 Related party transactions	96
Note 6 Contributions	70	Note 37 Income, expenses and assets by function/activities	97
Note 7 Net gain/(loss) on disposal of assets	70	Note 38 Financial ratios (Performance indicators)	98
Note 8 Other income	70	Note 39 Capital expenditure	100
Note 9 Employee benefits	70	Note 40 Special committees and other activities	101
Note 10 Materials and services	71		
Note 11 Bad and doubtful debts	71	CERTIFICATION OF THE FINANCIAL STATEMENT	102
Note 12 Depreciation and amortisation	71		
Note 13 Finance costs	72	STANDARD STATEMENTS	103
Note 14 Other expenses	72		
Note 15 Investments in associates	72	CERTIFICATION OF THE STANDARD STATEMENT	114
Note 16 Cash and cash equivalents	73		
Note 17 Trade and other receivables	73	INDEPENDENT AUDITOR'S REPORT – THE FINANCIAL STATEMENT AND STANDARD STATEMENTS	115
Note 18 Inventories	73		
Note 19 Other assets	73	PERFORMANCE STATEMENT	117
Note 20 Property, infrastructure, plant and equipment	74		
Note 21 Trade and other payables	79	CERTIFICATION OF THE PERFORMANCE STATEMENT	120
Note 22 Trust funds and deposits	79		
Note 23 Provisions	80	INDEPENDENT AUDITOR'S REPORT – THE PERFORMANCE STATEMENT	121
Note 24 Interest bearing loans and borrowings	81		

COMPREHENSIVE INCOME STATEMENT

FOR THE YEAR ENDING 30 JUNE 2012

	Note	2012 \$'000	2011 \$'000
Income			
Rates and charges	2	9,337	8,860
Statutory fees and fines	3	61	30
User fees	4	746	648
Grants - recurrent	5	9,609	8,171
Grants - non-recurrent	5	10,855	789
Contributions - cash	6	209	321
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	7	(16)	1
Other income	8	969	352
Share of net profits / (losses) of associates and joint ventures accounted for by the equity method	15	(23)	50
Total income		<u>31,747</u>	<u>19,222</u>
Expenses			
Employee benefits	9	(12,191)	(10,121)
Materials and services	10	(6,664)	(5,486)
Bad and doubtful debts	11	(15)	(9)
Depreciation and amortisation	12	(6,483)	(6,399)
Finance costs	13	(92)	(123)
Other expenses	14	(956)	(1,148)
Total expenses		<u>(26,401)</u>	<u>(23,286)</u>
Surplus/(Deficit)		<u>5,346</u>	<u>(4,064)</u>
Other comprehensive income			
Net asset revaluation increment / (decrement)		1,883	(70,485)
Comprehensive result		<u>7,229</u>	<u>(74,549)</u>

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

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2012

	Note	2012 \$'000	2011 \$'000
Assets			
Current assets			
Cash and cash equivalents	16	2,852	1,220
Trade and other receivables	17	1,065	966
Inventories	18	144	142
Other assets	19	374	352
Total current assets		4,435	2,680
Non-current assets			
Investments in associates accounted for using the equity method	15	189	212
Property, infrastructure, plant and equipment	20	109,134	103,679
Total non-current assets		109,323	103,891
Total assets		113,758	106,571
Liabilities			
Current liabilities			
Trade and other payables	21	3,913	1,276
Trust funds and deposits	22	100	91
Provisions	23	2,262	1,796
Interest-bearing loans and borrowings	24	49	2,966
Total current liabilities		6,324	6,129
Non-current liabilities			
Provisions	23	1,146	1,334
Interest-bearing loans and borrowings	24	396	445
Total non-current liabilities		1,542	1,779
Total liabilities		7,866	7,908
Net Assets		105,892	98,663
Equity			
Accumulated surplus		47,833	42,487
Reserves	25	58,059	56,176
Total Equity		105,892	98,663

The above statement of financial position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDING 30 JUNE 2012

	Note	Asset			
		Total	Accumulated Surplus	Revaluation Reserve	Other Reserves
2012		2012	2012	2012	2012
		\$'000	\$'000	\$'000	\$'000
Balance at beginning of the financial year		98,663	42,487	56,171	5
Comprehensive result		7,229	5,346	1,883	-
Balance at end of the financial year		105,892	47,833	58,054	5

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

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

STATEMENT OF CASH FLOW

FOR THE YEAR ENDING 30 JUNE 2012

	2012 Inflows/ (Outflows) \$'000	2011 Inflows/ (Outflows) \$'000
Cash flows from operating activities		
Rates	8,592	8,064
Statutory fees and fines	61	30
User charges and other fines (inclusive of GST)	1,469	1,539
Grants (inclusive of GST)	20,464	8,960
Contributions (inclusive of GST)	209	321
Interest	175	38
Other receipts (inclusive of GST)	462	314
Net GST refund/payment	(64)	185
Payments to suppliers (inclusive of GST)	(5,746)	(6,605)
Payments to employees (including redundancies)	(9,915)	(10,121)
Other payments	(956)	(315)
Net Cash inflows (outflow) from operating activities	26 <u>14,751</u>	<u>2,410</u>
Cash flows from investing activities		
Payments for property, infrastructure, plant and equipment	(10,123)	(3,874)
Proceeds from sale of property, infrastructure, plant and equipment	53	55
Net cash inflow (outflow) from investing activities	<u>(10,070)</u>	<u>(3,819)</u>
Cash flows from financing activities		
Finance costs	(92)	(123)
Trust funds and deposits	9	59
Repayment of interest bearing loans and borrowings	(49)	-
Net cash provided by (used in) financing activities	<u>(132)</u>	<u>(64)</u>
Net increase (decrease) in cash and cash equivalents	4,549	(1,473)
Cash and cash equivalents at the beginning of the financial year	(1,697)	(224)
Cash and cash equivalents at the end of the financial year	27 <u>2,852</u>	<u>(1,697)</u>
Financing arrangements	28 <u>4,500</u>	<u>5,000</u>
Restrictions on cash assets	29 <u>9,794</u>	<u>2,682</u>

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

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2012

Introduction

- (a) The Buloke Shire Council was established by an Order of the Governor in Council on 20 January 1995 and is a body corporate. The Council's main office is located at 367 Broadway, Wycheproof, Victoria 3527.
- (b) The purpose of the Council is to:
- provide for the peace, order and good government of its municipal district;
 - to promote the social, economic and environmental viability and sustainability of the municipal district;
 - to ensure that resources are used efficiently and effectively and services are provided in accordance with the Best Value Principles to best meet the needs of the local community;
 - to improve the overall quality of life of people in the local community;
 - to promote appropriate business and employment opportunities;
 - to ensure that services and facilities provided by the Council are accessible and equitable;
 - to ensure the equitable imposition of rates and charges; and
 - to ensure transparency and accountability in Council decision making.

Additional Information

External Auditor - Auditor-General of Victoria

Internal Auditor - Mc Lean Delmo

Solicitors - Maddocks

- Karen Probst

- John R. Buman & Co

Bankers - Commonwealth Bank of Australia

- Bendigo and Adelaide Bank Limited

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

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

Note 1 Significant accounting policies

(a) Basis of accounting

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

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

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

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

As at 30 June 2012, Council had Equity, represented by Accumulated Surplus of \$47,833,000 (\$42,487,000 in 2011) and Reserves of \$58,059,000 (\$56,176,000 in 2011). Additionally, Council had working capital deficit of \$1,889,000. This was heavily influenced by an after balance date call from Vision Super of \$1,980,000 to cover Council's liabilities to the fund on behalf of past and current employees. (Working capital deficit of \$3,449,000 in 2011.)

Council recorded a Comprehensive Result for the year of \$7,229,000 compared to a Comprehensive Result of (\$74,549,000) in 2011.

While Net Cash Flows from Operating Activities were positive in both years, there was a negative overall cash movement in 2011 of \$1,473,000, and a positive movement of \$4,549,000 in 2012.

The Surplus from Operations was \$5,346,000 (Deficit of \$4,064,000 in 2011).

Council is currently relying on additional Capital Grants and Contributions to ensure future financial viability. This is substantially due to the large amount of flood related infrastructure grants Council has and will continue to receive over the next two to three financial years.

While these grants are only forecast to be received within the next two years they will provide an ongoing long term benefit to Council. Council's road infrastructure will be substantially upgrade and renewed with an estimated \$68,000,000 being spent on rehabilitation and repair works. This considerably improves the road asset that was valued at \$62,000,000 at the end of 2011.

These improvements will not only improve the quality standards of the roads but increase their useful lives thus significantly reducing the ongoing operational maintenance costs to Council.

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2012

Note 1 Significant accounting policies (cont.)

Accordingly, the continuing viability of Council and its ability to continue as a going concern and meet its debts and commitments as they fall due are dependent upon Council being successful in:

- continuing to achieve sufficient future cash flows from its operations, including ongoing Federal and State Government Funding support, to enable its obligations to be met in respect to maintenance, repair and replacement of its assets and facilities; and/or
- obtaining additional funding, capital raising and/or additional revenue from rates, fees and charges.
- taking advantage of the future savings to be made through reduced asset maintenance costs and continuing to manage asset replacement and sustainability in a frugal and responsible manner.

Councillors believe that Council will be successful in achieving the above objectives and accordingly have prepared the financial report on a going concern basis.

At this time, Council is of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial report as at 30 June 2012. Accordingly, no adjustments have been made to the financial report relating to the recoverability and the classification of the asset carrying amounts or the amounts and classifications of liabilities that might be necessary should Council not continue as a going concern.

(b) Change in accounting policies

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

(c) Revenue recognition

Rates, grants and contributions

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

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

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

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

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

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

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

User fees and fines

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

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

Sale of property, plant and equipment, infrastructure

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

Trade and other receivables

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

Rental

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

Interest

Interest is recognised progressively as it is earned.

Dividends

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

(d) Trade and other receivables and inventories

Trade and other receivables

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

Inventories

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

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2012

Note 1 Significant accounting policies (cont.)

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

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

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

Artworks are not depreciated.

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

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

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

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

Other Infrastructure	
footpaths and cycleways	45 - 50 years
kerb and channel	50 years
drainage	100 years
bridges	50 years
landfill	10 years
other structures	50 years
other fittings	6 - 10 years

(f) Repairs and maintenance

Routine maintenance, repair costs and minor renewal costs are expensed as incurred. Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

(g) Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council. Except where specific borrowings are obtained for the purpose of specific asset acquisition, the weighted average interest rate applicable to borrowings at balance date, excluding borrowings associated with superannuation, is used to determine the borrowing costs to be capitalised.

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

(h) Recognition and measurement of assets

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the amount for which the asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

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

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2012

Note 1 Significant accounting policies (cont.)

The following classes of assets have been recognised in note 20. In accordance with Council's policy, the threshold limits detailed below have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year:

	Threshold Limit \$'000
Property	
Land	
land	All
land under roads	All
land improvements	All
Buildings	
buildings	All
building improvements	All
leasehold building improvements	All
Plant and Equipment	
plant, machinery and equipment	1
fixtures, fittings and furniture	1
computers and telecommunications	1
leased plant and equipment	1
Infrastructure	
Roads	
road pavements and seals	All
road substructure	All
road formation and earthworks	All
road kerb, channel and minor culverts	All
Bridges	
bridges deck	All
bridges substructure	All
footpaths and cycleways	All
drainage	All
recreational, leisure and community facilities	All
waste management	All
parks, open space and streetscapes	All
off street car parks	All
aerodromes	All
Intangible assets	
intangible assets	1

Revaluation

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

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

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

Land under roads

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

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2012

Note 1 Significant accounting policies (cont.)

(i) Cash and cash equivalents

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

(j) Financial assets

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

(k) Investments

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

(l) Accounting for investments in associates

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

(m) Tender deposits

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

(n) Employee benefits

Wages and salaries

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

Annual leave

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

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

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

Long service leave

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

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

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

Classification of employee benefits

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

Superannuation

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

The superannuation expense for the reporting year is the amount of the statutory contribution the Council makes to the superannuation plan which provides benefits to its employees. In addition Council may, periodically be required to contribute to the defined benefits schemes for current and former employees. Details of these arrangements are recorded in note 30.

Retirement gratuities

There are no retirement gratuity benefits payable to employees.

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2012

Note 1 Significant accounting policies (cont.)

(o) Leases

Finance leases

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

Operating leases

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

Leasehold improvements

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

(p) Allocation between current and non-current

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

(q) Agreements equally proportionately unperformed

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

(r) Web site costs

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

(s) Goods and Services Tax (GST)

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

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

(t) Impairment of assets

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

(u) Rounding

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

(v) Financial guarantees

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

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2012

(w) Pending Accounting Standards (Continued)

The following Australian Accounting Standards have been issued or amended and are applicable to the Council but are not yet effective.

They have not been adopted in preparation of the financial statements at reporting date.

<i>Standard / Interpretation</i>	<i>Summary</i>	<i>Applicable for annual reporting periods beginning or ending on</i>	<i>Impact on Local Government financial statements</i>
AASB 9: Financial Instruments and AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]	<p>These standards are applicable retrospectively and amend the classification and measurement of financial assets. Council has not yet determined the potential impact on the financial statements. Specific changes include:</p> <ul style="list-style-type: none"> * simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value; * removing the tainting rules associated with held-to-maturity assets; * simplifying the requirements for embedded derivatives; * removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost; * allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and * reclassifying financial assets where there is a change in an entity's business model as they are initially classified based on: <ol style="list-style-type: none"> a. the objective of the entity's business model for managing the financial assets; and b. the characteristics of the contractual cash flows. 	Applicable for annual reporting periods commencing on or after 1 January 2013.	These changes are expected to provide some simplification in the accounting for and disclosure of financial instruments.
AASB 2011-3 Amendments to Australian Accounting Standards - Orderly Adoption of Changes to the ABS GFS Manual and Related Amendments	These standards are aimed at limiting certain recognition and measurement options to align with GFS, and supplemented by additional disclosures.	Applicable for annual reporting periods commencing on or after 1 July 2011.	These amendments are not expected to impact Council
Key Characteristics of the Public Sector with Potential Implications for Financial Reporting	These standards detail with numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project.	Applicable for annual reporting periods commencing on or after 1 January 2011.	These amendments are not expected to impact Council
AASB 2010-9: Amendments to Australian Accounting Standards — Additional Exemptions for First-time Adopters [AASB 1]	These amendments specify requirements for entities using the full cost method in place of the retrospective application of Australian Accounting Standards for oil and gas assets, and exempt entities with existing leasing contracts from reassessing the classification of those contracts in accordance with Interpretation 4 when the application of their previous accounting policies would have given the same outcome.	Applicable for annual reporting periods commencing on or after 1 January 2011.	These amendments are not expected to impact Council.
AASB 2010-10: Amendments to Australian Accounting Standards — Classification of Rights Issues [AASB 132]	These amendments clarify that rights, options or warrants to acquire a fixed number of an entity's own equity instruments for a fixed amount in any currency are equity instruments if the entity offers the rights, options or warrants pro-rata to all existing owners of the same class of its own non-derivative equity instruments.	Applicable for annual reporting periods commencing on or after 1 February 2011.	These amendments are not expected to impact Council.

(x) Contingent assets and contingent liabilities and commitments

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

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

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2012

		2012	2011
		\$ '000	\$ '000
Note 2	Rates and Charges		
	Council uses Capital Improved Value as the basis of valuation of all properties within the municipal district. The Capital Improved Value of a property is its estimated value including improvements at the date of valuation.		
	The valuation base used to calculate general rates for 2011/12 was \$1,135 million (2010/11 \$1,135 million). The 2011/12 rate in the CIV dollar was a General Rate of 0.007598 cents (2010/11, 0.007182 cents) and a Farm Rate of 0.007218 cents (2010/11, 0.006823 cents).		
	Rates - Residential	2,039	1,920
	Rates - Commercial	501	472
	Rates - Rural	5,799	5,469
	Municipal Charge	232	232
	Garbage Charges	766	767
	Total rates and charges	9,337	8,860
	The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2012, and the valuation will be first applied in the rating year commencing 1 July 2012.		
	The date of the previous general revaluation of land for rating purposes within the municipal district was 1 January 2010 and the valuation first applied to the rating period commencing 1 July 2011.		
Note 3	Statutory fees and fines		
	Compliance	30	5
	Planning Permits & Certificates	22	25
	Revenue Collection	5	-
	Building Regulations and Inspections	4	-
	Total statutory fees and fines	61	30
Note 4	User fees		
	Economic Development	2	-
	Pound Fees	36	45
	Senior Citizen's Centre	3	3
	Community Transport	11	-
	Home and Community Care	161	78
	Brokered Programs Charges	275	238
	Public Health and Wellbeing Charges	16	15
	Building Services charges	19	29
	Caravan Parks	22	17
	Halls	20	26
	Waste and Environment	67	45
	Saleyards / Truck Wash	109	112
	Other	5	40
	Total user fees	746	648

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2012

Note 5	Grants	2012	2011
		\$ '000	\$ '000
	Grants were received in respect of the following :		
	Summary of grants		
	Federally funded grants	2,080	6,187
	State funded grants	18,384	2,773
	Total	20,464	8,960
	Recurrent		
	Assessment & Care Management	106	211
	Assets & Infrastructure Projects	8	-
	Community Development	8	-
	Community Services Administration	37	-
	Economic Development Programs	46	-
	Executive Manager	3,771	2,967
	Home and Community Care Grants	459	430
	Hospital to Home	27	-
	Library Services	91	93
	Maternal & Child Health	140	142
	Municipal Emergency Management	-	12
	Pre-Schools	183	163
	Public Health and Wellbeing Grants	2,087	12
	School Crossings	12	16
	Senior Citizens Centre	50	50
	Youth Development Programs	41	25
	Capital Grants Recurrent	2,543	3,220
	Other	-	830
	Total recurrent	9,609	8,171
	Non-recurrent		
	RLCIP Project	-	789
	Economic Development Projects	21	-
	Flood Emergency Management Grants	591	-
	Municipal Recovery Grants	105	-
	Other Community Service Programs	80	-
	Public Health/Wellbeing Operating Grants	5	-
	Youth Development	39	-
	Capital Grants Non Recurrent	10,001	-
	Other Non-recurrent	13	-
	Total non-recurrent	10,855	789
	Total grants	20,464	8,960
	Conditions on grants		
	Grants recognised as revenue during the year that were obtained on condition that they be expended in a specified manner that had not occurred at balance date were:		
	Flood Recovery	7,241	-
	Roadworks	1,824	1,217
	Community	168	-
	Other	461	270
	Total	9,694	1,487
	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	160	-
	Roadworks	(1,456)	(273)
	Community	-	(10)
	Other	(86)	(111)
		(1,382)	(394)
	Net increase (decrease) in restricted assets resulting from grant revenues for the year:	8,312	1,093

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2012

		2012	2011
		\$ '000	\$ '000
Note 6	Contributions		
	Cash		
	Community Development Contributions	50	65
	Economic Development Projects Contributions	2	-
	Municipal Recovery contributions	6	-
	Revenue Collection Contributions	4	-
	Other Community Service Contributions	93	73
	Youth Development Contributions	24	-
	Flood Emergency Contributions	8	-
	Reimbursements	22	183
	Total Contributions	209	321
Note 7	Net gain/(loss) on disposal of property, infrastructure, plant and equipment		
	Proceeds of sale	53	55
	Written down value of assets disposed	(69)	(54)
	Total	(16)	1
Note 8	Other income		
	Interest on Rates and Charges	67	73
	Interest on Investments	108	38
	Rent Council Properties	25	45
	Office Services Income	12	-
	Flood Insurance Payment	440	-
	Other Income	317	196
	Total other income	969	352
Note 9	Employee benefits		
	Labour and Oncost	8,627	8,182
	Allowances	442	294
	Worksafe	22	-
	Superannuation	2,762	1,239
	FBT and Workcover	338	406
	Total employee benefits	12,191	10,121

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2012

		2012	2011
		\$ '000	\$ '000
Note 10	Materials and services		
	Materials and services		
	Operational Materials	885	1,554
	Operational Contracts and Services	1,389	317
	Vehicle and Plant costs	1,841	1,197
	Consultants Fees	630	720
	Utilities	480	466
	Insurance	236	253
	Information Technology	349	308
	Photocopier Charges	100	90
	Promotion/Public Education	39	14
	Purchased Labour / Labour Hire	300	120
	Repairs & Maintenance - Facilities	35	32
	Staff Amenities and Recruitment	142	110
	Subscriptions/Memberships/Publications	44	47
	Travel and Accommodation	40	90
	Training	86	100
	Garbage	51	51
	Other	17	17
	Total materials and services	6,664	5,486
Note 11	Bad and doubtful debts		
	Rates debtors	14	-
	Other debtors	1	9
	Total bad and doubtful debts	15	9
Note 12	Depreciation and amortisation		
	<i>Property</i>		
	Buildings	837	809
	<i>Plant and Equipment</i>		
	Plant, machinery and equipment	681	671
	Fixtures, fittings and furniture	245	321
	<i>Infrastructure</i>		
	Roads	3,868	3,868
	Bridges	82	81
	Footpaths and cycleways	129	129
	Drainage	83	62
	Kerb and channel	170	170
	Landfills	116	37
	Other infrastructure	272	251
	Total depreciation and amortisation	6,483	6,399

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2012

		2012	2011
		\$ '000	\$ '000
Note 13	Finance costs		
	Bank overdraft and bank charges	92	108
	Interest - Borrowings	-	15
	Total	<u>92</u>	<u>123</u>
	Less capitalised borrowing costs on qualifying assets	-	-
	Total finance costs	<u>92</u>	<u>123</u>
	Rate used to capitalise finance costs	6.06%	6.06%
Note 14	Other expenses		
	Auditors' remuneration	48	52
	Councillors' allowances	158	141
	Council Contributions and Donations	403	636
	Council meeting expenses	16	12
	Miscellaneous	153	162
	Flood emergency management	46	67
	Municipal recovery expenses	102	53
	Legal Expenses	30	25
	Total other expenses	<u>956</u>	<u>1,148</u>
Note 15	Investments in associates		
	Investments in associates accounted for by the equity method are:		
	- Wimmera regional library corporation	189	212
	Total	<u>189</u>	<u>212</u>
	Wimmera regional library corporation		
	<i>Background</i>		
	Buloke Shire Council is one of six participating Councils with equity in the Regional Library Corporation. The Shire currently holds a 7.20% share in the equity of this corporation.		
	Council's share of accumulated surplus (deficit) at start of year	114	66
	Reported surplus(deficit) for year	(18)	34
	Transfers (to) from reserves	(1)	9
	Variation - Change in equity	(3)	5
	Council's share of accumulated surplus (deficit) at end of year	<u>92</u>	<u>114</u>
	<i>Council's share of reserves</i>		
	Council's share of reserves at start of year	98	96
	Transfers (to) from reserves	1	(9)
	Variation - Change in Equity	(2)	11
	Council's share of reserves at end of year	<u>97</u>	<u>98</u>
	<i>Movement in carrying value of specific investment</i>		
	Carrying value of investment at start of year	212	162
	Share of surplus (deficit) for year	(18)	34
	Variation - Change in equity	(5)	16
	Carrying value of investment at end of year	<u>189</u>	<u>212</u>

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2012

		2012	2011
Note 16	Cash and cash equivalents	\$ '000	\$ '000
	Cash on hand	1	2
	Cash at bank - NAB	25	27
	Cash at bank - CBA Debit cards	2	-
	Cash at bank - Bendigo	273	101
	Cash at bank - CBA	1,385	-
	Term deposits	1,166	1,090
	Total cash and cash equivalents	2,852	1,220
	Councils cash and cash equivalents are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. These include:		
	- Long service leave obligations as prescribed by the Local Government Act until 2011. (Note 29)	-	1,104
	- Reserve funds allocated for specific future purposes (Note 29)	9,694	1,487
	- Trust funds and deposits (Note 22)	100	91
	Restricted Funds	<u>9,794</u>	<u>2,682</u>
	Total unrestricted cash and cash equivalents	(6,942)	(1,462)
Note 17	Trade and other receivables		
	<i>Current</i>		
	Rates debtors	499	520
	Other debtors	364	321
	Provision for doubtful debts	(7)	(20)
	Net GST receivable	209	145
	Total trade and other receivables	1,065	966
Note 18	Inventories		
	Inventories held for distribution	144	142
	Total inventories	144	142
Note 19	Other assets		
	<i>Current</i>		
	Prepayments	354	336
	Accrued income	20	16
	Total	374	352

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2012

Note 20	<i>Property, infrastructure, plant and equipment</i>	2012 \$ '000	2011 \$ '000
	<i>Summary</i>		
	at cost	21,078	16,228
	Less accumulated depreciation	8,097	7,049
		<u>12,981</u>	<u>9,180</u>
	at fair value as at 30 June 2008	12,138	12,138
	Less accumulated depreciation	7,181	7,019
		<u>4,957</u>	<u>5,119</u>
	at fair value as at 30 June 2010		48,282
	Less accumulated depreciation	-	26,825
		<u>-</u>	<u>21,457</u>
	at fair value as at 30 June 2012	57,941	-
	Less accumulated depreciation	30,338	-
		<u>27,603</u>	<u>-</u>
	at fair value as at 1 July 2011	191,405	191,406
	Less accumulated depreciation	127,812	123,482
		<u>63,593</u>	<u>67,924</u>
	Total	<u>109,134</u>	<u>103,679</u>
	<i>Property</i>		
	Land		
	at cost	-	63
	at fair value as at 30 June 2010	-	4,057
	at fair value as at 30 June 2012	4,366	-
		<u>4,366</u>	<u>4,120</u>
	Land under roads		
	at cost	5	5
		<u>5</u>	<u>5</u>
	Total Land	<u>4,371</u>	<u>4,125</u>
	Buildings		
	at cost	-	775
	Less accumulated depreciation	-	4
		<u>-</u>	<u>771</u>
	at fair value as at 30 June 2010	-	44,225
	Less accumulated depreciation	-	26,825
		<u>-</u>	<u>17,400</u>
	at fair value as at 30 June 2012	53,575	-
	Less accumulated depreciation	30,338	-
		<u>23,237</u>	<u>-</u>
	Total Buildings	<u>23,237</u>	<u>18,171</u>
	Total Property	<u>27,608</u>	<u>22,296</u>

Valuation of land (excluding land under roads) and buildings were undertaken by a qualified independent valuer Mr Alan Harvey (Fellow, Australian Institute of Valuers) effective 1 July 2012. The valuation of buildings is at fair value based on current replacement cost less accumulated depreciation at 30 June 2012. The valuation of land is at fair value, being market value based on highest and best use permitted by relevant land planning provisions.

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

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2012

Note 20	<i>Property, infrastructure, plant and equipment (cont.)</i>	
	2012	2011
	\$ '000	\$ '000
<i>Plant and Equipment</i>		
Plant, machinery and equipment		
at cost	11,450	8,992
Less accumulated depreciation	6,727	4,792
	<u>4,723</u>	<u>4,201</u>
Fixtures, fittings and furniture		
at cost	733	2,242
Less accumulated depreciation	520	1,632
	<u>213</u>	<u>610</u>
Total Plant and Equipment	<u>4,936</u>	<u>4,811</u>
<i>Infrastructure</i>		
Roads		
Roads formation		
at fair value as at 1 July 2010	15,415	15,415
Less accumulated depreciation	108	100
	<u>15,307</u>	<u>15,315</u>
Roads pavement		
at cost	3,544	1,069
Less accumulated depreciation	43	-
	<u>3,501</u>	<u>1,069</u>
at fair value as at 1 July 2010	144,761	144,761
Less accumulated depreciation	104,040	101,283
	<u>40,721</u>	<u>43,478</u>
Roads seal		
at cost	1,860	641
Less accumulated depreciation	43	-
	<u>1,817</u>	<u>641</u>
at fair value as at 1 July 2010	14,406	14,406
Less accumulated depreciation	13,909	12,891
	<u>497</u>	<u>1,515</u>
Total Roads	<u>61,843</u>	<u>62,018</u>

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2012

Note 20	<i>Property, infrastructure, plant and equipment (cont)</i>	2012 \$'000	2011 \$'000
	Bridges		
	at cost	189	152
	Less accumulated depreciation	8	5
		<u>181</u>	<u>147</u>
	at fair value as at 30 June 2008	3,927	3,927
	Less accumulated depreciation	2,574	2,495
		<u>1,353</u>	<u>1,432</u>
	Footpaths and cycleways		
	at cost	139	-
	Less accumulated depreciation	-	-
		<u>139</u>	<u>-</u>
	at fair value as at 1 July 2010	6,032	6,032
	Less accumulated depreciation	3,014	2,885
		<u>3,018</u>	<u>3,147</u>
	Kerb and channel		
	at cost	17	-
	Less accumulated depreciation	-	-
		<u>17</u>	<u>-</u>
	at fair value as at 1 July 2010	8,514	8,514
	Less accumulated depreciation	5,454	5,284
		<u>3,060</u>	<u>3,230</u>
	Drainage		
	at cost	36	36
	Less accumulated depreciation	1	1
		<u>35</u>	<u>35</u>
	at fair value as at 30 June 2008	8,211	8,211
	Less accumulated depreciation	4,607	4,524
		<u>3,604</u>	<u>3,687</u>
	Landfill		
	at cost	1,061	1,035
	Less accumulated depreciation	731	615
		<u>330</u>	<u>420</u>
	Other		
	at cost	449	-
	Less accumulated depreciation	24	-
		<u>425</u>	<u>-</u>
	at fair value as at 30 June 2011	2,277	2,277
	Less accumulated depreciation	1,287	1,039
		<u>990</u>	<u>1,238</u>
	Total Infrastructure	<u>74,995</u>	<u>75,354</u>
	Valuation of infrastructure assets has been determined in accordance with an independent valuation undertaken by Peter Moloney, Dip Civil Engineering (FIT), Member Institute of Engineers (Aust) MIE, as at July 1 2010.		
	The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.		
	Works in progress		
	Works in progress at cost	1,595	1,218
	Total Works in progress	<u>1,595</u>	<u>1,218</u>
	Total property, infrastructure, plant and equipment	<u>109,134</u>	<u>103,679</u>

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2012

Note 20	<i>Property, infrastructure, plant and equipment (cont.)</i>							
2011	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 25)	Depreciation and amortisation (note 12)	Written down value of disposals	Impairment losses recognised in profit or loss	Transfers	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property								
land	4,065	63	-	-	8	-	-	4,120
land under roads	5	-	-	-	-	-	-	5
Total land	4,070	63	-	-	8	-	-	4,125
buildings	18,204	775	-	809	-	-	-	18,171
Total buildings	18,204	775	-	809	-	-	-	18,171
Total property	22,274	838	-	809	8	-	-	22,296
Plant and Equipment								
plant, machinery and equipment	4,373	545	-	671	46	-	-	4,201
fixtures, fittings and furniture	814	117	-	321	-	-	-	610
Total plant and equipment	5,187	662	-	992	46	-	-	4,811
Infrastructure								
roads	130,349	1,710	(66,173)	3,868	-	-	-	62,018
bridges	1,660	-	-	81	-	-	-	1,579
footpaths and cycleways	3,916	-	(641)	129	-	-	-	3,147
kerb and channel	7,058	-	(3,658)	170	-	-	-	3,230
drainage	3,785	-	-	62	-	-	-	3,722
landfills	431	26	-	37	-	-	-	420
other infrastructure	1,444	59	(13)	251	-	-	-	1,238
Total infrastructure	148,643	1,795	(70,485)	4,598	-	-	-	75,354
Works in progress								
works in progress at cost	522	696	-	-	-	-	-	1,218
other	-	-	-	-	-	-	-	-
Total works in progress	522	696	-	-	-	-	-	1,218
Total property, infrastructure, plant and equipment.	176,626	3,991	(70,485)	6,399	54	-	-	103,679

(a) Impairment losses

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

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

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2012

Note 20		<i>Property, infrastructure, plant and equipment (cont.)</i>						
2012	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 25)	Depreciation and amortisation (note 12)	Written down value of disposals	Impairment losses recognised in profit or loss (a)	Transfers	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property								
land	4,120	-	251	-	6	-	-	4,366
land under roads	5	-	-	-	-	-	-	5
Total land	4,125	-	251	-	6	-	-	4,371
buildings	18,171	4,324	1,632	837	53	-	-	23,237
Total buildings	18,171	4,324	1,632	837	53	-	-	23,237
Total property	22,296	4,324	1,883	837	59	-	-	27,608
Plant and Equipment								
plant, machinery and equipment	4,201	972	-	681	10	-	241	4,723
fixtures, fittings and furniture	610	89	-	245	-	-	(241)	213
Total plant and equipment	4,811	1,061	-	926	10	-	-	4,936
Infrastructure								
roads	62,018	3,693	-	3,868	-	-	-	61,843
bridges	1,579	37	-	82	-	-	-	1,534
footpaths and cycleways	3,147	139	-	129	-	-	-	3,157
kerb and channel	3,230	17	-	170	-	-	-	3,077
drainage	3,722	-	-	83	-	-	-	3,639
landfill	420	26	-	116	-	-	-	330
other infrastructure	1,238	449	-	272	-	-	-	1,415
Total infrastructure	75,354	4,361	-	4,720	-	-	-	74,995
Works in progress								
works in progress at cost	1,218	377	-	-	-	-	-	1,595
Total works in progress	1,218	377	-	-	-	-	-	1,595
Total property, plant and equipment, infrastructure	103,679	10,123	1,883	6,483	69	-	-	109,134

(a) Impairment losses

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

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

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2012

		2012	2011
		\$ '000	\$ '000
Note 21	Trade and other payables		
	Trade payables	1,458	1,149
	Net GST payable	33	67
	Accrued expenses - Vision Super Call	1,980	-
	Accrued expenses	442	60
	Total trade and other payables	3,913	1,276
Note 22	Trust funds and deposits		
	Grant funds held on behalf of community groups	69	42
	Other funds held on behalf of third parties	13	12
	Other refundable deposits	18	37
	Total trust funds and deposits	100	91

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2012

Note 23 Provisions

	Annual leave	Long service leave	Accrued employee expenses	Landfill restoration	Pit restoration	Total
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
2012						
Balance at beginning of the financial year	709	1,258	323	692	148	3,130
Additional provisions	59	-	139	115	-	313
Amounts used	-	(32)	-	-	(3)	(35)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	-	-	-	-	-	-
Balance at the end of the financial year	768	1,226	462	807	145	3,408
2011						
Balance at beginning of the financial year	760	1,198	313	709	155	3,135
Additional provisions	-	60	10	-	-	70
Amounts used	(51)	-	-	(17)	(7)	(75)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	-	-	-	-	-	-
Balance at the end of the financial year	709	1,258	323	692	148	3,130

	2012 \$'000	2011 \$'000
(a) Employee benefits		
Current (i)		
Annual leave	596	422
Long service leave	1,059	903
Accrued employee expenses	462	323
	2,117	1,648
Non-current (ii)		
Annual leave	172	287
Long service leave	167	355
	339	642

Aggregate carrying amount of employee benefits:

Current	2,117	1,648
Non-current	339	642
	2,456	2,290

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

Weighted average increase in employee costs	4.31%	4.60%
Weighted average discount rates	3.06%	4.70%
Weighted average settlement period	12	12

(i) Current

All annual leave and the long service leave entitlements representing 10 or more years of continuous service

- Short-term employee benefits, that fall due within 12 months after the end of the period measured at nominal value	883	993
- Other long-term employee benefits that do not fall due within 12 months after the end of the period measured at present value.	936	655
	1,819	1,648

(ii) Non-current

Long service leave representing less than 10 years of continuous service measured at present value

	1,101	642
--	--------------	------------

(b) Other provisions

(i) Current

Pit restorations measured at present value

	145	148
	145	148

Under provisions of the *Amalgamated Extractive Industries Development Act* (1995) in 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

(ii) Non-current

Landfill restorations measured at present value

	807	692
	807	692

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

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2012

	2012	2011
	\$'000	\$'000
Note 24		
Interest-bearing loans and borrowings		
<i>Current</i>		
Bank Overdraft	-	2,917
Superannuation loan liability	49	49
	<u>49</u>	<u>2,966</u>
<i>Non-current</i>		
Superannuation loan liability	396	445
	<u>396</u>	<u>445</u>
Total	<u>445</u>	<u>3,411</u>
The maturity profile for Council's borrowings is:		
Not later than one year	49	2,966
Later than one year and not later than five years	147	245
Later than five years	249	200
Total	<u>445</u>	<u>3,411</u>
Aggregate carrying amount of interest-bearing loans and borrowings:		
Current	49	2,966
Non-current	396	445
Total interest-bearing loans and borrowings	<u>445</u>	<u>3,411</u>

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2012

Note 25 Reserves

	Balance at beginning of reporting period	Increment (decrement)	Transfer to accumulated surplus	Balance at end of reporting period
(a) Asset revaluation reserve	\$'000	\$'000	\$'000	\$'000
2012				
Property				
Land	1,746	251	-	1,997
Buildings	6,286	1,632	-	7,918
	8,032	1,883	-	9,915
Infrastructure				
Roads	41,641	-	-	41,641
Bridges	32	-	-	32
Footpaths and cycleways	2,674	-	-	2,674
Kerb and channel	1,510	-	-	1,510
Drainage	1,919	-	-	1,919
Other infrastructure	363	-	-	363
	48,139	-	-	48,139
Total asset revaluation reserve	56,171	1,883	-	58,054
2011				
Property				
Land	1,746	-	-	1,746
Buildings	6,286	-	-	6,286
	8,032	-	-	8,032
Infrastructure				
Roads	107,814	(66,173)	-	41,641
Bridges	32	-	-	32
Footpaths and cycleways	3,315	(641)	-	2,674
Kerb and channel	5,168	(3,658)	-	1,510
Drainage	1,919	-	-	1,919
Other infrastructure	376	(13)	-	363
	118,624	(70,485)	-	48,139
Total asset revaluation reserve	126,656	(70,485)	-	56,171
	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
(b) Other reserves	\$'000	\$'000	\$'000	\$'000
2012				
General Reserve	5	-	-	5
Total Other reserves	5	-	-	5
2011				
General Reserve	5	-	-	5
Plant replacement reserve	492	-	(492)	-
Total Other reserves	497	-	(492)	5

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2012

	2012 \$'000	2011 \$'000
Note 26	Reconciliation of cash flows from operating activities to surplus (deficit)	
Surplus / Deficit	5,346	(4,064)
Depreciation/amortisation	6,483	6,399
Net (gain)/loss on disposal of property, infrastructure, plant and equipment	16	(1)
Movement in carrying value of associated entities	(23)	(50)
<i>Change in assets and liabilities:</i>		
(Increase)/Decrease in trade and other receivables	(99)	280
(Increase)/Decrease in inventories	(2)	(16)
(Increase)/Decrease in prepayments	(18)	32
(Increase)/Decrease in accrued income	(4)	(16)
Increase/(Decrease) in trade and other payables	2,765	(652)
Increase/(Decrease) in other liabilities	-	449
Increase/(Decrease) in trust funds and deposits	9	59
Increase/(Decrease) in provisions	112	(19)
Increase/(Decrease) in employee benefits	166	9
Net cash provided by/(used in) operating activities	14,751	2,410
Note 27	Reconciliation of cash and cash equivalents	
Cash and cash equivalents (see note 16)	2,852	1,220
Less bank overdraft	-	2,868
Less superannuation loan liability	-	49
Total reconciliation of cash and cash equivalents	2,852	(1,697)
Note 28	Financing arrangements	
Bank overdraft	4,500	5,000
Used facilities	-	2,917
Unused facilities	4,500	2,083
Note 29	Restricted assets	
Council has cash and cash equivalents (note 16) that are subject to restrictions. As at the reporting date, Council had legislative restrictions in relation to employee entitlements (Long Service Leave for 2011 only.) and reserve funds (Recreational Lands Reserves).		
Trust funds and deposits (note 22)	100	91
Long service leave (note 23)	-	1,104
Unexpended grants	9,694	1,487
Total restricted assets	9,794	2,682

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2012

Note 30 - Superannuation

Council makes employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund and a number of other complying superannuation funds as nominated by its employees. Obligations for contributions are recognised as an expense in profit or loss when they are due.

Local Authorities Superannuation Fund

The Fund has two categories of membership, each of which is funded differently.

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

Defined Benefit Plan

A call to employers for additional contributions was made for the financial year ending 30 June 2012 with commitment from employers from 1 July 2013.

The Local Authorities Superannuation Fund latest 31 December 2011 actuarial investigation identified an unfunded liability of \$406 million excluding the contributions tax in the defined benefit fund of which we are a member. Council was made aware of the expected short fall through the year and was informed formally of their share of the short fall on 31 July 2012 which amount to \$1,979,873.29. Council will repay the shortfall by 30 June 2013. Council has accounted for this short fall in the Comprehensive Income Statement in Employee Benefits (See Note 9) and in the Statement of Financial Position in Trade and Other Payables (See Note 21)

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

Council makes employer contributions to the defined benefit category of the Fund at rates determined by the Trustee on the advice of the Fund's Actuary. On the basis of the results of the most recent full actuarial investigation conducted by the Fund's Actuary as at 31 December 2011, Council makes the following contributions:-

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

- a top-up contribution towards the \$406 million (plus contributions tax) payable on 1 July 2013.

Accounting Standard Disclosure

	2012	2011
Fund	\$'000	\$'000
Defined benefits fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	132	125
Employer contributions to Vision Super Defined Benefits Superannuation fund shortfall	49	49
	<u>181</u>	<u>174</u>
Employer contributions payable to Local Authorities Superannuation Fund (Vision Super) at reporting date	-	-
	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2012

Note 30 - Superannuation

	2012	2011
	\$'000	\$'000
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	450	420
Employer contributions to AMP Custom Super	5	-
Employer contributions to AMP Flexible Lifetime Super	4	6
Employer contributions to ANZ ACF Synergy Super	1	1
Employer contributions to Australian Super	24	21
Employer contributions to AXA Retirement	3	-
Employer contributions to BT Personal Lifetime Super	2	3
Employer contributions to Catholic Super	1	-
Employer contributions to Chronos Pty Ltd	-	6
Employer contributions to Colonial Select Personal	1	1
Employer contributions to Commonwealth Super Select	3	2
Employer contributions to First Super	4	-
Employer contributions to Danjopa Super Fund	1	1
Employer contributions to ESS Super	3	4
Employer contributions to Health Super P/L Super Fund	6	8
Employer contributions to HESTA Super Fund	12	11
Employer contributions to Hostplus Super Fund	19	18
Employer contributions to ING Master Fund	2	2
Employer contributions to IOOF	1	-
Employer contributions to Legal Super	5	-
Employer contributions to Lifetrack Super Fund	6	6
Employer contributions to Local Super	4	-
Employer contributions to LUCRF Super Fund	10	5
Employer contributions to Master Super	9	8
Employer contributions to MLC Master Key Super Fund	6	5
Employer contributions to MTAA Super Fund	8	6
Employer contributions to Oasis Superannuation	3	1
Employer contributions to Perpetual	1	-
Employer contributions to Plum Super	6	5
Employer contributions to Prime Super Fund	3	1
Employer contributions to R.E.I Super	4	4
Employer contributions to Recruitment Super	5	5
Employer contributions to REST Master Super Fund	19	13
Employer contributions to Spectrum super	6	5
Employer contributions to Summit Personal Super	4	3
Employer contributions to Sunsuper	4	-
Employer contributions to TADA Holdings Pty Ltd	1	1
Employer contributions to TOI Superannuation Fund	-	2
Employer contributions to Tower Super Fund	5	4
Employer contributions to TWU Super Fund	6	5
Employer contributions to Unisuper	2	2
Employer contributions to Vic Super	10	6
	<u>669</u>	<u>591</u>

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2012

Note 31 Commitments

The Council has entered into the following commitments

2012	Not later	Later than 1	Later than 2	Later than 5	Total
	than 1 year	year and not later than 2 years	years and not later than 5 years	years	
	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Operating</i>					
Recycling	205	205	448	-	858
Garbage collection	196	196	428	-	820
Defined benefits superannuation liability	2,028	49	147	196	2,420
Photocopier management agreement	84	84	174	-	342
Insurances	625	-	-	-	625
Electricity	184	192	378	-	754
Valuation Services	103	-	-	-	103
Total	3,425	726	1,575	196	5,922

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

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2012

Note 32 Contingent liabilities and contingent assets

Contingent liabilities

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

The most recent call on council amounted to \$1,979,873.29 including contributions tax. Council has elected to pay this shortfall by borrowing funds via a loan facility with a financial institution.

Contingent Assets

Nil

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2012

Note 33 Financial Instruments

(a) Accounting Policy, terms and conditions

Recognised financial instruments	Note	Accounting Policy	Terms and Conditions
Financial assets			
Cash and cash equivalents	16	Cash on hand and at bank and money market call account are valued at face value.	Cash on hand is not interest bearing. Cash at bank returning a floating interest rate of 2.50% (5.96% in 2010/2011). The interest rate at balance date was 2.00% (5.92% in 2010/2011).
		Interest is recognised as it accrues.	Interest rate at balance date for term deposits ranged from 4.75% to 5.00% (5.65% to 6.15% in 2010/2011).
		Investments and bills are valued at cost.	
		Investments are held to maximise interest returns of surplus cash. Interest revenues are recognised as they accrue. Managed funds are measured at market value.	
Trade and other receivables			
Other debtors	17	Receivables are carried at amortised cost using the effective interest method. A provision for doubtful debts is recognised when there is objective evidence that an impairment loss has occurred. Collectability of overdue accounts is assessed on an ongoing basis.	General debtors are unsecured and no interest is charged. Credit terms are based on 30 days.
Financial Liabilities			
Trade and other payables	21	Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date whether or not invoices have been received.	General Creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.
Interest-bearing loans and borrowings	28	Loans are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and recognised as part of payables.	Borrowings are secured by way of mortgages over the general rates of the Council. The weighted average interest rate on borrowings is 8.5% (8.00% in 2010/2011).
		Finance leases are accounted for at their principal amount with the lease payments discounted to present value using the interest rates implicit in the leases.	As at balance date, the Council had no finance leases.
Bank overdraft	28	Overdrafts are recognised at the principal amount. Interest is charged as an expense as it accrues.	The overdraft is subject to annual review. It is secured by a mortgage over the Council's general rates and is repayable on demand. Interest rates on utilised overdraft were 9.29% (9.74% in 2010/2011). The interest rate as at balance date was 9.29% (9.74% in 2010/2011).

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2012

Note 33 Financial instruments (cont.)

(b) Interest Rate Risk

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

2012

	Fixed interest maturing in:					Total \$'000
	Floating interest rate \$'000	1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000	Non-interest bearing \$'000	
Financial assets						
Cash and cash equivalents	2,851	-	-	-	1	2,852
Trade and other receivables	-	-	-	-	1,065	1,065
Total financial assets	2,851	-	-	-	1,066	3,917
Weighted average interest rate	2.75%					
Financial liabilities						
Trade and other payables	-	-	-	-	3,913	3,913
Trust funds and deposits	-	-	-	-	100	100
Interest-bearing loans and borrowings	-	49	196	200	-	445
Total financial liabilities	-	49	196	200	4,013	4,458
Weighted average interest rate		4.94%	5.30%	6.68%		
Net financial assets (liabilities)	2,851	(49)	(196)	(200)	(2,947)	(541)

2011

	Fixed interest maturing in:					Total \$'000
	Floating Interest rate \$'000	1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000	Non-interest bearing \$'000	
Financial assets						
Cash and cash equivalents	1,218	-	-	-	2	1,220
Trade and other receivables	-	-	-	-	966	966
Total financial assets	1,218	-	-	-	968	2,186
Weighted average interest rate	6.69%	5.65%				
Financial liabilities						
Trade and other payables	-	-	-	-	1,276	1,276
Trust funds and deposits	-	-	-	-	91	91
Interest-bearing loans and borrowings	-	2,966	245	200	-	3,411
Total financial liabilities	-	2,966	245	200	1,367	4,778
Weighted average interest rate		6.41%	6.20%	6.42%		
Net financial assets (liabilities)	1,218	(2,966)	(245)	(200)	(399)	(2,592)

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2012

Note 33 Financial Instruments (cont.)

(c) Net Fair Values

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

Financial Instruments	Total carrying amount as per Balance Sheet		Aggregate net fair value	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
<i>Financial assets</i>				
Cash and cash equivalents	2,852	1,220	2,852	1,220
Trade and other receivables	1,065	966	1,065	966
Total financial assets	3,917	2,186	3,917	2,186
<i>Financial liabilities</i>				
Trade and other payables	1,458	1,149	1,458	1,149
Trust funds and deposits	100	91	100	91
Interest-bearing loans and borrowings	445	3,411	445	3,411
Total financial liabilities	2,003	4,651	2,003	4,651

(d) Credit Risk

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

(e) Risks and mitigation

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

Market risk

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

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2012

Note 33 Financial Instruments (cont.)

Interest rate risk

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

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

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

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

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

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

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

Credit risk

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

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

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

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

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2012

Note 33 Financial Instruments (cont.)

	2012	2011
	\$'000	\$'000
Movement in Provisions for Doubtful Debts		
Balance at the beginning of the year	20	20
Amounts already provided for and written off as uncollectible	(13)	-
Balance at end of year	7	20

Ageing of Trade and Other Receivables

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

	2012	2011
	\$'000	\$'000
Current (not yet due)	99	94
Past due by up to 30 days	88	71
Past due between 31 and 120 days	84	2
Past due 120 days or more	76	154
Total Trade & Other Receivables	347	321

Ageing of individually impaired Trade and Other Receivables

There will no impaired Trade and Other Receivable at the balance date.

Liquidity risk

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

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

To help reduce these risks we:

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

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

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2012

Note 33 Financial Instruments (cont.)

The table below lists the contractual maturities for Financial Liabilities

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

2012	6 months or less \$'000	6-12 months \$'000	1-2 years \$'000	2-5 years \$'000	>5 years \$'000	Contracted Cash Flow \$'000	Carrying Amount \$'000
Trade and other payables	3,913	-	-	-	-	3,913	3,913
Trust funds and deposits	-	100	-	-	-	100	100
Interest-bearing loans and borrowings	-	49	49	147	200	445	445
Total financial liabilities	3,913	149	49	147	200	4,458	4,458

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

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2012

Note 33 Financial Instruments (cont.)

(f) Sensitivity disclosure analysis

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

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

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

		Interest rate risk			
		-2 %		+1 %	
		-200	basis points	+100	basis points
		Profit	Equity	Profit	Equity
2012	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets:					
Cash and cash equivalents	2,852	57	57	29	29
Trade and other receivables	1,065	-	-	-	-
Financial liabilities:					
Interest-bearing loans and borrowings	445	-	-	-	-

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

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2012

	2012	2011
	\$'000	\$'000
Note 34 Auditors' remuneration		
Audit fee to conduct external audit - Victorian Auditor-General - Current year	34	20
Audit fee to conduct external audit - Victorian Auditor-General - Prior year	-	30
Internal audit fees - Mc Lean Delmo	14	2
	<u>48</u>	<u>52</u>

Note 35 Events occurring after balance date

The amount of Council's liability for the latest Vision Super Defined Benefits Superannuation fund call was received after balance date. The expense has been accounted for in employee benefits and the liability has been recorded. Details of the call are in Note 30.

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2012

Note 36 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	David Pollard (Mayor) from 9 November 2011.
	Leo Tellefson (Mayor) until 9 November 2011. (Deputy Mayor) from 9 November 2011.
	Harold Flett
	Reid Mather
	Stuart McLean
	Gail Sharp
	Ellen White

Chief Executive Officer Warwick Heine

(ii) Remuneration of Responsible Persons

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

	2012 No.	2011 No.
\$10,000 - \$19,999	6	6
\$50,000 - \$59,999	1	1
\$170,000 - \$179,999	-	1
\$180,000 - \$189,999	1	-
	<u>8</u>	<u>8</u>

Total Remuneration for the reporting year for Responsible Persons included above amounted to:

2012 \$'000	2011 \$'000
281	332

(iii) No retirement benefits have been made by the Council to a Responsible Person. (2010/12, Nil).

(iv) No loans have been made, guaranteed or secured by the Council to a Responsible Person during the reporting year (2010/11, Nil).

(v) Other Transactions

No transactions other than remuneration payments or the reimbursement of approved expenses were entered into by Council with Responsible Persons, or Related Parties of such Responsible Persons during the reporting year (2010/11, Nil).

(vi) Senior Officers Remuneration

A Senior Officer other than a Responsible Person, is an officer of Council whose total annual remuneration exceeds \$127,000, or if remuneration is less than \$127,000 has management responsibilities and reports directly to the Chief Executive Officer.

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

Income Range:	2012 No.	2011 No.
<\$127,000	5	6
\$127,001 - \$129,999	-	1
\$130,000 - \$139,999	1	1
\$150,000 - \$159,999	1	-
	<u>7</u>	<u>8</u>

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

829	812
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NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2012

Note 37 Income, expenses and assets by function/activities

	Grant Revenue	Other Revenue	Total 2012 \$'000	Total 2011 \$'000
INCOME				
Rates Revenue	-	8,571	8,571	8,093
Council Executive and Governance Finance	4,543	531	5,074	-
Corporate Services	-	191	191	-
Community Services	12	83	95	3,334
Economic Development	1,266	512	1,778	1,839
Assets and Infrastructure	-	-	-	50
Works and Construction	14,643	106	14,749	4,225
Net Proceeds from disposal of property, plant and equipment	-	1,305	1,305	1,680
	-	(16)	(16)	1
Total Revenue as per Income Statement	20,464	11,283	31,747	19,222
			2012 \$'000	2011 \$'000
EXPENSES				
Corporate Services			3,513	4,981
Community Services			2,489	2,180
Council Executive and Governance Finance			2,368	261
Assets and Infrastructure			902	-
Works and Construction			3,425	2,340
Total Expenditure as per Income Statement			13,704	13,523
			26,401	23,285
SURPLUS/(DEFICIT) FOR THE YEAR			5,346	(4,064)

Allocation of Assets

Assets have been attributed to the following functions/activities:

	2012 \$'000	2011 \$'000
Economic Development	2,426	2,305
Assets and Infrastructure	58,782	55,844
Community	4,342	4,125
Corporate	7,057	6,704
Recreation & Culture	36,527	34,701
	109,134	103,679

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2012

Note 38 Financial ratios (Performance indicators)	2012	2012	2011	2011	2010	2010
	\$'000	(%)	\$'000	(%)	\$'000	(%)

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

<u>Debt servicing costs</u>	92	=	0.29%	123	=	0.64%	93	=	0.50%
Total revenue	31,747			19,222			18,459		

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

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

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

<u>Debt servicing & redemption costs</u>	141	=	1.51%	123	=	1.39%	93	=	1.11%
Rate revenue	9,337			8,860			8,387		

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

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

<u>Rate revenue</u>	9,337	=	29.41%	8,860	=	46.09%	8,387	=	45.44%
Total revenue	31,747			19,222			18,459		

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

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

<u>Total indebtedness</u>	-1,928	=	-9.00%	5,226	=	24.38%	4,675	=	16.08%
Total realisable assets	21,432			21,432			29,082		

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

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

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

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

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2012

Note 38	Financial ratios (Performance indicators) (cont.)	2012 \$'000	2012 (%)	2011 \$'000	2011 (%)	2010 \$'000	2010 (%)
	(e) Working capital ratio (to assess Council's ability to meet current commitments)						
	<u>Current assets</u>	4,435		2,680		2,475	
	Current liabilities	6,324	= 70.13%	6,129	= 43.73%	4,669	= 53.01%

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

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

	<u>Current assets</u>	4,435		2,680		2,475	
	Current liabilities	5,441	= 81.51%	5,136	= 52.18%	4,130	= 59.93%

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

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

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2012

	Note	2012 \$'000	2011 \$'000
Note 39 Capital expenditure			
Capital expenditure areas			
Roads		3,693	1,710
Land and buildings		4,324	838
Plant and equipment		972	545
Furniture and equipment		89	117
Landfills		26	26
Other infrastructure		1,019	755
Total capital works		10,123	3,991
Represented by:			
Asset renewal	(a)	4,754	2,372
Asset upgrade	(b)	4,324	838
Asset expansion	(c)	1,045	781
Total capital works		10,123	3,991

Property, plant and equipment, infrastructure movement

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

Total capital works		10,123	3,991
Asset revaluation movement	25(a)	1,883	(70,485)
Depreciation/amortisation	12	(6,483)	(6,399)
Written down value of assets sold	20	(69)	(54)
Net movement in property, plant and equipment, infrastructure	20	5,454	(72,947)

(a) Renewal

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

(b) Upgrade

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

(c) Expansion

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

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2012

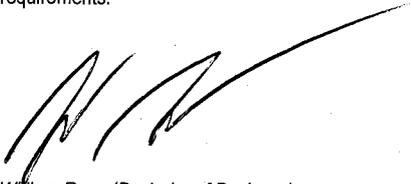
Note 40 Special committees and other activities

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

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

CERTIFICATION OF THE FINANCIAL STATEMENTS

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



William Ryan (Bachelor of Business)
Principal Accounting Officer

Date : 1/10/2012
Wycheproof

In our opinion the accompanying financial statements present fairly the financial transactions of Buloke Shire Council for the year ended 30 June 2012 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 26th September 2012 to certify the financial statements in their final form.



David Pollard (Mayor)
Councillor

Date : 1/10/2012
Wycheproof



Leo Tellefson (Deputy Mayor)
Councillor

Date : 1/10/2012
Wycheproof



Warwick Heine
Chief Executive Officer

Date : 1/10/2012
Wycheproof

STANDARD STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDING 30 JUNE 2012

	Actual 2012 \$'000	Budget 2012 \$'000	Variances \$'000	%	Ref
REVENUE FROM OPERATIONS					
Rates	8,339	8,332	7	0.08	
Municipal charge	232	232	-	-	
Garbage charge	766	829	(63)	(7.60)	
Statutory fees and fines	61	27	34	125.93	1
User fees	746	652	94	14.42	2
Grants - Operating	5,840	4,338	1,502	34.62	3
Grants - Capital	14,624	20,355	(5,731)	(28.16)	4
Net gain (loss) on disposal of assets	(16)	333	(349)	(104.80)	5
Share of net profit (loss) of associates	(23)	-	(23)	(100.00)	6
Interest	175	126	49	38.89	7
Other	1,003	313	690	220.45	8
Revenues from ordinary activities	31,747	35,537	(3,790)	(10.66)	
EXPENSES					
Employee costs	12,191	9,380	2,811	29.97	9
Materials and Services	6,664	5,466	1,198	21.92	10
Bad and Doubtful Debts	15	12	3	25.00	11
Depreciation and amortisation	6,483	6,290	193	3.07	12
Finance costs	92	56	36	64.29	13
Other expenses	956	816	140	17.16	14
Expenses from ordinary activities	26,401	22,020	4,381	19.90	
Net Surplus (Deficit) from Operations	5,346	13,517	(8,171)	(60.45)	
Net asset revaluation increment (Decrement) reversals	1,883	3,008	(1,125)	(37.40)	15
Surplus/(deficit) for the year	7,229	16,525	(9,296)	(56.25)	

STANDARD STATEMENT OF FINANCIAL PERFORMANCE COMPARISON REPORT

FOR THE YEAR ENDING 30 JUNE 2012

Standard Statement of Financial Performance Variation Explanation Report Material variances considered to be either 10% or \$100,000 of comparative values.

Ref	Item	Commentary
Revenue		
1	Statutory fees and fines	Increase in revenue due to greater diligence in issuing fire hazard notices in response to improved emergency management plans being adopted.
2	User fees	Increase to revenue received for home and community care, hall hire fees, truck wash fees and garbage charges.
3	Grants - Operating	Victorian Grants Commission paid the first two quarterly payments in advance for the 2012/13 financial year.
4	Grants - Capital	Variance mainly due to the delay in finalising the road rehabilitation flood contracts due to legal matters requiring clarification prior to awarding the contract.
5	Net gain or loss on disposal of assets	Asset sales were substantially less than anticipated due to flood rectification works taking priority. Additionally, the shed budgeted to be sold in the Wycheproof Industrial Estate was not sold during the year as forecast.
6	Share of net profit (loss) of associates	This is due to the allocation of the Vision Defined Benefits super call that was made on the Wimmera Regional Library corporation. The loss is predominantly due to the apportioning of Council's share of this loss recorded in the Library Corporation's financial statements.
7	Interest	Positive variance due to the monies received from investing grant funds received in advance for works yet to be undertaken. Works delayed due to the lengthy process require to finalise the road restoration contracts relating to floods.
8	Other	An additional \$0.44 million was received for Flood Emergency Management than was not initially allowed for in the budget.
Expenses		
9	Employee Costs	The substantial variance is mainly due to the \$1.989 million call on Council made by Vision Super to meet Council's obligations to the members of this underfunded defined benefits fund.
10	Materials and Services	Additional expenditure incurred in road materials as rates for gravel have substantially increased due to increased demand.
11	Bad and Doubtful Debts	The negative variance is due to a write off in rates debtors. The property was sold but did not recover enough funds to totally clear the liability owed to Council.
12	Depreciation and Amortisation	Landfill depreciation was more than forecast due to the rapid filling of cells due to the large quantity of flood debris.
13	Finance Costs	Finance costs were higher than budget due to council operating in overdraft for longer than budgeted. This was due to the delay in receipt of insurance claim funds for flood rectification works.
14	Other expenses	This is due to donations to community groups exceeding budget by \$109k. This is substantially offset by an increase in user fees of \$102k. Previously the revenue was discounted to account for donations. Now the revenue is raised and the offsetting expense raised to account for the cost to council of donating the service.
15	Net Asset Revaluation increment (decrement) reversals	The increase is due to the revaluation of land and buildings in line with Council's normal biannual revaluation cycle.

STANDARD STATEMENT OF FINANCIAL PERFORMANCE COMPARISON REPORT

FOR THE YEAR ENDING 30 JUNE 2012

Commentary on the Standard Statements of Financial Performance for the Annual Report

The Standard Statement of Financial Performance for the Annual Report shows what has happened during the year in terms of revenue, expenses and other adjustments from all activities. The Standard Statement of Financial Performance must be presented in the same format as that which was presented in Council's budget.

The Standard Statement of Financial Performance requires revenues to be separately disclosed where the item is of such a size, nature or incidence that its disclosure is relevant in explaining the performance of the council.

The Standard Statement of Financial Performance for the Annual Report also shows the movement in equity, so that a separate Statement of Changes in Equity is not necessary.

STANDARD STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2012

	Actual 2012 \$'000	Budget 2012 \$'000	Variances		Ref
			\$'000	%	
CURRENT ASSETS					
Cash assets	2,852	(3,438)	6,290	(182.96)	16
Receivables	1,065	1,788	(723)	(40.44)	17
Other Assets	374	185	189	102.16	18
Inventory	144	64	80	125.00	19
Total current assets	4,435	(1,401)	5,836	(416.56)	
NON CURRENT ASSETS					
Receivables	-	6	(6)	(100.00)	20
Investments in associates	189	162	27	16.57	21
Property, Infrastructure, Plant and Equipment	109,134	122,418	(13,284)	(10.85)	22
Total non-current assets	109,323	122,586	(13,263)	(10.82)	
TOTAL ASSETS	113,758	121,185	(7,427)	(6.13)	
CURRENT LIABILITIES					
Payables	3,913	4,322	(409)	(9.46)	23
Trust Funds	100	73	27	36.99	24
Provisions	2,262	1,506	756	50.20	25
Interest bearing liabilities	49	49	-	-	
Total current liabilities	6,324	5,950	374	6.29	
NON CURRENT LIABILITIES					
Provisions	1,146	1,710	(564)	(32.98)	26
Interest bearing liabilities	396	253	143	56.52	27
Total non current liabilities	1,542	1,963	(421)	(21.45)	
TOTAL LIABILITIES	7,866	7,913	(47)	(0.59)	
NET ASSETS	105,892	113,272	(7,380)	(6.52)	
EQUITY					
Accumulated surplus	47,833	56,530	(8,697)	(15.38)	28
Asset Revaluation Reserves	58,059	56,742	1,317	2.32	29
TOTAL EQUITY	105,892	113,272	(7,380)	(6.52)	

STANDARD STATEMENT OF FINANCIAL POSITION COMPARISON REPORT

FOR THE YEAR ENDING 30 JUNE 2012

Variation Explanation Report

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

Ref	Item	Commentary
16	Cash Assets	Increase due to prepayment of the first two Grants Commission payments for the 2012/13 year in the current year.
17	Current Receivables	Variance attributed to improved debt collection procedures and the reduction in the amount of out charged services Council now provides to external contractors.
18	Other Assets	The level of prepayments was greater than budgeted resulting in a \$188k favourable variance.
19	Inventory	Inventory levels were higher than normal due to an increase in the stockpile of pavement sandstone for scheduled works early in 2012/13.
20	Non Current Receivables	Any remaining non current receivables were finalised during 2011/2012.
21	Investments in Associates	The reduction of Council's investments in associates is due to the Vision Super defined benefits call made on the Wimmera Regional Library Corporation. The Reduction in council's equity is directly related to Council's allocation of Council's share of this liability.
22	Property, Infrastructure, Plant and Equipment.	The variance of \$13.28 million in property, plant and infrastructure is due to the delay in commencing the flood rectification roadworks as budgeted due to unavoidable delays in finalising the tender contracts. Additionally, the revaluation of some classes of assets were postponed until next year further adversely impacting on the total value of these assets.
23	Payables	This is mainly as a result of the additional call for defined benefits superannuation liabilities in 2012 for \$1.89 million. This will be paid out via an external loan in the next year.
24	Trust Funds	The increase in the level of Trust Funds is due to Council holding more monies on behalf of outside groups that were donated to assist in flood repairs and rectification works than were originally budgeted.
25	Current Provisions	Current annual leave and long service leave provisions have increased by \$325k. This is mainly due to the change in the LSL pro rata arrangements that have been reduced from 7 years down to 5 years as a result of the new 2012 regulations that have replaced the previous 2002 regulations.
26	Non Current Provisions	The variance in Non Current provisions is mainly due to the increase in the provision for landfill rehabilitation due to the creation of new landfill cells accommodate flood damaged materials.
27	Interest Bearing Liabilities	This is a result of the existing call for defined benefits superannuation liabilities not being reduced as much as forecast in the budget.
28	Accumulated Surplus	The accumulated surplus is less than budget mainly because Grant funds for capital projects were \$5.7 million under budget.
29	Asset Revaluation Reserve	The shortfall in revaluation is due to delaying the revaluation of certain classes of assets to 2012/13 as major works will significantly impact on values in the coming year.

STANDARD STATEMENT OF FINANCIAL POSITION COMPARISON REPORT

FOR THE YEAR ENDING 30 JUNE 2012

Commentary on the Standard Statement of Financial Position for the Annual Report:

The Standard Statement of Financial Position for the Annual Report shows a snap shot of the financial situation as at the end of the year. It shows the total of what is owned (assets) less what is owed (liabilities). The bottom line of this statement is net assets, which is the net worth of Council. The Standard Statement of Financial Position must be presented in the same format as that which was presented in Council's budget.

The change in net assets between two year's Standard Statements of Financial Position shows how the financial position has changed over that period which is described in more detail in the Standard Statement of Financial Performance.

The assets and liabilities are separated into current and non-current. Current means those assets or liabilities which will fall due in the next twelve months.

STANDARD STATEMENT OF CASH FLOWS

FOR THE YEAR ENDING 30 JUNE 2012

	Actual 2012 \$'000	Budget 2012 \$'000	Variances		Ref
			\$'000	%	
Cash flows from operating activities					
Rates	8,592	8,832	(240)	(2.72)	30
Operating grants and contributions	5,840	3,460	2,380	68.79	31
Capital grants and contributions	14,624	20,680	(6,056)	(29.28)	32
Interest	175	146	29	19.86	33
User charges & Statutory Fees	1,530	1,332	198	14.86	34
Other revenue	607	1,470	(863)	(58.71)	35
Total Receipts	31,368	35,920	(4,552)	(12.67)	
Payments					
Employee costs	(9,915)	(9,476)	(439)	4.63	36
Materials and consumables	(4,034)	(4,403)	369	(8.38)	37
External contracts	(1,200)	(1,526)	326	(21.36)	38
Utilities	(512)	(480)	(32)	6.67	
Other expenses	(956)	(1,067)	111	(10.40)	39
Total Payments	(16,617)	(16,952)	335	(1.98)	
Net Cash Inflow (outflow) From Operating Activities	14,751	18,968	(4,217)	(22.23)	
Cash Flows from Investing Activities					
Proceeds from Sale of Property, Plant and Equipment	53	350	(297)	(84.86)	40
Repayment of Loans and Advances	(49)	-	(49)	(100.00)	41
Payments for Property, Plant and Equipment	(10,123)	(21,300)	11,177	(52.47)	42
Net Cash inflow (outflow) from Investment Activities	(10,119)	(20,950)	10,831	(51.70)	
Cash Flows from Financing Activities					
Finance Costs	(92)	(56)	(36)	64.29	43
Trust funds and deposits	9	-	9	100.00	44
Net Cash Inflow (Outflow) From Financing Activities	(83)	(56)	(27)	48.21	
Net Increase (Decrease) in cash and cash equivalents	4,549	(2,038)	6,587	(323.21)	
Cash and cash equivalents at beginning of year	(1,697)	(1,400)	(297)	21.21	
Cash and Cash Equivalents at End of the Period	2,852	(3,438)	6,290	(182.96)	

STANDARD STATEMENT OF CASH FLOWS COMPARISON REPORT

FOR THE YEAR ENDING 30 JUNE 2012

Variation Explanation Report

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

Ref	Item	Commentary
30	Rates	Payments of rates less than budgeted due to delayed timing of client payments.
31	Operating grants and contributions	Victorian Grants Commission paid the first two quarterly payments in advance for the 2012/13 financial year.
32	Capital grants and contributions	Variance mainly due to the delay in finalising the road rehabilitation flood contracts due to legal matters requiring clarification prior to awarding the contract.
33	Interest	Positive variance due to the monies received from investing grant funds received in advance for works yet to be undertaken. Works delayed due to the lengthy process require to finalise the road restoration contracts relating to floods.
34	User charges & Statutory Fees	Increase to increased revenue received for home and community care, hall hire fees, truck wash fees and garbage charges.
35	Other revenue	An additional \$0.44 million was received for Flood Emergency Management than was not initially allowed for in the budget.
36	Employee costs	The variance is mainly due to the accrual of the last payroll for the year that was included in the original budgeted cash flow.
37	Materials and consumables	Additional expenditure incurred in road materials as rates for gravel have substantially increased due to increased demand.
38	External contracts	External contracts below budget as a number of cost areas have been reallocated to materials and services.
39	Other Expenses	This is due to donations to community groups exceeding budget by \$109k. This is substantially offset by an increase in user fees of \$102k. Previously the revenue was discounted to account for donations. Now the revenue is raised and the offsetting expense raised to account for the cost to council of donating the service.
40	Proceeds from Sale of Property, Plant and Equipment	Asset sales were substantially less than anticipated due to flood rectification works taking priority. Additionally, the shed budgeted to be sold in the Wycheproof Industrial Estate was not sold during the year.
41	Repayment of Loans and Advances	Loan repayment for Vision Super not separated out in original budget.
42	Payments for Property, Plant and Equipment	Payments substantially less than budget due to the delay in flood rectification roadworks .
43	Finance Costs	Increase due to higher than expected interest on overdraft.
44	Trust funds and deposits	Increase due to additional flood related monies received to be held in trust.

Commentary on the Standard Statement of Cash Flows for the Annual Report:

A Standard Statement of Cash Flows for the Annual Report shows what has happened during the year in terms of cash. It explains what cash movements have resulted in the difference in the cash balance at the beginning and the end of the year.

The net cash flows from operating activities, shows how much cash remains, after paying for providing services to the community, which may be invested in things such as capital works. The Standard Statement of Cash Flows must be presented in the same format as that which was presented in Council's budget.

The information in the Standard Statement of Cash Flows assists users in the assessment of the ability to generate cash flows, meet financial commitments as they fall due including the servicing of borrowings, fund changes in the scope or nature of activities and obtain external finance.

A reconciliation of operating result and net cash flows from operating activities has been added to highlight non-cash items of significance.

STANDARD STATEMENT OF CAPITAL WORKS

FOR THE YEAR ENDING 30 JUNE 2012

	Actual 2012 \$'000	Budget 2012 \$'000	Variations \$'000	%	Ref
CAPITAL WORKS AREA					
Roads	3,693	4,612	919	19.93	1
IT and communications	370	462	92	19.91	2
Land and buildings	4,350	3,035	(1,315)	(43.33)	3
Plant and equipment	691	620	(71)	(11.45)	4
Other	1,019	16,574	15,555	93.85	5
Total Capital Works	10,123	25,303	15,180	59.99	
Represented by :					
Renewal	4,754	20,564	15,810	76.88	
Upgrade	4,324	3,622	(702)	(19.38)	
New assets	1,045	1,117	72	6.45	
Total Capital Works	10,123	25,303	15,180	59.99	

Property, Plant and Equipment and Infrastructure movement Reconciliation

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

Total capital works	10,123	25,303	15,180	59.99
Asset revaluation movement	1,883	3,008	1,125	37.40
Depreciation and amortisation	(6,483)	(6,290)	193	(3.07)
Written down value of assets sold	(69)	(17)	52	(305.88)
Net movement in property, plant and equipment and infrastructure	5,454	22,004	16,550	75.21

STANDARD STATEMENT OF CAPITAL WORKS COMPARISON REPORT

FOR THE YEAR ENDING 30 JUNE 2012

Variation Explanation Report

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

Ref	Item	Commentary
1	Roads	Reduced works were a direct result of floods preventing road crews to access the worksites
2	IT and communications	Shortfall due to delay in expenditure on projects as evaluation of suitable products still to be completed due to recent technology innovations.
3	Land and buildings	Increased works due to additional works done in flood rectification of buildings.
4	Plant and equipment	Variance due to the purchase of additional vehicles for roadcrews to reduce expenditure on travel allowances.
5	Other	This is due to the delay in the major flood related road rehabilitation works due to the unavoidable delays in letting the related tender .

Commentary on the Standard Statements of Capital Works for the Annual Report:

The Standard Statement of Capital Works for the Annual Report sets out all the actual capital expenditure in relation to non-current assets for the year. It also shows the amount of capital works expenditure which is expected to be renewing, upgrading, expanding or creating new assets. This is important because each of these categories has a different impact on Council's future costs.

- Capital expansion expenditure extends an existing asset to a new group of users. It is discretionary expenditure which increases future operating and maintenance costs, because it increases council's asset base, but may be associated with additional revenue from the new user group.
- Capital renewal expenditure reinstates existing assets, it has no impact on revenue, but may reduce future operating and maintenance expenditure if completed at the optimum time.
- Capital upgrade expenditure enhances an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally. Upgrade expenditure is discretionary and often does not result in additional revenue unless direct user charges apply. It will increase operating and maintenance expenditure in the future because of the increase in the Council's asset base.
- New capital expenditure does not have any element of renewal, expansion or upgrade of existing assets. New capital expenditure may or may not result in additional revenue for council and will result in an additional burden for future operation, maintenance and capital renewal.

The property, plant and equipment movement reconciliation worksheet is included to show how the Standard Statement of Capital Works figures relate to the Standard Statement of Financial Position movement in property, plant and equipment.

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2012

Notes to the Standard Statements

A. Basis of preparation of Standard Statements

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

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

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

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

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

The budget figures included in the Statements are those adopted by Council on 22nd June 2012. The budget was based on assumptions that were relevant at the time of adoption of the budget. The Council set guidelines and parameters for revenue and expense targets in this budget in order to meet council's business plan and financial performance targets for both the short and long term. The budget did not reflect any changes to equity resulting from assets revaluations, as their impacts were not considered predictable.

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

CERTIFICATION OF THE STANDARD STATEMENT

In my opinion the accompanying Standard statements have been prepared on accounting bases consistent with the financial statements and in accordance with the *Local Government Act 1989* and the *Local Government (Finance and Reporting) Regulations 2004*.



William Ryan (*Bachelor of Business*)
Principal Accounting Officer

Date : 1/10/2012
Wycheproof

In our opinion the accompanying Standard statements have been prepared on accounting bases consistent with the financial statements and in accordance with the *Local Government Act 1989* and the *Local Government (Finance and Reporting) Regulations 2004*.

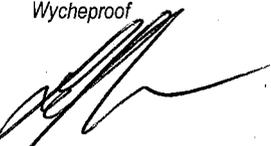
As at the date of signing, we are not aware of any circumstances which would render any particulars in the standard statements to be misleading or inaccurate.

We have been authorised by the Council on 26th September 2012 to certify the standard statements in their final form.



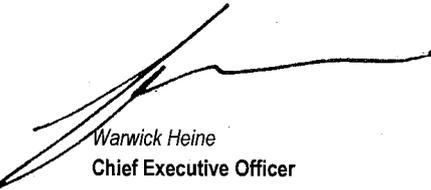
David Pollard (*Mayor*)
Councillor

Date : 1/10/2012
Wycheproof



Leo Tellefson (*Deputy Mayor*)
Councillor

Date : 1/10/2012
Wycheproof



Warwick Heine
Chief Executive Officer

Date : 1/10/2012
Wycheproof

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Buloke Shire Council

The Financial Report and Standard Statements

The accompanying financial report for the year ended 30 June 2012 of Buloke Shire Council which comprises comprehensive income statement, statement of financial position, statement of changes in equity, statement of cash flow, notes comprising a summary of the significant accounting policies and other explanatory information, and the certification of the financial report has been audited.

The accompanying standard statements for the year ended 30 June 2012 of the Council which comprises standard statement of financial performance, standard statement of financial position, standard statement of cash flows, standard statement of capital works, the related notes and the certification of the standard statement has been audited.

The Councillors' Responsibility for the Financial Report and Standard Statements

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

- the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*
- the standard statements in accordance with the basis of preparation as described in Note A to the statements and the 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 and standard statements that are 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 and standard statements 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 whether the financial report and standard statements are free from material misstatement.

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

- the appropriateness of the accounting policies used in the financial report
- the reasonableness of accounting estimates made by the Councillors
- the overall presentation of the financial report and standard statements.

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

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:

- (a) the financial report presents fairly, in all material respects, the financial position of Buloke Shire Council as at 30 June 2012 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*.
- (b) The standard statements present fairly, in all material respects, in accordance with the basis of preparation as described in Note A to the statements and comply with the requirements of the *Local Government Act 1989*.

Material Uncertainty Regarding Continuation as a Going Concern

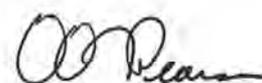
Without modification to the opinion expressed above, attention is drawn to the following matter. As indicated in Note 1(a) to the financial report of Buloke Shire Council, the financial report has been prepared on a going concern basis. However, the Council has reported a working capital deficit of \$1.889 million at 30 June 2012, and has disclosed other conditions in Note 1(a) which indicates that there is a material uncertainty that may cast significant doubt on the Council's ability to continue as a going concern. Therefore, the Council may be unable to realise its assets and discharge its liabilities in the normal course of business.

Basis of Accounting for Standard Statements

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

Matters Relating to the Electronic Publication of the Audited Financial Report and Standard Statements

This auditor's report relates to the financial report and standard statements of the Buloke Shire Council for the year ended 30 June 2012 included both in the Buloke Shire Council's annual report and on the website. The Councillors of the Buloke Shire Council are responsible for the integrity of the Buloke Shire Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report and standard statements are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report and standard statements to confirm the information contained in the website version of the financial report and standard statements.



D D R Pearson
Auditor-General

MELBOURNE
2 October 2012

PERFORMANCE STATEMENT

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

The Key Strategic Activities that follow allow a comparison to be made between projected targets and actual figures in line with the Council Plan. For a full copy of the Buloke Shire Council Plan, please visit www.buloke.vic.gov.au

ANNUAL MEASURES AND TARGETS

Listed on the following pages are Council's Strategic Objectives, Strategic Statements, Indicators and activities for the 2011-2012 year.

Below is how we have measures our indicators:

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

STRATEGIC OBJECTIVES, STRATEGIES, STRATEGIC INDICATORS AND PERFORMANCE MEASURES FOR 2011-2012

I. OUR COMMUNITY

Strategic statements:

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

2011-2012 Strategic Indicator	Performance Measure	Performance Target	Outcome	Status
Community satisfaction with Council's overall performance	Maintain satisfaction	65	*62	Target not met
Community satisfaction with Council's engagement in decision making on key local issues	Maintain satisfaction	63	*66	Target met and exceeded
Increase in the annual number of visits recorded to Council's website	Increase site visitations	6,000	19,384	Target met and exceeded
Average number of Home and Community Care hours of service provided per month	Increase in annual hours of service	1,265	1,389	Target met and exceeded
Community satisfaction with Health and Human Services	Maintain satisfaction	75	*80	Target met and exceeded
Number of grants applied for or facilitated by Council staff annually	Number of grant applications maintained or increased	23	66	Target met and exceeded
Total value of grants applied for or facilitated by Council staff annually	Value of grant applications maintained or increased	\$4.250 M	\$20.5 M	Target met and exceeded

* Please note that comparisons should not be made with Community Satisfaction Survey results from 2011 and prior. As a result of feedback from extensive consultations with Council's, in 2012 there have been necessary and significant changes to the methodology and content of the survey which make comparisons invalid. As such, the results of the 2012 Community Satisfaction Survey should be considered as a benchmark. Tracking comparisons will be possible in the future years.

PERFORMANCE STATEMENT

2. OUR LOCAL ECONOMY

Strategic Statements:

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

2011-2012 Strategic Indicator	Performance Measure	Performance Target	Outcome	Status
Number of jobs in Buloke	Number of jobs maintained or increased	2,646	2,646	Target met
Number of local workforce employed in Buloke jobs	Number of local workforce employed in Buloke maintained or increased	2,403	2,403	Target met
Number of regional workforce employed in Buloke jobs	Number of local workforce from within the region maintained or increased	243	243	Target met
Community satisfaction with economic development	Maintain satisfaction	58	*62	Target met and exceeded
Total participants in local economy support events	Number of participants maintained	350	610	Target met and exceeded
Level of commercial and industrial development within the Buloke Shire (\$)	Value of building approvals maintained or increased	\$2.20 M	\$0.928 M	Target not met

* Please note that comparisons should not be made with Community Satisfaction Survey results from 2011 and prior. As a result of feedback from extensive consultations with Council's, in 2012 there have been necessary and significant changes to the methodology and content of the survey which make comparisons invalid. As such, the results of the 2012 Community Satisfaction Survey should be considered as a benchmark. Tracking comparisons will be possible in the future years.

3. OUR BUILT ENVIRONMENT

Strategic Statements:

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

2011-2012 Strategic Indicator	Performance Measure	Performance Target	Outcome	Status
Community satisfaction with town planning and policy approvals	Maintain satisfaction	61	*62	Target met and exceeded
Community satisfaction with recreational facilities	Maintain satisfaction	71	*72	Target met and exceeded
Customer satisfaction with local roads and footpaths	Maintain satisfaction	47	*59	Target met and exceeded
Community satisfaction with the appearance of public areas	Maintain satisfaction	69	*76	Target met and exceeded
100% of planning applications processed within the statutory limit	No applications outside of statutory limit	100%	98%	Target not met
Average number of service requests and work orders received per month	Number of requests received increased	245	219	Target not met

* Please note that comparisons should not be made with Community Satisfaction Survey results from 2011 and prior. As a result of feedback from extensive consultations with Council's, in 2012 there have been necessary and significant changes to the methodology and content of the survey which make comparisons invalid. As such, the results of the 2012 Community Satisfaction Survey should be considered as a benchmark. Tracking comparisons will be possible in the future years.

PERFORMANCE STATEMENT

4. OUR NATURAL ENVIRONMENT

Strategic Statements:

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

2011-2012 Strategic Indicator	Performance Measure	Performance Target	Outcome	Status
Town garbage collection, measured as kilograms per household	Decrease in kilograms collected per household	690 kilograms	483 kilograms	Target met and exceeded
Recyclables collection, measured as kilograms per household	Increase in kilograms collected from household	280 kilograms	272.6 kilograms	Target not met
Energy usage figures	Reduction in energy, water, petrol, diesel and LPG gas usage	Energy 0.267500 MW	Energy 863.5 MW	Energy Target not met
MW		Water 0.65500 ML	Water 87.7 ML	Water Target not met
Water – ML		Petrol 79,184 L	Petrol 92,333 L	Petrol Target not met
LPG – L		Diesel 476,969 L	Diesel 453,989 L	Diesel Target met
Petrol – L		LPG 61,336 L	LPG 60,758 L	LPG Target met
Diesel – L				

5. OUR PEOPLE AND ORGANISATION

Strategic statements:

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

2011-2012 Strategic Indicator	Performance Measure	Performance Target	Outcome	Status
Conduct regular Audit Committee meetings	Minimum four meetings per year	4	4	Target met
Level of rates levied (rates per assessment) compared with neighbouring municipalities	Current ratio maintained or reduced	102%	106%	Target not met
Community satisfaction with the advocacy performance of Council	Maintain satisfaction	68	*62	Target not met
Community satisfaction with Council's interaction and responsiveness in dealing with the public	Maintain satisfaction	72	*80	Target met and exceeded
Number of workforce entry-level positions (traineeships, apprenticeships, students and graduates) created annually	Number of positions available annually maintained or increased	6	15	Target met and exceeded

* Please note that comparisons should not be made with Community Satisfaction Survey results from 2011 and prior. As a result of feedback from extensive consultations with councils, in 2012 there have been necessary and significant changes to the methodology and content of the survey which make comparisons invalid. As such, the results of the 2012 Community Satisfaction Survey should be considered as a benchmark. Tracking comparisons will be possible in the future years.

CERTIFICATION OF THE PERFORMANCE STATEMENT

In our opinion the accompanying performance statement of the Buloke Shire Council in respect of 2011/2012 financial year, is presented fairly and in accordance with the Local Government Act 1989.

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

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



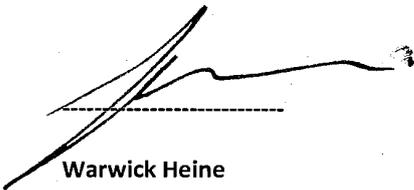
William Andrew Ryan (B.Bus)
Principal Accounting Officer
Date: 01 October 2012.
Wycheproof



David Pollard
Mayor
Date: 01 October 2012.
Wycheproof



Leo Tellefson
Councillor
Date: 01 October 2012.
Wycheproof



Warwick Heine
Chief Executive Officer
Date: 01 October 2012.
Wycheproof

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Buloke Shire Council

The Performance Statement

The accompanying performance statement for the year ended 30 June 2012 of the Buloke Shire Council which comprises the statement, the related notes and the statement by councillors and principal accounting officer has been audited.

The Councillors' Responsibility for the Performance Statement

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

Auditor's Responsibility

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

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

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

Independence

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

Independent Auditor's Report (continued)

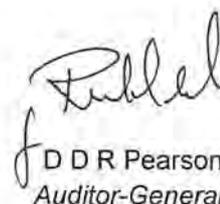
Auditor's Opinion

In my opinion, the performance statement of the Buloke Shire Council in respect of the 30 June 2012 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

Matters Relating to the Electronic Publication of the Audited Performance Statement

This auditor's report relates to the performance statement of the Buloke Shire Council for the year ended 30 June 2012 included both in the Buloke Shire Council's annual report and on the website. The Councillors of the Buloke Shire Council are responsible for the integrity of the Buloke Shire Council's website. I have not been engaged to report on the integrity of the Buloke Shire Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this statement. If users of the performance statement are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the performance statement to confirm the information contained in the website version of the performance statement.

MELBOURNE
2 October 2012



D D R Pearson
Auditor-General



BULOKE SHIRE COUNCIL

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WYCHEPROOF VIC 3527

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