

ANNUAL REPORT 2015-2016



BULOKE
SHIRE COUNCIL



Contents

INTRODUCTION

Snapshot of Council	3
Highlights for the year	4
Challenges and future outlook	7

THE YEAR IN REVIEW

Mayor's message	8
CEO's message	10
Description of operations	11

GRANTS FROM EXTERNAL SOURCES

OUR COUNCIL

Council profile	13
Council office	13
Councillors	13

OUR PEOPLE

Management team	17
Organisational structure	17
Council staff	18

OUR PERFORMANCE

Council Plan	19
Performance	20
Objectives and strategies	21

GOVERNANCE, MANAGEMENT AND OTHER INFORMATION

Governance	25
Statutory information	28

FINANCE

Explanation of financial statements	30
Performance Statement	32
Certification of performance statement	41
Independent Auditors Report	42
Financial Report	43
Certification of financial statement	86
Independent Auditors Report	87





Introduction

Snapshot of Council

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

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

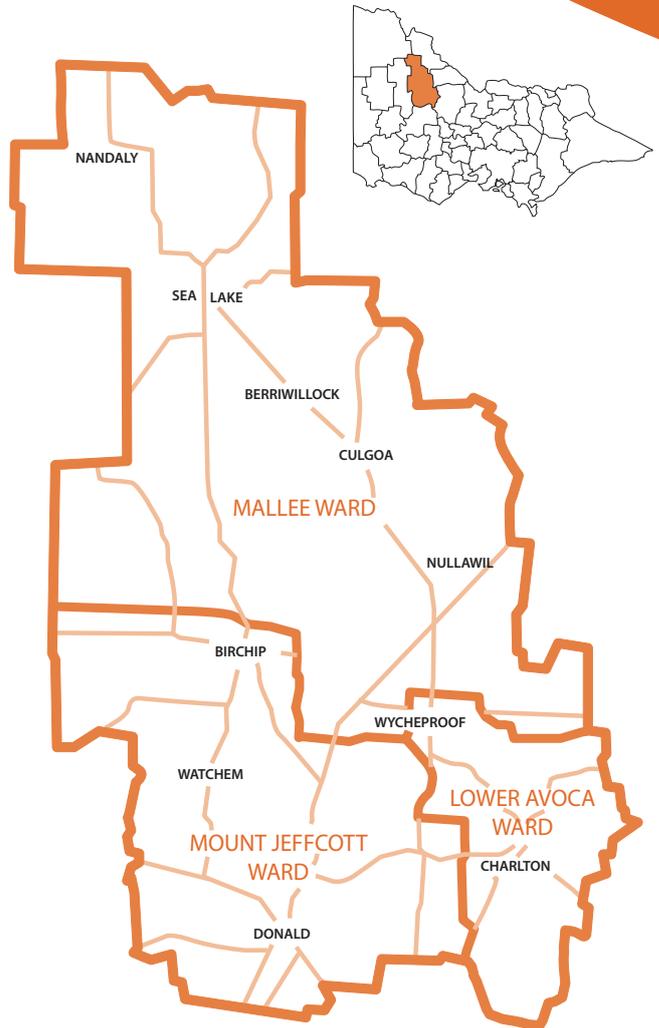
The Buloke Shire is a predominantly rural area. The main townships are Birchip, Charlton, Donald, Sea Lake and Wycheproof. The Shire also comprises of the smaller townships of Berrivillock, Culgoa, Nandaly, Nullawil and Watchem.

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

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

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

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



Our Vision

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

Our Mission

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

We do this by:

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



Highlights for the year

July, August and September

- Landscaping was completed at the rear of the Donald Family Services Centre and discussion began with committee to increase the existing play area to incorporate more green space.
- Council installed two drinking fountains which were donated by GWM Water in the Donald Mall and at Centenary Park in Wycheproof.

- Ten Crepe Myrtles were planted in the nature strip of Rundle Street in Birchip. These plantings were a trial to see how well this species will adapt to Mallee conditions. The trees provide shade, colour and beautification. They grow to eight metres high with a broad spreading crown and were chosen for their large white flower which blooms for about 100 days over the warmer months.



- Council installed a new outdoor fitness area in Centenary Park, Wycheproof. This project was funded through Regional Development Victoria's Putting Locals First Program. The area features; a chin up bar, step up stumps, a body curl board, push up bars, a sit up table and a log hop star.



- Grading Crews switched to ten hour days as part of Enterprise Agreement negotiations to provide higher levels of use of equipment especially the graders. This optimises the use of the graders and increases the length of road graded during the year.



- The Charlton Skate Park and Youth Precinct and Charlton Recreation Reserve Stormwater Project were both officially opened on 25 September by Mayor, Cr Reid Mather.



The \$164,000 Charlton Skate Park and Youth Precinct project was supported by the State Government under the Community Facilities Funding Program as well fundraising from a number of local groups including; Charlton and District Community Bank, Charlton Forum, Charlton and Birchip Youth Groups, Charlton Rotary Club, Charlton Lions Club and Buloke Shire Council.

The Charlton Park Stormwater Dam Pipeline Connection project was originally funded by the State Government under the Drought Relief Program as well as funding from Buloke Shire Council. The project was designed to connect Charlton Park Recreation Reserve to stormwater collected at a Grain Flow (privately owned) dam through a pipe line and pumped to the Park for use as irrigation water on the town's sporting surfaces.

October, November and December

- Council purchased locally when it added two new tractors to its fleet. Council's Works and Technical Services Department, together with the procurement team, purchased the tractors from local supplier O'Connor's Farm Machinery of Birchip to realise this deal. The two tractors went straight into slashing grass in preparation for the upcoming fire season.



- Staff underwent health checks performed by Wimmera Mallee Health Service Community Health Nurses, as part of the Achievement Program for Workplaces.

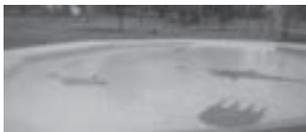
- Community members from Coonooer Bridge to Nandaly took the opportunity to meet with Councillors and staff at the October Community Forum Summit.





The evening was designed to lead the audience through Council's finances and the state of Council's roads and other assets before workshoping four key areas; Communications, Assets, Community Services and Business. The outcomes of these workshops were used to inform Council in the setting of its budget for 2016/17.

- Works on the Wycheproof Swimming Pool were concluded. The finished project saw an upgrade to underground pipe work, new pool concourse, repairs and painting to the toddler pool, and installation of a new plant system for the toddler pool.



- A Civic Reception was held in Berriwillock for 2015 Melbourne Cup winning trainer Darren Weir. Around 800 people were in attendance. The horse responsible for delivering his first Melbourne Cup, Prince of Penzance, entertained some 300 school children from across the district with a parade. Berriwillock, Weir's home town, is a proud hard working community. On this day they catered for close to a thousand people with minimum fuss. Nobody went hungry and everybody had a drink when it was time for the Mayor to toast the guest of honour. Hard work leads to success, which seems to be the Berriwillock way. Weir himself summed up his feelings on the day and the events that lead to the Civic Reception perfectly.

“To all the terrific school kid here today, every now and then, dreams come true. Follow them”.

– Darren Weir.



- Council undertook a line marking project under its capital works program 2015/16 on sealed runways at the Birchip, Charlton and Donald Aerodromes.
- Council upgraded five walking tracks in Birchip, Charlton, Donald, Watchem and Wycheproof. Upgrades to the town walking tracks included additional seating, walking track surface upgrades, solar lighting and signage. The works also included the Wycheproof outdoor fitness area and the sealing of the walking track along the Avoca River in Charlton.



January, February and March

- Council expanded the way it communicates with the public and moved into the Social Media realm. Council launched its Facebook and Twitter accounts to widen its communication channels and move into the digital age. Improving communication was a key focus put forward by the community at October's Community Forum Summit.
- The Donald Children's Centre was officially opened on Friday 26 February. Minister for Families and Children and Minister for Youth Affairs, the Hon Jenny Mikakos MP, together with the Federal Member for Mallee Mr Andrew Broad MP officially opened the facility with a large number of community members in attendance. This visually impressive facility was funded from a range of sources including the Department of Education and Training, Regional Development Australia, Regional Development Victoria, the Buloke Shire Council, the Donald Kindergarten, and the wider Donald community.



Highlights for the year



- On Tuesday 8 March the inaugural Buloke Shire Council International Women’s Day Breakfast was held. All female members of staff were invited to this event, including staff on maternity leave. Many staff also took up Council’s invitation to bring along their children. Cr Ellen White provided a well received and thought provoking presentation on gender equality.

The event was a great example of team work and widening the understanding of International Women’s Day and Council’s Action Plan aligned with the Victorian Government Women’s Charter.

April, May and June

- Buloke Shire Council staged its second Community Forum Summit for the year in Wycheproof on 19 April. The main item for discussion was the draft Council budget for 2016/17. A strong attendance of Forum members was again seen with plenty of strong and informed discussion.
- Women’s Health Loddon Mallee made a special presentation to Council to recognise its adoption of the Action Plan for the Prevention of Violence Against Women. Women’s Health Loddon Mallee (WHLM) CEO, Linda Beilharz made the presentation to the Mayor, Cr Reid Mather, in front of staff and community members to mark the occasion.



The plaque symbolises the commitment made by Council and the community to prevent violence against women. It is an agreement to work together to prevent violence.

The plaque now hangs proudly in Buloke Shire Council’s Wycheproof office.

- The Buloke Health, Holidays and Lifestyles Expo was held in the Wycheproof Hall on 19 April with approximately 200 people attending. The event was arranged through a collaborative partnership between the Buloke Strategic Health and Wellbeing Committee (which includes representatives from the Buloke Shire Council, East Wimmera Health Service, Mallee Track Health and Community Services and the Southern Mallee Primary Care Partnership) and the Wycheproof Community Resource Centre.



- Throughout April and May, Council undertook two periods of community consultation in developing masterplans for the Major Town CBD Streetscapes program. The listening post events in phase two were a great opportunity for the community to put forward their thoughts on how their towns should look in the future. The design team also visited local businesses in each town to obtain their input. This program is ongoing.



- The Annual Bowls tournament between Buloke and Hobsons Bay took place at the Donald Bowling Club. The fixture, which alternates between the two Councils each year, is a highlight of the relationship enjoyed between Buloke and Hobsons Bay. “Whilst the relationship between the Councils was the catalyst for the connection with Hobsons Bay and the bowls tournament, the strength and the reason for the durability of the relationship is the result of the people and the friendships built over the years.” said Cr Mather.





- The new Birchip Tennis Club rooms were completed. Landscaping will be finished before the summer tennis season. The project was a successful union of Council, club and local builder.



- Buloke Shire Council and Hobsons Bay City Council came together to celebrate their enduring Friendship Alliance and its 10th



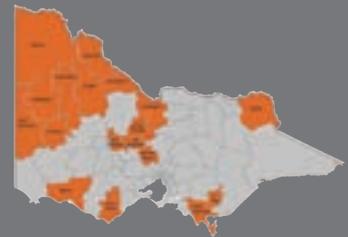
anniversary with a tour of Buloke and a celebration dinner with current and former Councillors and staff of both Councils as well as community members. The dinner was staged at the Charlton P12 College Trade Training Centre. The event was catered for by Year 10 students, their parents and staff. Their successful efforts helped fundraise for a work experience trip to Melbourne.

2015 to 2016 financial year Water, Fuel and Electricity Usage.	
Electricity	502,334 kWh
Water	81,289 kilo litres
Fuel	428,863 litres

Rural Living

The **RURAL LIVING** campaign, which is advocating for equitable services for rural Victorians, was launched by Buloke Shire in May 2015 as a result of Council's new Council Plan. This Plan set out an objective of "Influencing governments to improve liveability for rural communities.", with a strategy to "Develop 'minimum service levels' for rural residents for advocacy with Victorian and Commonwealth Governments."

The **RURAL LIVING** campaign is an alliance of 20 Councils, including 15 Rural Councils, seeking to have all levels of Government agree to the proposition that all Victorians should be entitled to a minimum set of services. This has come about because of the vast disparities in the services available to rural communities compared to their metropolitan cousins. As agricultural efficiency increases and population of rural areas consequently declines, the capacity of those communities to fund a liveable



standard of living has deteriorated. Many rural councils are becoming unsustainable and others, like Buloke, have had to reduce their services to an unacceptable level in order to survive.

In order to address this problem the campaign has seen an Inter-Governmental Working Group (IGWG) being set up, with the Victorian Government agreeing to participate. The Commonwealth Government has also been invited to join. The IGWG is designed to address the problem of service inequality and to develop solutions to the problem.

Challenges and Future Outlook

The key challenge facing Council continues to be the provision of services at an acceptable level in a very constrained environment. In order to do this Council will continue the workplace culture changes it initiated last year with a focus on generating increased levels of innovation, accountability and initiative. At the same time consolidation of asset use, a focus on renewal rather than new assets, and advocacy with other levels of government are critical and continuing activities to enable a reasonable level of service to our community.

A related priority is to ensure that Council is fully aligned with its community and is communicating well. This is a major challenge that is necessary for meaningful engagement. All sections in the community need to be engaged with Council and generating positive input to enable Council to meet its challenges.

Future direction needs to continue to focus on community planning and engagement, service reviews, capital works program efficiency, ICT improvements and pursuing the **RURAL LIVING** advocacy campaign.

The year in review

Mayor's message

Mayor, Cr Reid Mather



On behalf of all the Councillors I am pleased to present the 2015/16 Annual Report. This is the time of the year that we look back on the projects and services delivered to take stock of our successes and consider what we can be done better next year.

This is the final Annual Report for this Buloke Shire Council.

A Council that set a plan for a

financially sustainable organisation; a plan that is continually monitored with a strong discipline to achieve its financial goals.

During this council term, the financial environment for local government has become increasingly tight, with a number of grants from State and Federal Governments being removed, frozen or constrained.

One of the challenges in a small rural council is to prioritise projects, maintain existing assets and continue to meet community service priorities, while at the same time responsibly managing the resources available.

This was the challenge we set ourselves very early in this Council term. Simply put; once we resourced what we were legislatively required to do, we considered the resources remaining and asked:

- What services were vital to our community?
- What services could we deliver in a different way?
- What services could we no longer deliver?

The answers to these questions have shaped our future.

Things can look very simplistic on paper; however Councillors know the impact of these decisions in their towns and community. While gaining financial sustainability, we believe that the service level we are now providing to our community is far less than those in larger municipalities. At the same time Buloke ratepayers pay a far higher rate in the dollar than those living in metropolitan Melbourne.

This situation must be addressed. It is incumbent on Buloke, like many other small rural councils, to advocate to the State and Commonwealth Governments for change, hence the **RURAL LIVING** Campaign was born.

The **RURAL LIVING** Campaign now has the support of 20 Councils across Victoria. We have gained support from the State Government to assess the way services to rural municipalities are funded. This is a milestone achievement and the first time that such a piece of work will be undertaken in Victoria. There is still a long way to go, but we now have a path to follow.

Fortunately, being a councillor is not all about dealing with future plans and financial realities. As councillors we have the opportunity to participate in a wide range of community celebrations.

Celebration is an important part of Buloke's community life. Celebration recognises local achievement and has a lasting impact on community spirit. Whether a debutante ball, art exhibition, school performance, sporting achievement, recognition of academic excellence, a change-over dinner, citizenship ceremony, or combined meeting of local clubs, local celebrations are always good news.

A particular celebration that I will always remember was the civic reception for local boy and now Melbourne Cup winning trainer, Darren Weir. The triumph was a great story and a celebration that came at a time when community spirit was low. Berriwillock district community, like all of Buloke, was facing another season of below average rainfall.

In Buloke there is much to celebrate and much for everyone in the Buloke community to be proud.

At the time of writing this report most people are optimistic about the coming harvest season. It has rained and there is a feeling of optimism. Rain does not immediately translate into cash flow and the last two dry years have been tough on the people of Buloke. Everyone is impacted in some way when rainfall is well below average. Council has reinvigorated its "fire shed meetings", a great opportunity for people to come together to talk and find out what assistance is available.

In Buloke there is much to celebrate and much for everyone in the Buloke community to be proud.

Mayor's message *continued*

Late last year, and again early in 2016, Buloke received two visits from Premier Andrews and Ministers Neville and Pulford, with some minor funding announcements. After continued advocacy, Buloke became eligible for the Commonwealth Government Drought Communities Program. This provides access to \$1.5 million in grant funding, which was gratefully accepted by the Buloke Shire.

On behalf of Councillors I thank our CEO, Mr John Hicks and all staff. John has lead the Buloke team during a very

difficult period of change. He has done this with great grace and empathy and has always been accessible to Councillors, staff and the Buloke community.

In conclusion, I would take this opportunity to thank my Councillor colleagues for their tireless representation. Seven Councillors, ten towns and over 8,000 square kilometres is a big task. The Buloke community is represented by seven people with the best interests of Buloke at heart, not just in Buloke but right across Victoria.



34 kilometers of sealed road resealing

7 sections of sealed road major patches

210m of footpath replacement

135m of kerb and channel replacement

3.1 kilometers of sealed road pavement rehabilitation

34 kilometers of sealed road resealing

60 kilometres of gravel road resheeting and shoulder resheeting.

The year in review

Chief Executive Officer's message

Mr John Hicks



Following the radical changes implemented last year, 2015/16 has been a year of consolidation. Further structural changes have built on the developments of the previous year and the efficiencies realised have been embedded and enhanced. A focus on change to workplace activities and workforce culture has set the scene for ongoing continuous improvement.

Council is looking more and more to its staff for initiatives and accountability as the organisation aligns itself more closely with its community.

Part of this consolidation has involved the conduct of a workplace survey early in the year. This saw concerted action taken to respond to the areas highlighted by staff for improvement including succession planning, job security, accountability and increasing the effectiveness of our recruitment efforts. These areas have been, and continue to be, addressed including a renewed focus on occupational health and safety.

During the year, Council commenced a rolling program of service reviews that will see all services reviewed every three years. This is a key process to make sure those services are relevant, opportunities are identified and the services are being undertaken in the best manner possible.

Key actions taken to address the Council Plan included leading the **RURAL LIVING** campaign and strongly engaging with the Buloke community on the budget and Council initiatives. The **RURAL LIVING** campaign picked up steam during the year with 20 Councils pushing the theme that all Victorians should be entitled to a minimum set of services. The Victorian Government has now agreed to participate in an intergovernmental working group to address this issue with **RURAL LIVING**.

Council also conducted two Community Forum Summits focussing on Council's services and budget. These saw all ten towns and some rural residents invited to the forums to workshop and discuss issues with Council. This culminated in a session looking at the 2016/17 budget prior to it going to Council for adoption for consultation. This increased budgetary literacy and participation are seen to be key drivers in engaging Council with its community.

It has been very pleasing to see Council's Economic Development Strategy bearing fruit with many applications for intensive animal husbandry with new industry setting up in the Shire. Council has been working on this for a decade and the conditions appear to now be right for this increased development. This is a key value add for our community, building on the fundamental competitive advantage presented by our innovative and dynamic agricultural sector. The Strategy has been further revised this year.

Other key outcomes for the year included meeting the requirements of the 2015/16 budget with some room to spare, completing 98% of the budgeted capital works program, as well as reviewing and updating road management, roadside vegetation, and waste management. It was particularly satisfying to see Council adopt the regional plan for the prevention of violence against women.

As well as achieving these outcomes, Council has had to deal with an ever more constrained environment, including rate capping, whilst also having to deal with a rogue music festival promoter. The festival was supported by Council but did not proceed when the promoter could not provide the basic risk management information or insurance. This caused huge disruption to Council, its community and the administration and presented threats to safety, environment and culture. Council is continuing to seek some redress for the costs involved but these are unlikely to compensate for the damage done.

Finally, the key perspective for Council would appear to be the longer term financial outcomes that now present themselves to us. The 2016/17 budget is based on generating sufficient cash income to enable Council to pay off its \$7 million loan in November 2019. After this loan repayment, Council will be able to generate sufficient cash to greatly increase its investment in its own assets. Unfortunately this is based on the current level of services to the community, which is below par, but it does see Council become sustainable into the future.

“It was particularly satisfying to see Council adopt the regional plan for the prevention of violence against women.”

Description of operations

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

The Buloke Shire's main administrative office is located in Wycheproof. The organisation also operates facilities, services and administrative functions from more than twenty other locations in Birchip, Charlton, Donald and Sea Lake. These services include Maternal and Child Health Centres, Childcare Centres, depots and swimming pools.

Economic Factors

The large area and dispersal of population increases transport costs when compared to city Councils. This impacts on the cost of supplying services, the average cost per unit service is three times greater than supplying the same services in a metropolitan area.

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

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

Grants received from external sources

No.	FUNDING ORGANISATION	PROJECT SUMMARY	AMOUNT GRANTED \$
OPERATING GRANTS			
1	Central Goldfields Shire Council	Council Contribution for Regional Advancing Agriculture Project	5,000
2	Depart of Economic Development, Jobs, Transport & Resources	Buloke Local Government Drought Response Program	40,000
3	Depart of Economic Development, Jobs, Transport & Resources	Advancing Intensive Agricultural Opportunities in the Loddon Mallee Region	75,000
4	Depart of Economic Development, Jobs, Transport & Resources	Municipal Emergency Resourcing Program 2014-2016	60,000
5	Depart of Economic Development, Jobs, Transport & Resources	Grants Commission - General Purpose	1,672,911
6	Depart of Economic Development, Jobs, Transport & Resources	Grants Commission - Local Roads Funding	1,184,651
7	Depart of Economic Development, Jobs, Transport & Resources	Stronger Regional Communities Plan - Victorian Government Drought Response Package	15,000
8	Department Environment Land Water and Planning	Roadside Weeds & Pests Management Program - 2015-2017	75,000
9	Department Environment Land Water and Planning	Premiers Reading Challenge 2015-16	5,638
10	Department Environment Land Water and Planning	Municipal Emergency Resourcing Program 2016-2020	30,000
11	Department Environment Land Water and Planning	Roadside Weeds & Pests in Drought Affected Areas Program 2015-16	50,000
12	Department of Economic Development, Jobs, Transport & Resource	Grant - Resilience Trough Planning	1,275
13	Department of Education & Early Childhood Development	Maternal and Child Health Care	146,274

The year in review

Grants received from external sources *continued*

No.	FUNDING ORGANISATION	PROJECT SUMMARY	AMOUNT GRANTED \$
14	Department of Health & Human Services	Buloke 2015 Walk to School Program Grant	10,000
15	Department of Health & Human Services	Engage Youth Program	15,833
16	Department of Health & Human Services	HACC Payments	829,509
17	Department of Health & Human Services	Immunisation Services - Grant	5,640
18	Department of Health & Human Services	Seniors Week Festival Grant 2015	2,200
19	Department of Health & Human Services	Youth Services & Development Program within the Buloke Shire	28,083
20	Municipal Association of Victoria	Tobacco Funding	4,758
21	SES Victoria State Emergency Service	SES Grant Funds - Birchip Unit (\$6,634.00) & Wycheproof unit (\$7034.00)	13,668
22	Shire of Campaspe	Council Contribution for Regional Advancing Agriculture Project	5,000
23	Sport & Recreation Victoria	Birchip Community Gymnasium Upgrade	4,400
24	Vic Roads	School Crossing Supervisor Subsidy 2013/2014	6,555
CAPITAL GRANTS			
25	Department of Infrastructure & Regional Development	Roads to Recovery	3,143,095
26	Depart of Economic Development, Jobs, Transport & Resources	2013/2014 Boating Safety & Facilities Program (Wooroonook Lakes)	1,742
27	Depart of Economic Development, Jobs, Transport & Resources	Upgrading Key Community Town Halls in Buloke Shire	180,000
28	Depart of Economic Development, Jobs, Transport & Resources	Buloke Walking & Cycling Track Upgrade	90,000
29	Depart of Economic Development, Jobs, Transport & Resources	Buloke Major Towns Central Business Precinct Master Plan Project	19,950
30	Depart of Economic Development, Jobs, Transport & Resources	Foletti Park Upgrade	58,725
31	Department Economic Development, Jobs, Transport & Resources	Local Government Infrastructure Program 2011-2015	10,000
32	Department of Economic Development, Jobs, Transport & Resource	Transport Investing in Regions - Buloke wayfinding program	25,000
33	Department of Economic Development, Jobs, Transport & Resource	Donald Archives Museum Facility Upgrade	30,375
34	Department of Education & Early Childhood Development	Wycheproof Preschool Underground Power Upgrade Project	7,300
35	Department of Health & Human Services	HACC Minor Capital 2015-16	12,228
36	Department of Health & Human Services	Football & Netball Program 2015-16 Sea Lake Multi Purpose Netball Courts Upgrade	90,000
37	Department of Health & Human Services	Small Aquatic Projects 16-17 Wycheproof Pool Change Room Upgrade RCTI	120,000
38	Dept of Economic Development, Jobs, Transport & Resources	Donald Family Services Project	8,661
39	Sport & Recreation Victoria	Stormwater Irrigation Supply - AWB - Recreation Reserve Charlton	2,848
40	Sustainability Victoria	Contract ID 8597 - Charlton Transfer Station	10,000
41	Department of Infrastructure & Regional Development	Donald Family Services Centre Return unspent grant	-10,423
			\$8,085,895

Our Council

Council profil

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

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

The current Buloke Shire Council was elected on the 27 October 2012 and will retire in October 2016. The Council's primary objectives are to:

- Act as a representative government and consider community needs when making decisions;
- Establish strategic objectives for municipal services and monitor their achievement;
- Ensure the responsible and accountable management of the organisation's resources;
- Advocate for local community interests to other communities and governments;
- Provide fair and equitable representation of constituents;
- Be a responsible partner in government, taking the needs of other communities into account;
- Foster community cohesion and encourage participation in civic life;
- Manage community assets; and
- Enforce by-laws



Back row: (from left to right): Cr Gail Sharp, Cr David Pollard (Deputy Mayor), Cr Reid Mather (Mayor), Cr Ellen White.

Seated: (from left to right): Cr Stuart McLean, Cr Graeme Milne and Cr Leo Tellefson.

Council offic

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

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

All services can be accessed by calling 1300 520 520.

Postal Address: PO BOX 1, Wycheproof Victoria 3527

Fax: (03) 54937395

Email: buloke@buloke.ivc.gov.au

Website: www.buloke.vic.gov.au

Council also operates Facebook and Twitter accounts.

Councillor Wards and Contact



MALLEE WARD

Councillor Reid Mather

Mobile: 0438 306 259

Email: crmather@buloke.vic.gov.au



MALLEE WARD

Councillor Ellen White

Mobile: 0417 560 706

Email: crwhite@buloke.vic.gov.au



LOWER AVOCA WARD

Councillor Stuart McLean

Mobile: 0439 327 839

Email: crmclean@buloke.vic.gov.au



LOWER AVOCA WARD

Councillor David Pollard

Mobile: 0458 918 638

Email: crpollard@buloke.vic.gov.au



MT JEFFCOTT WARD

Councillor Leo Tellefson

Mobile: 0427 320 166

Email: crtellefson@buloke.vic.gov.au



MT JEFFCOTT WARD

Councillor Graeme Milne

Mobile: 0419 126 911

Email: crmilne@buloke.vic.gov.au



MT JEFFCOTT WARD

Councillor Gail Sharp

Mobile: 0437 090 172

Email: crsharp@buloke.vic.gov.au

Our Council

Council Delegates list

ORGANISATION	CURRENT REPRESENTATIVE	REPRESENTATION STATUS	DATE APPOINTED OR REAPPOINTED
Buloke and Northern Grampians Landcare Network	Cr Tellefson	Council Delegate	11 November 2015
Calder Highway Improvement Committee	Cr Pollard	Council Delegate	11 November 2015
Central Murray Regional Transport Forum	Cr White (Cr Pollard alternate)	Council Delegate	11 November 2015
Central Vic Greenhouse Alliance	Cr Tellefson and Cr White	Council Delegate	11 November 2015
Charlton Community Theatre Pty Ltd Board	Cr Pollard	Council Delegate	11 November 2015
Charlton Stadium Committee	Cr Pollard	Council Delegate	11 November 2015
Country Fire Authority – Municipal Fire Management Planning Committee	Cr Pollard, Cr Tellefson and Cr Milne	Council Delegate	11 November 2015
Livestock Saleyards Association Victoria	Cr McLean	Council Delegate	11 November 2015
Municipal Association of Victoria	Cr Mather and Cr Tellefson as substitute	Council Delegate	11 November 2015
Municipal Emergency Management Planning Committee	Cr Pollard	Council Delegate	11 November 2015
North Central Local Learning Employment Network	Cr Tellefson	Council Delegate	11 November 2015
North West Municipalities Association	Mayor and Cr White	Council Delegate (Mayor and one other Councillor)	11 November 2015
Rail Freight Alliance	Cr White (Cr Tellefson alternate)	Council Delegate	11 November 2015
Recreational Water Users Alliance	Cr Sharp	Council Delegate	11 November 2015
Rural Council's Victoria	Cr Tellefson	Council Delegate	11 November 2015
Sea Lake Community Centre	Cr White	Council Delegate	11 November 2015
Sunraysia Highway Improvement Committee	Cr Milne (Cr Tellefson alternate)	Council Delegate	11 November 2015
Sunraysia - Mallee Rural Counselling Service	Cr Tellefson	Council Delegate	11 November 2015
Victorian Feedlot Committee (Local Government/State Government Appointment)	Cr McLean	Council Delegate	11 November 2015
Watchem Progress Association	Cr Milne	Council Delegate	11 November 2015
Wimmera Mallee Sustainability Alliance	Cr Tellefson	Council Delegate	11 November 2015
Wimmera Mallee Tourism Association	Cr McLean	Council Delegate	11 November 2015
Wimmera Regional Library Corporation	Cr Milne and Cr Tellefson	Council Delegate	11 November 2015
Wimmera Regional Transport Group	Cr Tellefson (Cr Pollard alternate)	Council Delegate	11 November 2015
Workspace Australia	Cr Tellefson	Council Delegate	11 November 2015

Meetings of Council

Buloke Shire Council holds three different types of meetings:

- Ordinary Meetings
- Councillor Briefings
- Special Meeting

Meetings are held throughout the Shire on a rotating basis, and are conducted in accordance with Local Government Act 1989.

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

Agendas and minutes for all meetings are available online and at Wycheproof Shire Office

Table of Attendance

Councillor Attendance (1 July 2015 - 30 June 2016)	Ordinary Meetings	Special Meetings
Number of Meetings held	11	6
Councillor David Pollard (Deputy Mayor)	10	6
Councillor Leo Tellefson	11	6
Councillor Gail Sharp	6	3
Councillor Ellen White	11	5
Councillor Stuart McLean	11	5
Councillor Reid Mather (Mayor)	11	5
Councillor Graeme Milne	11	6

Councillor Expenses

Councillor Expenditure 1 July 2015 - 30 June 2016			
Councillor	Forums and Conferences	Travel	Total
Cr McLean	1,088.60	3035.93	\$4,124.53
Cr Pollard	829.10	951.92	\$1,781.02
Cr White	110.00		\$110.00
Cr Mather	4,733.92	298.75	\$5,032.67
Cr Milne	110.00	1378.65	\$1,488.65
Cr Tellefson	705.00		\$705.00
Cr Sharp	0.00		\$0.00
Total	7,576.62	5,665.25	\$13,241.87

Councillor Allowances

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

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

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

In addition, all Councillors receive 9.5% in superannuation from Buloke Shire. Councillors are entitled to claim some expenses they have incurred in their capacity as councillors. An example of this would be for travel as there is no access to transport alternatives for some councillors.

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

Councillor	Actuals	9.5% Super	Total
Cr Stuart McLean	16,915	1606.93	18,522
Cr Graeme Milne	16,915	1606.93	18,522
Cr David Pollard	16,915	1606.93	18,522
Cr Reid Mather (Mayor)	50,745	4820.78	55,566
Cr Gail Sharp	16,915	1606.93	18,522
Cr Leo Tellefson	16,915	1606.93	18,522
Cr Ellen White	16,915	1606.93	18,522
	\$152,235	\$14,462	\$166,697

Special Committees

Council has established three Special Committees under Section 86 of the Local Government Act 1989.

Charlton Park Committee of Management

The Committee is established for the purpose of ensuring that the Charlton Park Recreation Reserve Precinct is managed efficiently, in compliance with legislative requirements and consistent with the community's expectations.

Wycheproof Recreation Reserve Committee of Management

The Committee is established for the purpose of ensuring that the Wycheproof Recreation Reserve Precinct is managed efficiently, in compliance with legislative requirements and consistent with the community's expectations.

Birchip Community Housing Committee

The Committee is established for the purpose of ensuring that the Birchip Community Housing is managed efficiently, in compliance with legislative requirements and consistent with the community's expectations.

Prescribed Documents Available for Public Inspection

Council maintains a range of documents and registers for public inspection in accordance with the Local Government Act 1989 and the Local Government (General) Regulations 2015.

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

Our Council

Prescribed Documents Available for Public Inspection *continued*

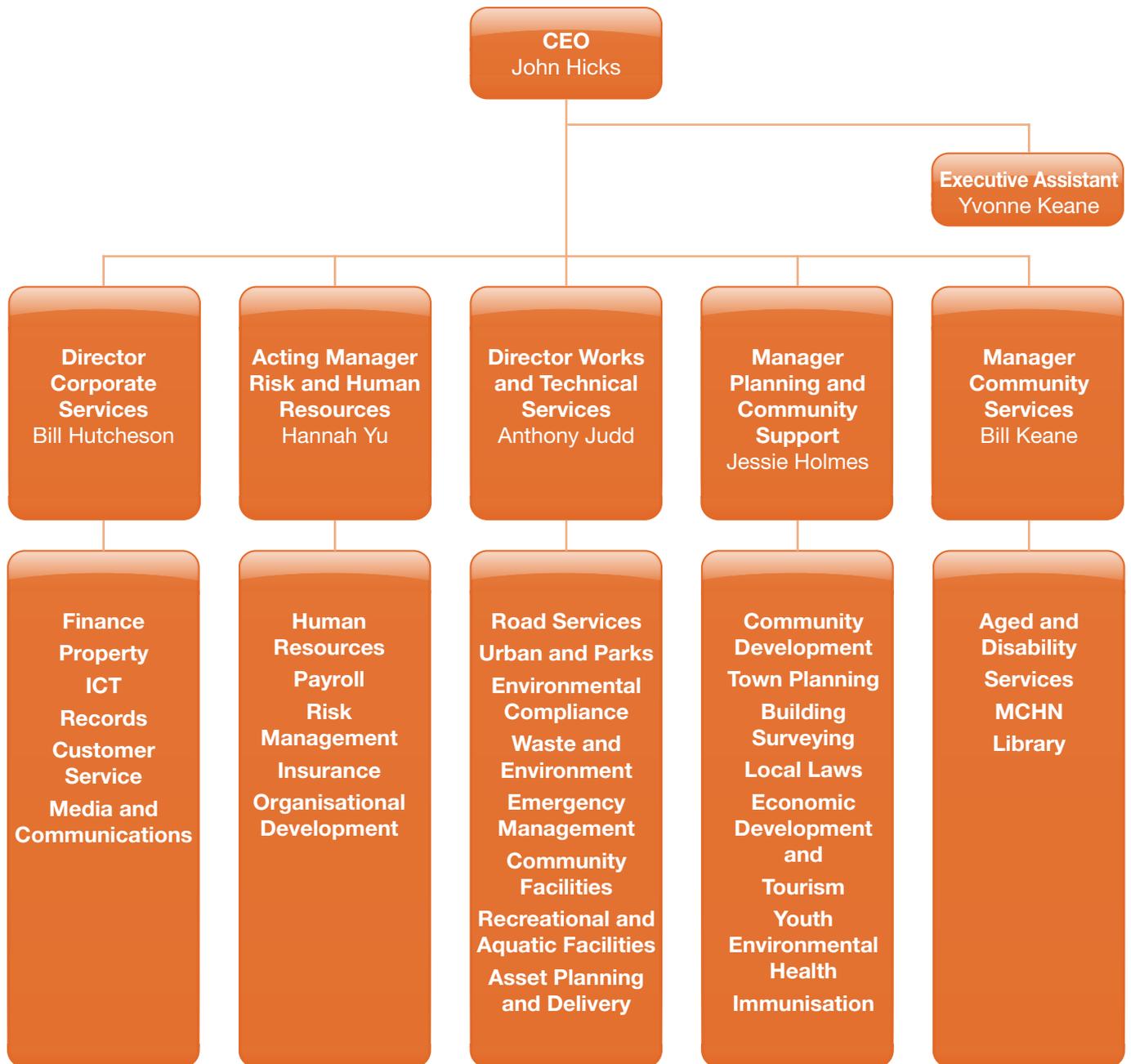
- Details of current allowances fixed for the Mayor and Councillors.
- A register of senior officer salary remuneration in respect of the current financial year and the previous financial year.
- Details of overseas or interstate travel undertaken in an official capacity by Councillors or Council staff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

Our people

Management team

Lead. Collaborate. Create a better Buloke.

Buloke Shire Council Organisational Chart



Our people

Council Staff

Equal Employment Opportunity Program

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

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

All staff are required to treat colleagues and members of the public with courtesy and sensitivity to their rights, duties and aspirations.

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

Employee Statistics 2015-2016

	Male	Female	Total
Full time	64.00	12.00	76.00
Part time	2.29	15.97	18.26
48/52	4.00	3.00	7.00
48/52		0.63	0.63
Total	70.29	31.60	101.89
Positions vacant as at 30/06/2016			3.40
as at 30/06/2016			105.29

Service Milestones	Number of Staff as at 30/06/2016
5 Years	2
10 Years	10
15 Years	3
20 Years	7
	22

Employees by Department

Department	Total	Part Time	Full Time
CEO / Governance	1.95	0.95	1.00
Corporate Services	14.57	3.57	11.00
Risk and Human Resources	3.04	1.04	2.00
Works and Technical Services	65.88	2.88	63.00
Planning	6.77	1.77	5.00
Community Services	13.08	8.08	5.00
	105.29	18.29	87.00

Workplace Incidents

2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
51	66	66	53	64

Absenteeism

	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Lost Time Injuries	10.00	13.00	8.00	7.00	5.00
Number of days lost to injury	385.20	4,596.90	227.20	97.00	197.00
Absence due to illness	1,311.00	1,583.00	1,545.00	1,114.00	790.00

Workers Compensation

	Minor Claim	Change%	Premium	Premium %
2015-2016	5	-1.2	166,527.00	1.72
2014-2015	6	-50%	163,705.00	-17.70
2013-2014	12	400	199,137.00	-34.00
2012-2013	3	7	304,474.00	3.00

Our performance

Council Plan

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

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

What is the Council Plan?

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

This Plan includes:

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

How we revised the Plan

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

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

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

Objectives and strategies

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

Delivering our services in a financially sustainable way

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

Our performance

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

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

Supporting and enhancing our local economy

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

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

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

Influencing governments to improve liveability for rural communities

- Engage with other municipalities and agencies to advocate for equitable services.

- Mobilise the community to participate in advocacy issues.

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

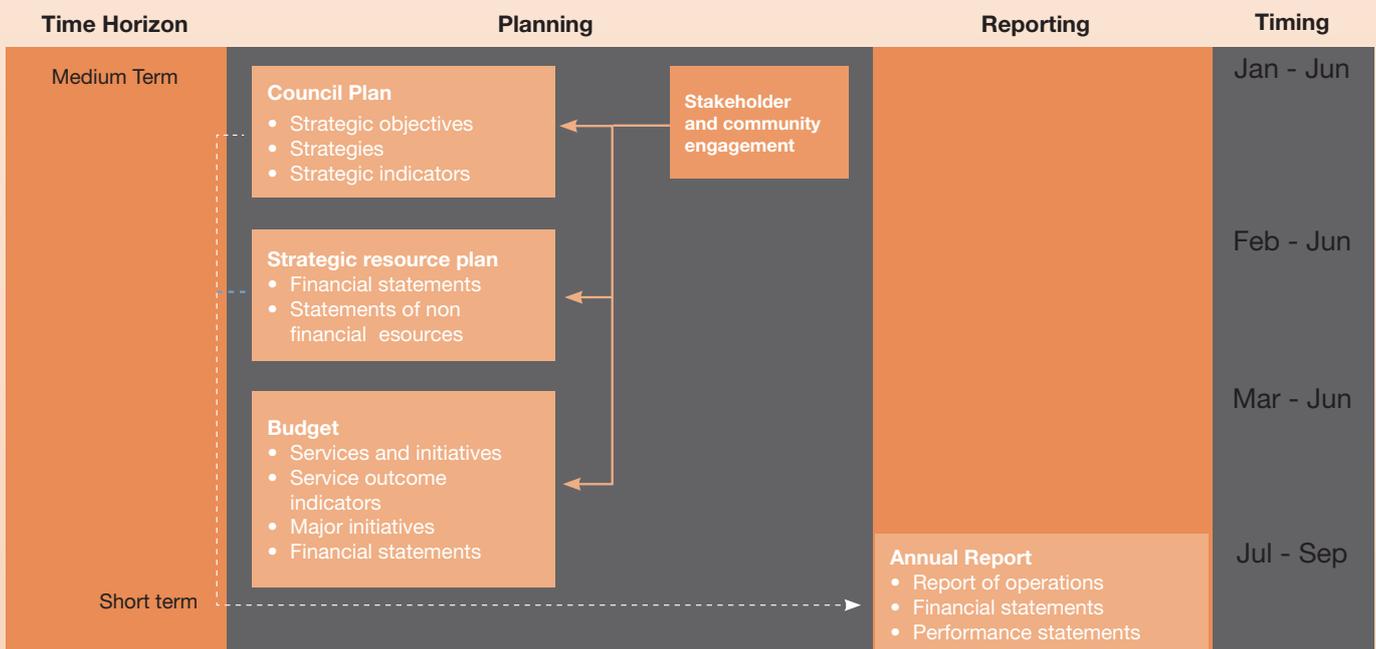
- Adopt and implement the Buloke Organisational Development Strategy.
- Action relevant audit reports.
- Monitor governance processes and practices.

Performance

Council's performance for the 2015/16 year has been reported against each strategic objective to demonstrate how Council is performing in achieving the 2015–2019 Council Plan. Performance has been measured as follows:

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

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



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

Strategic Objective 1:

Delivering our services in a financially sustainable way

The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan.

1.1 Achieve the adopted 2014/15 Budget and the proposed 2015/16 Budget.

Actions

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

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

Actions

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

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

Actions

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

Strategic Indicators

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

Report of Operations

Libraries

- Standard of library collection is such that 36.64% of collection was added in last 5 years. (46.5% 2014/15)
- Direct cost of library service for each visit was \$13.38. (\$30.06 2014/15)

Statutory Planning

- Planning applications decided within 60 days: 79.17%. (92% 2014/15)
- Median number of days for each planning application decision was 45 days. (32 days 2014/15)
- Direct cost of statutory planning service: \$1,442.79. (\$1,492.34 2014/15)

Roads

- Sealed local roads below the intervention level: 96.41%. (21.85% 2014/15)
- Cost of sealed local road reconstruction per square metre: \$39.44 (\$0 2014/15)

Animal Management

- Animals collected were reclaimed 66.67%. (20.41% 2014/15)
- Direct cost per animal registered: \$69.39. (\$58.87 2014/15)

Aquatic facilities

- Utilisation of aquatic facilities totalled 7.07% against municipal population. (6.6% 2014/15)
- Each aquatic facility was visited by an authorised health inspection officer.
- Reportable safety incidents at aquatic facilities: 0 (0 2014/15)
- Cost of outdoor aquatic facilities: \$7.83 (\$8.59 2014/15)

Our performance

Service Performance Indicators

Service	Indicator	Performance Measure	Results
Libraries		Active library members (Percentage of the municipal population that are active library members)	2014/15 5.42% 2015/16 15.19%
Statutory Planning	Decision Making	Council planning decisions upheld at VCAT (Percentage of planning application decisions subject to review by VCAT and were not set aside)	2014/15 0% 2015/16 100%
Roads	Satisfaction	Satisfaction with sealed local roads (Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads)	2014/15 44% 2015/16 39%
Animal Management	Health and Safety	Animal management prosecutions (number of successful animal management prosecutions)	2014/15 2 2015/16 2

Strategic Objective 2:

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

The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan.

2.1 Adopt and implement the Buloke Community Engagement Strategy.

Actions

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

2.2 Identifying community needs to inform service planning.

Actions

- Identify current service levels and utilise appropriate engagement methods to collect and compare data within reportable timeframes.

2.3 Support and assist volunteer participation in our Shire.

Actions

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

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

Actions

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

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

Actions

- Review and implement Council's Asset Management Policy, Strategy and Plans.
- Review, develop and deliver a strategic ten-year capital works program based on key strategic facility reviews, community plans and condition assessments.

Strategic Indicators

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

Report of Operations:

HACC

- Compliance with Community Care Common Standards: 88.89%. (88.89% 2014/15)

Early Years

- Participation in first Maternal and Child Health home visit: 97.1%. (98.28% 2014/15)
- Enrolments of infants in Maternal and Child Health services: 95.65%. (94.83% 2014/15)

Food Safety

- Class 1 and Class 2 food premises that receive an annual food safety assessment: 92.19%. (62.90% 2014/15)
- Direct cost of food safety service per registered premises: \$227.52. (\$238.55 2014/15)

Service Performance Indicators

Service	Indicator	Performance Measure	Results
Home and Community Care	Participation	Participation in HACC service (Percentage of the municipal target population who receive a HACC services)	2014/15 44.48% 2015/16 34.21%
		Participation in HACC service by CALD people (Percentage of the municipal target population in relation to CALD people who receive a HACC service)	2014/15 26.92% 2015/16 19.15%
Early Years	Participation	Participation in the MCH service (Percentage of children enrolled who participate in the MCH service) Participation in MCH service by Aboriginal children	2014/15 84.71% 2015/16 80%
		(Percentage of Aboriginal children enrolled who participate in the MCH service)	2014/15 100% 2015/16 142.86%
Food Safety	Health and Safety	Critical and major non-compliance notification	2014/15 100%
		(Percentage of critical and major non-compliance notifications that are followed up by Council) (Number of visits to aquatic facilities per head of municipal population)	2015/16 100%

Strategic Objective 3:

Supporting and enhancing our local economy

The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan.

3.1 Implement the Buloke Shire Economic Development Strategy and report to the community on an annual basis.

Actions

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

3.2 Facilitate the provision of infrastructure to grow the economic development of the community.

Actions

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

Strategic Indicators

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

Our performance

Strategic Objective 4:

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

The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan.

4.1 Implement the Buloke Waste Management Strategy.

Actions

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

4.2 Undertake a strategic review of Council's gravel pits.

Actions

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

4.3 Review the Roadside Vegetation Management Plan.

Actions

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

4.4 Identify and implement environmentally sustainable projects.

Actions

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

Strategic Indicators

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

Report of Operations:

Waste Collection

- Direct cost of garbage collection per collection bin: \$60.60. (\$61.57 2014/15)
- Direct cost of recycling collection per collection bin: \$41.64. (\$41.93 2014/15)

- Collected kerbside waste diverted from landfill 24.29% (27.1% 2014/15)
- Kerbside collection bins missed: 2.47% (7.86% 2014/15)
- Number of kerbside bin collection requests per 1000 households: 10.41 (8.07 2014/15)

Strategic Objective 5:

Influencing governments to improve liveability for rural communities

The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan.

5.1 Engage with other municipalities and agencies to advocate for equitable services.

Actions

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

5.2 Mobilise the community to participate in advocacy issues.

Actions

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

Strategic Indicators

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

Strategic Objective 6:

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

6.1 Endorse and implement the Buloke Organisational Development Strategy.

Actions

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

6.2 Action relevant audit reports.

Actions

- Complete the annual internal audit schedule adopted by the Audit Advisory Committee (AAC).

- Respond to all formal audits undertaken by the Victorian Auditor-General's office (VAGO) by the due dates established by VAGO.
- Provide management responses to all recommendations arising from all audits undertaken by the Council's appointed Internal Auditors by the due date.

6.3 Monitor governance processes and practices.

Actions

- Report to Council on governance review processes and practices.

Strategic Indicators

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

Report of Operations:

- Council decisions made at meetings closed to the public: 4.59%. (0.55% 2014/15)
- Councillor attendance of Council meetings: 89.92%. (92.86% 2014/15)
- Satisfaction of community consultation and engagement: 46%. (51% 2014/15)
- Cost of Governance: \$33,020.57 (\$30,814.00 2014/15)

Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Results
Governance	Satisfaction	Satisfaction with Council decisions (Community satisfaction rating out of 100 with how Council has performed in making decisions in the interests of the community)	2014/15 50% 2015/16 45%

Governance, management and other information

Governance

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

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

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

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

Governance and Management Checklist

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

Our performance

Governance and Management Checklist

Governance and Management Items	Assessment
1 Community Engagement Policy (policy outlining Council's commitment to engaging the community on matters of public interest).	Adopted in February 2015.
2 Community Engagement Guidelines (guidelines to assist staff to determine when and how to engage with the community).	Guidelines form part of Council's Community Engagement Strategy which was adopted in February 2015.
3 Strategic Resource Plan (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next 4 financial years)	Adopted in accordance with Section 126 of the Act. Adopted 8 June 2016.
4 Annual Budget (plan under section 130 of the Act setting out the to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required).	Adopted in accordance with section 130 of the Act. Adopted 8 June 2016.
5 Asset Management Plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years).	Adopted 9 December 2015.
6 Rating Strategy (strategy setting out the rating structure of Council to levy rates and charges).	Date of operation of current strategy: 8 June 2016.
7 Risk Policy (policy outlining Council's commitment and approach to minimising the risk to Council's operations).	Date of approval: 9 October 2013.
8 Fraud Policy (policy outlining Council's commitment and approach to minimising the risk of fraud).	Fraud Prevention and Reporting Policy was adopted 10 February 2016.
9 Municipal Emergency Management Plan (prepared and maintained in accordance with the plan for emergency prevention, response and recovery).	<i>Emergency Management Act 1986</i> (Victoria) and the <i>Emergency Management Act 2013</i> (Victoria) Adopted 11 May 2016.
10 Procurement Policy (policy under section 186A of the Act outlining the matters, practices and procedures that will apply to all purchase of goods, services and works).	Prepared and approved in accordance with section 186A of the Act. Date of approval: 9 December 2015.
11 Business Continuity Plan (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster).	Buloke Shire continues to develop and maintain a business continuity management system to effectively enable the Council to re-establish services in a timely and efficient manner.
12 Disaster Recovery Plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster).	Date approved: September 2013. Date of revision: September 2017. Critical Function Business Continuity Plans also in place.
13 Risk Management Framework (framework outlining Council's approach to managing risks to the Council's operation).	Council complies with its obligation under the Act and maintains risk management practices and procedures, with reference to the Australian Standard AS/NZS ISO 31000:2009.
14 Audit Committee (advisory committee of council under section 139 of Act whose role is to oversee the integrity of a council's financial reporting, processes to manage risks to the strategic indicators, for the first six months of the financial year)	Council has an Audit Advisory Committee established in accordance with Section 139 of the Act. Audit Advisory Committee formed 28 October 2004.

Governance and Management Checklist continued

Governance and Management Items	Assessment
15 Internal Audit (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls).	Date of engagement of current provider, AFS and Associates, was 22 October 2012.
16 Performance Reporting Framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act).	Complied with. Performance statement prepared and audited.
17 Council Plan Reporting (report reviewing the performance of Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	Buloke Shire Council formally adopted a Revised Council Plan 2015–19 on 8 April 2015, under section 125 of the Act. The plan was reviewed and reported to Council on 8 June 2016.
18 Financial reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure).	Monthly reporting to Council.
19 Risk Reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies).	Report on quarterly basis to Audit Advisory Committee.
20 Performance Reporting (six-monthly reports of indicators measuring the results against financial and non financial performance, including performance indicators referred to in section 131 of the Act).	Reports produced and audited biannually.
21 Annual Report (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial and performance statements).	Considered at a Special Meeting of Council in accordance with section 134 of the Act. Date statements presented: 28 October 2015.
22 Councillor Code of Conduct (code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors).	The most recent Code of Conduct for Councillors was adopted on 17 February 2016.
23 Delegations (a document setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff).	Last reviewed and approved on 10 February 2016.
24 Meeting Procedures (a local law governing the conduct of meetings of Council and special committees).	Meeting procedures local law made in accordance with section 91(1) of the Act. Last amended 12 August 2015.

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



John Hicks

Chief Executive Office



Cr Reid Mather

Mayor

Our performance

Statutory Information

Freedom of Information

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

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

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

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

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

	14-15	15-16
Total number of requests in the period	1	1
Access granted in full	0	0
Access granted in part	1	1
Outcomes of requests outstanding from previous reporting period	1	0
Access granted in full	0	0
Access granted in part	1	0
Other	0	0
Access denied in full	0	1
Requests still under consideration	0	0
Number of internal reviews sought	0	0
Number of VCAT (Victorian Civil & Administrative Tribunal) appeals lodged	1	2
Outcome of VCAT decisions on appeal lodged in the period		
Withdrawn	1	0
Successful	0	1
Still to be heard	0	1
Total charges collected	\$26.50	\$27.20

Best Value

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

Carers Recognition Act 2012 (Victoria)

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

- Distributing printed material through relevant Council services.
- Displaying posters at Council community venues.
- Providing links to State Government resource materials on Council's website.

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

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

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

- All policies and procedures of our Aged and Disability Services refer to the Act.
- Information regarding the Act is included in the client handbooks for all persons.
- Assessed as eligible to receive services through Council's Aged and Disability Services.

- Information regarding the Act is provided to all persons at their initial point of contact with Council's Family and Children's Services program.

Disability Action Plan

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

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

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

Positive Ageing Strategy

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

Contracts

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

Domestic Animal Management Plan

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

Food Act ministerial directions

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

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

Protected disclosure procedures

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

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

During the 2015-16 year no disclosures were notified to Council officers appointed to receive disclosures, or to IBAC.

Road Management Act ministerial direction

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

Explanation of Financial Statements

Income Statement

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

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

Balance Sheet

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

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

1. Current & Non-Current Assets

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

Receivables are monies owed to Council by ratepayers and others.

Other is inventory and accounts which have been prepaid.

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

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

2. Current & Non-Current Liabilities

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

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

Trust monies represent monies held in Trust by Council.

3. Net Assets

This term is used to describe the difference between the value of Total Assets and the value of Total Liabilities. It represents the net worth of Council as at June 30.

4. Total Equity

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

Asset Revaluation Reserve which is the difference between the previously recorded value of assets and their current valuations.

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

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

Statement of Changes in Equity

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

The main reasons for a change in equity stem from:

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

Statement of Cash Flows

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

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



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

1. Cash Flows from Operating Activities

Receipts: All cash received into Council's bank account from ratepayers and others who owe money to Council. Receipts also include the interest earnings from Council's cash investments. It does not include the costs associated with the sale of assets.

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

2. Cash Flows from Investing Activities

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

3. Cash Flows from Financing Activities

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

Notes to the Accounts

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

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

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

Other Notes include: the cost of the various functions of Council; the breakdown of expenses, revenues, reserves and other assets; contingent liabilities; transactions with persons related to Council; and financial performance indicators. The Notes should be read at the same time as, the Financial Statements to get a clear picture of the accounts.

Performance Statement

For the year ended 30 June 2016

Description of Buloke

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

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

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

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

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

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

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



Sustainable Capacity Indicators

For the year ended 30 June 2016

<i>Indicator/measure</i>	<i>2015</i>	<i>2016</i>	<i>Comments</i>
Own-source revenue <i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$2,101	\$2,219	This is due to several factors being 1) Small population size 2) Reliance on rates as main income source.
Recurrent grants <i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$1,770	\$1,222	Early receipt of the 2015/16 VGC allocation and the 2015/16 libraries allocation in June 2015 have resulted in a lower than expected amount of grants received for the 2015/16 year.
Population <i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$3,748	\$3,611	The reasons being - <ul style="list-style-type: none"> • A smaller population base to distribute total expenses • The large area and dispersal of population increases transport costs when compared to city Councils. This impacts on the cost of supplying services, often being up to two and a half times greater than supplying the same services in a metropolitan area.
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$28,603	\$28,317	With a small population and an extensive road network this figure is always going to be quite large.
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	1.14	1.12	The Shire has an extensive road network of 5,318kms and has a population of 5,952.
Disadvantage <i>Relative Socio-Economic Disadvantage</i> [Index of Relative Socio-Economic Disadvantage by decile]	3	3	

Definition

“adjusted underlying revenue” means total income other than —

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

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

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

“population” means the resident population estimated by council

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

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

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

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

Performance Statement

Service Performance Indicators

For the year ended 30 June 2015

Service/Indicator/measure	2015	2016	Comments
Governance Satisfaction <i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	50%	45%	This result is a decrease on last year and is determined by an annual survey conducted each February.
Statutory Planning Decision Making <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	100%	100%	Council was taken to VCAT on one occasion in relation to a planning matter. VCAT upheld Council's decision. In the previous year there were no VCAT decisions
Roads Satisfaction <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	44%	39%	This result is a decrease on last year and is determined by an annual survey conducted each February.
Libraries Participation <i>Active library members</i> [Number of active library members / Municipal population] x100	5.42%	15.19%	Council currently receives library services from three different library corporations. The difference between the two years is due to participation rates for 2014/15 for the Swan Hill library corporation not being supplied. It should be noted that this also includes members who borrow e-books.
Waste Collection Waste Diversion <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	27%	24%	Generally recyclables are less dense as they are empty containers so when comparing weight they will be less than waste.
Aquatic Facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	6.6	7.1	Whilst this figure is quite high it is only an estimate as Council does not charge for the use of aquatic facilities. It would be expected that given the weather pattern of the Buloke Shire (very hot summers) that the pools would be used on a regular basis by the population. Last year's summer was hotter than the previous year so utilisation increased.
Animal Management Health and Safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	2	2	The level is the same as last year

Service Performance Indicators *continued*

For the year ended 30 June 2015

Service/Indicator/measure	2015	2016	Comments
<p>Food Safety Health and Safety <i>Critical and major non-compliance outcome notification</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100</p>	100%	100%	There was only one instance of a notification and this was dealt with appropriately. The previous year there were no notifications.
<p>Home and Community Care (HACC) Participation <i>Participation in HACC service</i> [Number of people that received a HACC service / Municipal target population for HACC services] x100</p>	45%	34%	A change in the service delivery model imposed through state government has seen a change numbers using the service.
<p>Participation <i>Participation in HACC service by CALD people</i> [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100</p>	27%	19%	Council has a low number of people classified as CALD, therefore a small change to the numbers can result in a much larger percentage shift. This year a reduction of 5 people equates to a 10% drop in participation.
<p>Maternal and Child Health (MCH) Participation <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100</p>	85%	80%	Children are enrolled for MCH services between the ages of 0-6 years. While the participation rates for children aged between 0-1 year are high (97%), many children past 1 year do not utilise the MCH service. Less registered children appear to have been included in 2014/15.
<p><i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100</p>	100%	143%	Council has a low number of children classified as Aboriginal, therefore a small change to the numbers can result in a much larger percentage shift. These figures indicate that a visiting child attended one of Council's centres.

Performance Statement

Service Performance Indicators *continued*

For the year ended 30 June 2015

Definition

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“population” means the resident population estimated by council

“target population” has the same meaning as in the Agreement entered into for the purposes of the Home and Community Care Act 1985 of the Commonwealth

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

Financial Performance Indicators

For the year ended 30 June 2016

Dimension/indicator/ measure	Results		Forecast				Comments
	2015	2016	2017	2018	2019	2020	
Operating position Adjusted underlying result Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100	5.40%	-3.67%	9.28%	-1.83%	-2.11%	-1.53%	The 2015/16 adjusted underlying result is lower than the trend due to the early receipt of half of the 2015/16 Victoria Grants Commission (VGC) allocation and the 2015/16 Public Libraries Grant allocation in June 2015.
Liquidity Working capital Current assets compared to current Liabilities [Current assets / Current liabilities] x100	151%	249%	280%	370%	154%	350%	Working capital is expected to gradually increase to up to 2018/19 in order to build up sufficient cash resources to repay the \$7 million loan in November 2019.
Unrestricted cash Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100	32%	170%	196%	269%	120%	246%	As Above
Obligations Loans and Borrowings Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x100	63%	58%	55%	54%	53%	0%	The ratio is attributed to the \$7 million loan due for repayment in November 2019.
Loans and borrowings repayments compared to rates Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	9.7%	4.1%	2.4%	2.3%	2.2%	52%	The low ratio is due to the \$7 million interest -only loan. The principal (\$7 million) will be paid on November 2019.
Indebtedness Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100	59%	60%	54%	53%	3%	3%	As above - no principal repayment until November 2019. The loan moves from non-current to current liability in 2018/19.

Performance Statement

Financial Performance Indicators *continued*

For the year ended 30 June 2016

Dimension/indicator/ measure	Results		Forecast				Comments
	2015	2016	2017	2018	2019	2020	
Asset renewal Asset renewal compared to depreciation [Asset renewal expense / Asset depreciation] x100	59%	72%	92%	91%	91%	91%	This reflects the asset renewal backlog. Council's capital works is highly reliant on grant funding. Capital works of \$6 million programmed for 2017 - 2020 will be on renewal works. These works are subject to Council being successful on receiving grant funding of \$4 million per annum. Council's rate contribution is capped at \$2m.
Stability Rates concentration Rates compared to adjusted underlying Revenue [Rate revenue / Adjusted underlying revenue] x100	47%	59%	51%	58%	59%	59%	The 2015 percentage is smaller than the 2016 result because of the early payment of VGC funds on 30 June 2016.
Rates effort Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.90%	0.96%	0.91%	0.93%	0.96%	0.99%	The rate increase as above as against minimum property values growth.
Efficiency Expenditure level Expenses per property assessment [Total expenses / Number of property assessments]	\$3,687	\$3,477	\$3,610	\$3,657	\$3,735	\$3,789	Due to very limited opportunity for property development and subdivision, while generally Council's expenses will increase each year, there will not be a corresponding increase in assessments so the expense per assessment will increase.
Revenue level Average residential rate per residential property assessment [Residential rate revenue / Number of residential property assessments]	\$806	\$863	\$839	\$862	\$887	\$911	Based on rate increase as per the SRP, the average rate burden will increase. This is also due to minimal increase to the number of assessments.

Financial Performance Indicators *continued*

For the year ended 30 June 2016

Dimension/indicator/ measure	Results		Forecast				Comments
	2015	2016	2017	2018	2019	2020	
Workforce turnover Resignations and terminations compared to average staff [Number of permanent staff Resignations and terminations / Average number of permanent staff for the financial year] x10	15%	13%	12%	12%	12%	12%	Staff positions stabilised through restructuring and reduction in the number of staff. There is an aging staff in both the outdoor and homecare staff and over the next 5 years there will probably be an increase in retirements. Council will however continue to assess each position as it becomes vacant to determine if the position is required.

Definition

“adjusted underlying revenue” means total income other than—

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

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

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

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

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

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

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

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

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

“population” means the resident population estimated by council

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

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

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

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

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

Performance Statement

Other Information

For the year ended 30 June 2016

1. Basis of Preparation

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

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

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

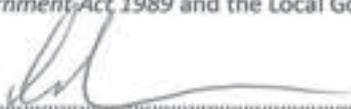
The forecast figures included in the performance statement are those adopted by council in its Strategic Resource Plan on 8 June 2016 and which is an appendix of the Council Plan. The Strategic Resource Plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The Strategic Resource Plan can be obtained by contacting council.



Certification of the Performance Statement

Certification of the Performance Statement

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



.....

William Hutcheson

Principal Accounting Officer

Dated

In our opinion, the accompanying Performance Statement of the Buloke Shire for the year ended 30 June 2016 presents fairly the results of Council's performance in the accordance with the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

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

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

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



.....

Reid Mather

Councillor

Dated:



.....

Graeme Milne

Councillor

Dated:



.....

John Hicks

Chief Executive Officer

Dated: 14.9.16



Victorian Auditor-General's Office

Level 24, 35 Collins Street
Melbourne VIC 3000
Telephone 61 3 8601 7000
Facsimile 61 3 8601 7010
Email comments@audit.vic.gov.au
Website www.audit.vic.gov.au

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Buloke Shire Council

The Performance Statement

I have audited the accompanying performance statement for the year ended 30 June 2016 of the Buloke Shire Council which comprises the statement, the related notes and the certification of the performance statement has been audited.

The Councillors' Responsibility for the Performance Statement

The Councillors of the Buloke Shire Council are responsible for the preparation and fair presentation of the performance statement in accordance with the *Local Government Act 1989* and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the performance statement that is free from 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. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the 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.

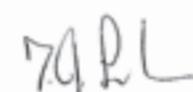
Independence

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, I and my staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Auditor's Opinion

In my opinion, the performance statement of the Buloke Shire Council in respect of the 30 June 2016 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

MELBOURNE
16 September 2016


Dr Peter Frost
Acting Auditor-General

Financial Report

Table of Contents

Financial Statements

Comprehensive Income Statement	44
Balance Sheet	45
Statement of Changes in Equity	46
Statement of Cash Flows	47
Statement of Capital Works	48

Notes to Financial Statements

Introduction	49
Note 1 Significant accounting policie	49
Note 2 Budget Comparison	57
Note 3 Rates and charges	62
Note 4 Statutory fees and fine	62
Note 5 User fees	62
Note 6 Grants	63
Note 7 Contributions	64
Note 8 Net gain/(loss) on disposal of property, infrastructure, plant and equipment	64
Note 9 Other revenue	64
Note 10 Employee costs	65
Note 11 Materials and services	65
Note 12 Bad and doubtful debts	66
Note 13 Depreciation and amortisation	66
Note 14 Finance costs	66
Note 15 Other expenses	66
Note 16 Investments in associates	67
Note 17 Cash and cash equivalents	67
Note 18 Trade and other receivables	68
Note 19 Other financial asset	68
Note 20 Inventories	68
Note 21 Non current assets classified as held for sal	68
Note 22 Other assets	68
Note 23 Property, infrastructure, plant and equipment	69
Note 24 Trade and other payables	74
Note 25 Trust funds and deposits	74
Note 26 Provisions	74
Note 27 Interest bearing loans and borrowings	76
Note 28 Reserves	77
Note 29 Reconciliation of cash flows f om operating activities to surplus (deficit)	78
Note 30 Reconciliation of cash and cash equivalents	78
Note 31 Financing arrangements	78
Note 32 Commitments	79
Note 33 Superannuation	80
Note 34 Contingent liabilities and contingent assets	82
Note 35 Financial instruments	83
Note 36 Related party transactions	85
Note 37 Events occurring after balance date	85
Certification of the Financial Repor	86

Comprehensive Income Statement

For the year ended 30 June 2016

	Note	2016 \$'000	2015 \$'000
Income			
Rates and charges	3	12,145	11,445
Statutory fees and fines	4	148	101
User fees	5	681	670
Contributions - cash	7	117	324
Grants - Operating	6	4,286	10,010
Grants - Capital	6	3,800	4,589
Net gain on disposal of property, infrastructure, plant and equipment	8		146
Other revenue	9	387	417
Share of net profits / (losses) of associates	16	1	8
Total income		21,565	27,710
Expenses			
Employee costs	10	(8,682)	(9,056)
Materials and services	11	(5,034)	(5,861)
Bad and doubtful debts	12	(8)	(23)
Depreciation	13	(6,560)	(6,742)
Finance costs	14	(298)	(355)
Other expenses	15	(913)	(770)
Net loss on disposal of property, infrastructure, plant and equipment	8	(153)	
Total expenses		(21,648)	(22,807)
Surplus/(deficit)		(84)	4,902
Other comprehensive income			
Net asset revaluation increment / (decrement)	28	(3,435)	(396)
Total comprehensive result		(3,518)	4,506

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

Balance Sheet

As at 30 June 2016

	Note	2016 \$'000	2015 \$'000
Assets			
Current assets			
Cash and cash equivalents	17	3,806	5,395
Trade and other receivables	18	1,380	1,475
Other financial assets	19	3,000	-
Inventories	20	172	132
Non current assets classified as held for sale	21	-	189
Other assets	22	242	213
Total current assets		8,600	7,404
Non-current assets			
Investments in associates	16	222	221
Property, infrastructure, plant and equipment	23	172,353	178,036
Total non-current assets		172,575	178,257
Total assets		181,175	185,662
Liabilities			
Current liabilities			
Trade and other payables	24	1,343	2,012
Trust funds and deposits	25	28	121
Provisions	26	2,076	2,044
Interest-bearing loans and borrowings	27	-	201
Total current liabilities		3,447	4,378
Non-current liabilities			
Provisions	26	984	1,023
Interest-bearing loans and borrowings	27	7,000	7,000
Total non-current liabilities		7,984	8,023
Total liabilities		11,431	12,401
Net Assets		169,744	173,261
Equity			
Accumulated surplus		88,350	88,032
Reserves	28	81,394	85,229
Total Equity		169,744	173,261

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

Statement of Changes in Equity

For the year ended 30 June 2016

	Note	Accumulated	Revaluation	Other	
		Total	Surplus	Reserve	Reserves
2016		2016	2016	2016	
		\$'000	\$'000	\$'000	
Balance at beginning of the financial year		173,261	88,032	85,224	5
Surplus/(deficit) for the year		(84)	(84)		-
Net asset revaluation increment(decrement)	28	(3,435)	-	(3,435)	-
Transfer from asset revaluation reserve to accumulated surplus	28(c)	-	402	(402)	-
Balance at end of the financial year		169,743	88,350	81,388	5

	Note	Accumulated	Revaluation	Other	
		Total	Surplus	Reserve	Reserves
2015		2015	2015	2015	
		\$'000	\$'000	\$'000	\$'000
Balance at beginning of the financial year		168,755	83,130	85,620	5
Surplus/(deficit) for the year		4,902	4,902		-
Net asset revaluation increment (decrement)- effects of correction of error	Note 1(o)	(396)	-	(396)	-
Balance at end of the financial year		173,261	88,032	85,224	5

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

Statement of Cash Flows

For the year ended 30 June 2016

	2016 Inflows/ (Outflows) \$'000	2015 Inflows/ (Outflows) \$'000
Cash flows from operating activities		
Rates and charges	12,016	11,278
Statutory fees and fines	79	72
User fees	700	712
Grants - operating	4,301	9,992
Grants - capital	4,034	4,437
Contributions	126	347
Interest	179	105
Trust funds and deposits	(93)	(26)
Other receipts	282	872
Net GST refund/(payment)	832	1,310
Materials and consumables	(5,873)	(5,959)
Employee costs	(8,793)	(8,602)
Other payments	(943)	(818)
Net cash provided by (used in) operating activities	29 <u>6,848</u>	<u>13,720</u>
Cash flows from investing activities		
Payments for property, infrastructure, plant and equipment	(5,851)	(10,458)
Proceeds from sale of property, infrastructure, plant and equipment	915	340
Payment for investments	19	-
Net cash provided by (used in) from investing activities	<u>(7,936)</u>	<u>(10,118)</u>
Cash flows from financing activities		
Finance costs	(300)	(323)
Proceeds from interest bearing loans and borrowings	-	7,000
Repayment of loans and advances	(201)	(784)
Utilisation of bank overdraft facility	-	(4,130)
Net cash provided by (used in) financing activities	<u>(501)</u>	<u>1,763</u>
Net increase (decrease) in cash and cash equivalents	(1,589)	5,365
Cash and cash equivalents at the beginning of the financial year	5,395	30
Cash and cash equivalents at the end of the financial year	30 <u>3,806</u>	<u>5,395</u>
Financing arrangements	31	3,000
Restrictions on cash assets	17	3,717

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

Refer Note 1 (a) Financial Viability.

Statement of Capital Works

For the year ended 30 June 2016

	Note	2016 \$'000	2015 \$'000
Property			
Buildings			2,308
Building improvements		469	-
Total buildings		<u>469</u>	<u>2,308</u>
Total property		<u>469</u>	<u>2,308</u>
Plant and equipment			
Plant, machinery and equipment		685	851
Computers and telecommunications		153	146
Total plant and equipment		<u>838</u>	<u>997</u>
Infrastructure			
Roads		3,208	1,698
Bridges			81
Footpaths and cycleways		67	290
Drainage		239	70
Recreational, leisure and community facilities		195	281
Parks, open space and streetscapes			29
Aerodromes		14	11
Other infrastructure		124	141
Total infrastructure		<u>3,846</u>	<u>2,601</u>
Total capital works expenditure	23	<u>5,152</u>	<u>5,906</u>
Represented by:			
New asset expenditure		301	251
Asset renewal expenditure		4,753	3,988
Asset upgrade expenditure		98	1,667
Total capital works expenditure	23	<u>5,152</u>	<u>5,906</u>

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

Notes to the Financial Statements

For the year ended 30 June 2016

Introduction

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

The purpose of the Council is to:

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

Additional Information

External Auditor - Auditor-General of Victoria

Internal Auditor - AFS - Chartered Accountants - Bendigo

Solicitors - Maddocks

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

Bankers - Commonwealth Bank of Australia

- National Australia Bank
- Bendigo and Adelaide Bank

Website address www.buloke.vic.gov.au

Statement of compliance

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

Note 1 Significant accounting policies

(a) Basis of accounting

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to note 1 (m))
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to note 1 (n))
- the determination of employee provisions (refer to note 1 (t))

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.

Financial viability

As at 30 June 2016, Council's Equity, represented by Accumulated Surplus of \$88,350,000 (\$88,032,000 in 2015) and Reserves of \$81,394,000 (\$85,229,000 in 2015). Council had moved from a working capital deficit of \$10,371,000 in 2014 to a surplus of \$3,026,000 in 2015. This surplus has improved further in 2016 to \$5,153,000

Council recorded a deficit of \$84,000 in 2016. This is primarily due to the early receipt of half of the estimated aggregate 2015-16 Victoria Grants Commission (VGC) allocation (\$2,740,000) and 2015/16 Public Libraries Grant allocation (\$108,000) in June 2015 which was treated as income in 2014/15 as per guidance from Local Government Victoria.

Unrestricted cash and investments at end of year had improved from a negative 1,238,000 in 2014 to positive \$1,679,000 in 2015. This has improved even further in 2016 to \$5,847,000.

The material uncertainty about Council's ability to continue as a going concern at the end of 2014 was addressed by a range of measures and initiatives during 2015 and 2016.

Notes to the Financial Statements

For the year ended 30 June 2016

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

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

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

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

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

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

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

Council has in place a strategic resource plan which will enable Council to repay the \$7M loan in November 2019. Following the repayment of the loan, Council will invest further to reduce the asset renewal gap.

Council has limited income sources relying on grants and property rates. With rates currently set high in relation to valuations, Council must continue to source grant funding. This is an issue that affects all similar sized councils.

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

(b) Changes in accounting policies

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

(c) Principles of consolidation

The consolidated financial statements of Council incorporate all entities controlled by Council as at 30 June 2015, and their income and expenses for that part of the reporting period in which control existed.

Council has no entities that it controls.

(d) Committees of management

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

(e) Accounting for investments in associates

Associates

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

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

(f) Revenue recognition

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

Rates and Charges

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

Statutory fees and fines

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

User fees

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

Grants

Grant income is recognised when Council obtains control of the contribution. This is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and are valued at their fair value at the date of transfer.

Notes to the Financial Statements

For the year ended 30 June 2016

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in note 6. The note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

Contributions

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

Sale of property, infrastructure, plant and equipment

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

Interest

Interest is recognised as it is earned.

Other Income

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

(g) Fair value measurement

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

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

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

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

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

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

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

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

(h) Cash and cash equivalents

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

(i) Trade and other receivables

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

(j) Other financial assets

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

(k) Inventories

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

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

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

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

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

Acquisition

Notes to the Financial Statements

For the year ended 30 June 2016

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

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

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

Revaluation

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

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

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

Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation reserve except to the extent that an increment reverses a prior year decrement for that class of asset that had been recognised as an expense in which case the increment is recognised as revenue up to the amount of the expense.

Revaluation decrements are recognised as an expense except where prior increments are included in the asset revaluation reserve for that class of asset in which case the decrement is taken to the reserve to the extent of the remaining increments. Within the same class of assets, revaluation increments and decrements within the year are offset.

Land under roads

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

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

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

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

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

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

Notes to the Financial Statements

For the year ended 30 June 2016

Note 1 Significant accounting policies (cont.)

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

Asset recognition thresholds and depreciation periods

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

(o) *Prior year derecognised adjustments*

During the year as part of land revaluation, some non-council assets which were inadvertently recognised on Council's asset register were derecognised and are deemed to be prior year errors which have been retrospectively adjusted to equity against prior year opening balances.

A third balance sheet has not been presented to disclose these prior year errors as they were considered not material to the comparative amounts included within the Balance Sheet.

	Actual 2015 \$'000	Prior year - Derecognised \$'000	Restated Actual 2015 \$'000
Land	4,205	(276)	3,929
Buildings - Non Specialised	22,671	(13)	22,658
Recreational, leisure and Community	3,203	(103)	3,100
Other Infrastructure	651	(4)	647

The effects of the correction of these prior year errors adjusted against opening equity **(396)**

Notes to the Financial Statements

For the year ended 30 June 2016

Note 1 Significant accounting policies (cont.)

(p) 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.

(q) Impairment of assets

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

(r) Trust funds and deposits

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

(s) Borrowings

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

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

Borrowing costs

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

Borrowing costs include interest on bank overdrafts and interest on borrowings

(t) Employee costs and benefits

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

Wages and salaries and annual leave

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

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

Long service leave

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

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

The components of this current liability are measured at :

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

Notes to the Financial Statements

For the year ended 30 June 2016

Note 1 Significant accounting policies (cont.)

Classification of employee costs

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

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

(u) Landfill rehabilitation provision

Council is obligated to restore its landfill sites to a particular standard. The forecast life of the sites is based on current estimates of remaining capacity and the forecast rate of infill. The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

(v) Leases

Operating leases

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

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

(w) Goods and Services Tax (GST)

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

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

(x) Financial guarantees

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

(y) Contingent assets and contingent liabilities and commitments

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

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

Notes to the Financial Statements

For the year ended 30 June 2016

Note 1 Significant accounting policies (cont.)

(z) Pending accounting standards

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

Pronouncement	What's new?	Impact/Action	Transition	Effective Date
AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15'	AASB 15 replaced the previous revenue standards: AASB118 Revenue and AASB111 Construction Contracts. AASB establishes principles for reporting information about the nature, amount, timing and uncertainty of revenue and cashflow arising from an entity's contracts with customers, with revenue recognised as 'performance obligations' are satisfied.	As there is inadequate information available, Council believes that it is too early to assess the impact of the pending standard change.	The standard requires retrospective implementation.	1-Jan-18
AASB16 'Leases'	AASB 16 brings all leases onto the balance sheet of the lessees by recognising a 'right of use' asset and a lease liability.	As there is inadequate information available, Council believes that it is too early to assess the impact of the pending standard change.	Early adoption is permitted if AASB 15 'Revenue from Contracts with Customers' is applied.	1-Jan-19

(aa) Rounding

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

Notes to the Financial Statements

For the year ended 30 June 2016

Note 2 Budget comparison

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

The budget figures detailed below are those adopted by Council on 17 June 2015. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for revenue and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

a) Income and Expenditure

	Budget 2016 \$'000	Actual 2016 \$'000	Variance 2016 \$'000	Ref
Income				
Rates and charges	12,073	12,145	72	1
Statutory fees and fines	103	148	45	2
User fees	734	681	(53)	3
Grants - operating	6,934	4,286	(2,648)	4
Grants - capital	3,265	3,800	535	5
Contributions - monetary	151	117	(34)	6
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	300		(300)	7
Share of net profits/(losses) of associates and joint ventures	-	1	1	
Other income	268	387	119	8
Total income	23,828	21,565	(2,263)	
Expenses				
Employee costs	8,749	8,682	67	9
Materials and services	5,347	5,034	313	10
Bad and doubtful debts	5	8	(3)	
Depreciation and amortisation	6,774	6,560	214	11
Borrowing costs	319	298	21	
Other expenses	995	913	82	12
Net gain/(loss) on disposal of property, infrastructure, plant and equipment		153	(153)	7
Total expenses	22,189	21,648	541	
Surplus/(deficit) for the year	1,639	(84)	(1,723)	

Notes to the Financial Statements

For the year ended 30 June 2016

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Rates and charges	Positive variance relates to additional rates raised through supplementary valuations after the completion of the 2015/16 Budget.
2	Statutory fees and fines	Positive variance relates to higher than expected fire infringement notices being issued.
3	User fees	User fees are lower than budgeted due to fewer livestock sales than expected.
4	Grants - operating	<p>Negative variance primarily relates to the early receipt of half of the estimated aggregate 2015-16 Victoria Grants Commission (VGC) allocation (\$2.74m) and 2015/16 Public Libraries Grant allocation (\$108,000) in June 2015 which was treated as income in 2014/15 as per guidance from Local Government Victoria.</p> <p>Grant funding expected for the Charlton St Arnaud Road floodway (\$250,000) has been deferred to 2016/17 due to unforeseen delays in this project. This project is the design and construction of a floodway on a VicRoads responsibility road, for which VicRoads are undertaking the design, construction works and project management.</p> <p>The above negative variance is partly offset by funding received subsequent to the adoption of the 2015/16 budget. They include -</p> <ul style="list-style-type: none"> * Roadside weeds and pest management program (\$125,000) * Drought assistance grants (\$65,000) * Advancing intensive agricultural opportunities in the Loddon Mallee region (\$75,000) * Early receipt of 50% of 2016/17 Municipal emergency grant allocation (\$30,000) in June 2016.
5	Grants - capital	<p>The positive variance primarily relates to the additional Roads to Recovery funding (\$942,000) announced subsequent to the adoption of the 2015/16 budget. Other unbudgeted funding for capital works received during the year include -</p> <ul style="list-style-type: none"> * Foletti Park upgrade (\$59,000) * Donald archives museum facility upgrade (\$30,000) * Buloke major towns central business precinct masterplan (\$20,000) * Buloke wayfinding program (\$25,000) * Early receipt of first milestone payments for 2016/17 capital works - Wycheproof pool changerooms upgrade (\$120,000) and Sea Lake multipurpose netball courts upgrade (\$90,000) <p>This positive variance is partly offset by the following -</p> <ul style="list-style-type: none"> * Part of the grant funding for the Charlton and Donald flood study and levee bank projects is expected to be received in 2016/17 upon completion of milestones(\$450,000) * Early receipt of Donald flood study and levee bank project milestone payment in 2014/15 (\$204,000) * Part of the grant funding for the Charlton Transfer Station project is expected to be received in 2016/17 upon completion of milestones(\$65,000)
6	Contributions	The negative variance primarily relates to the State Revenue Office contribution towards the 2015/16 land revaluation which is expected in 2016/17.
7	Net gain/(loss) on disposal of property, infrastructure, plant and equipment	<p>Primarily represents a non cash accounting loss on the sale of assets i.e. the cash proceeds received from the sale is less than the written down or book value of these assets.</p> <p>During the year, bore infrastructure held in Council's asset register were transferred to the adjoining landholders and the written down value of these assets were derecognised.</p>

Notes to the Financial Statements

For the year ended 30 June 2016

(i) Explanation of material variations

Variance Ref	Item	Explanation
8	Other Income	Other income is higher than expected due to additional sundry debtors works and additional interest earned on funds held in term deposits. Council's cash position was better than forecast because of the early receipt of the VGC allocation in June 2015.
9	Employee costs	Represents savings as a result of vacancies during the year.
10	Materials and services	Represents operational savings across the organisation especially in plant & fleet.
11	Depreciation and amortisation	Depreciation of plant and equipment is less than budgeted as Council has reduced its light fleet as part of asset rationalisation and also due to majority of the new fleet renewals being leased vehicles. The planned derecognition of the bore infrastructure mentioned in 7 above had been incorrectly budgeted under depreciation.
12	Other expenses	Positive variance is primarily due to the deferral of the Charlton St Arnaud Road floodway (\$250,000) to 2016/17 due to unforeseen delays in this project. This is partly offset by expenditure associated with the unbudgeted operating non recurrent grants. Legal expenses due to unforeseen events are also higher than expected.

Notes to the Financial Statements

For the year ended 30 June 2016

Note 2 Budget comparison (cont)

b) Capital Works

	Budget 2016 \$'000	Actual 2016 \$'000	Variance 2016 \$'000	Ref
Property				
Building improvements	581	469	(112)	1
Total Buildings	581	469	(112)	
Total Property	581	469	(112)	
Plant and Equipment				
Plant, machinery and equipment	722	685	(37)	
Computers and telecommunications	150	153	3	
Total Plant and Equipment	872	838	(34)	
Infrastructure				
Roads	2,248	3,208	960	2
Footpaths and cycleways	66	67	1	
Drainage	1,203	239	(964)	3
Recreational, leisure and community facilities	-	195	195	1
Waste management	230	-	(230)	1
Aerodromes	23	14	(9)	
Other infrastructure	-	124	124	1
Total Infrastructure	3,770	3,846	76	
Total Capital Works Expenditure	5,223	5,152	(71)	
Represented by:				
New asset expenditure	1,333	301	(1,032)	4
Asset renewal expenditure	3,764	4,753	989	5
Asset upgrade expenditure	126	98	(28)	
Total Capital Works Expenditure	5,223	5,152	(71)	

Notes to the Financial Statements

For the year ended 30 June 2016

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Buildings etc.	Actuals expenditure on these classes have been capitalised to correct asset registers.
2	Roads	The variance relates to the additional Roads to Recovery funded projects.
3	Drainage	Two major grant funded drainage projects - Charlton and Donald flood study and levee development - have been delayed and unspent budgets are carried forward into 2016/17.
4	New asset expenditure	The variance relates to the drainage projects and the Charlton transfer station project that have been carried forward into 2016/17
5	Asset renewal expenditure	The variance relates to the additional Roads to Recovery funded renewal projects.

Notes to the Financial Statements

For the year ended 30 June 2016

	2016	2015
	\$ '000	\$ '000
Note 3		
Rates and Charges		
Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV is the value of the land and all its improvements.		
The valuation base used to calculate general rates for 2015/16 was \$1.271 billion (2014/15 \$1.268 billion). The 2015/16 rate in the CIV dollar was a General Rate of 0.00807 cents (2014/15, 0.007606 cents) and a Farm Rate of 0.007909 cents (2014/15, 0.007455 cents).		
Rates - Residential	2,490	2,322
Rates - Commercial	625	586
Rates - Rural	7,059	6,624
Municipal Charge	696	654
Garbage Charges	1,276	1,278
Rates - Early payment discount	(1)	(19)
Total rates and charges	12,145	11,445
The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2014, and the valuation first applied in the rating year commencing 1 July 2014.		
The date of the previous general revaluation of land for rating purposes within the municipal district was 1 January 2012 and the valuation first applied to the rating period commencing 1 July 2012.		
Note 4		
Statutory fees and fines		
Compliance	121	66
Planning Permits & Certificates	18	26
Revenue Collection	6	5
Building Regulations and Inspections	3	4
Total statutory fees and fines	148	101
Note 5		
User fees		
Pound fees and animal registrations	56	46
Senior Citizen's Centre	-	3
Home and Community Care	163	174
Brokered Programs Charges	169	169
Public Health and Wellbeing Charges	26	24
Building Services charges	94	52
Caravan Parks & Halls	39	27
Waste and Environment	71	63
Saleyards / Truck Wash	61	110
Other	2	2
Total user fees	681	670

Notes to the Financial Statements

For the year ended 30 June 2016

Note 6	Grants	2016 \$ '000	2015 \$ '000
	Grants were received in respect of the following :		
	Summary of grants		
	Commonwealth funded grants	6,001	9,749
	State funded grants	2,085	4,850
	Total	8,086	14,599
	Operating Grants		
	Recurrent - Commonwealth Government		
	Victoria Grants Commission	2,858	8,236
	Other		1
	Recurrent - State Government		
	Primary care partnerships		
	General home care	645	607
	Aged care	170	171
	School crossing supervisors	7	13
	Libraries	6	219
	Maternal and child health	146	129
	Recreation	44	55
	Community safety	23	24
	Environmental planning	125	70
	Other	108	140
	Total recurrent operating grants	4,131	9,665
	Non-recurrent - State Government		
	Community Safety	10	10
	Recreation	4	48
	Natural Disaster Resilience	55	250
	Other	86	37
	Total non-recurrent operating grants	156	345
	Total operating grants	4,286	10,010
	Capital Grants		
	Recurrent - Commonwealth Government		
	Roads to recovery	3,143	1,112
	Recurrent - State Government		
	Total recurrent capital grants	3,143	1,112.00
	Non-recurrent - Commonwealth Government		
	Buildings		400
	Non-recurrent - State Government		
	Country Roads & Bridges		1,000
	Buildings	551	1,425
	Drainage	3	566
	Footpaths and cycleways	90	86
	Plant and machinery	12	-
	Total non-recurrent capital grants	656	3,477
	Total capital grants	3,800	4,589

Notes to the Financial Statements

For the year ended 30 June 2016

	2016	2015
Unspent grants received on the condition that they be spent in a specific manner		
Balance at the start of the year	3,541	1,121
Received during the financial year and remained unspent at balance date	346	3,541
Received in prior years and spent during the financial year	(2,957)	(1,121)
Balance at the end of the year	<u>930</u>	<u>3,541</u>
Note 7		
Contributions		
Cash		
Economic Development Projects Contributions	-	1
Revenue Collection Contributions	41	118
Youth Development Contributions	-	2
Other Community Service Contributions	36	70
Capital Works Contributions	20	114
Reimbursements	20	19
Total Contributions	<u>117</u>	<u>324</u>
Cash contributions recognised as revenue during the year that were obtained on condition that they be expended in a specified manner that had not occurred at balance date were:		
Drainage	1	54
Total	<u>1</u>	<u>54</u>
Note 8		
Net gain/(loss) on disposal of property, infrastructure, plant and equipment		
Proceeds of sale		
Land	6	35
Buildings	484	-
Plant and Equipment	386	274
	<u>877</u>	<u>309</u>
Written down value of assets disposed		
Land	(11)	(35)
Buildings	(539)	-
Plant and Equipment	(400)	(127)
Other infrastructure	(80)	-
	<u>(1,030)</u>	<u>(163)</u>
Total net gain/loss on disposal of property, infrastructure, plant and equipment	<u>(153)</u>	<u>146</u>
Note 9		
Other revenue		
Interest on Rates and Charges	68	73
Interest on Investments	119	36
Rent Council Properties	14	20
Shared services charge	57	56
Sundry external works	72	120
Other Income	57	112
Total other revenue	<u>387</u>	<u>417</u>

Notes to the Financial Statements

For the year ended 30 June 2016

	2016	2015
Note 10 (a) Employee costs	\$ '000	\$ '000
Wages and salaries	7,113	7,433
Allowances	247	262
Workcover	151	187
FBT	44	36
Worksafe	16	19
Superannuation	719	729
Casual wages	392	390
Total employee costs	8,682	9,056
 Note 10 (b) Superannuation		
Council made contributions to the following funds:		
Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	67	84
Employer contributions - other funds	-	-
	<u>67</u>	<u>84</u>
Employer contributions payable at reporting date.	-	-
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	375	375
Employer contributions - other funds	278	270
	<u>652</u>	<u>645</u>
Employer contributions payable at reporting date.	52	48
 Note 11 Materials and services	\$ '000	\$ '000
Operational Materials	431	523
Operational Contracts and Services	1,688	2,088
Vehicle and Plant Costs	1,214	1,164
Consultants Fees	258	473
Utilities	397	428
Insurance	279	284
Information Technology	356	316
Photocopier Charges	54	72
Promotion/Public Education	43	74
Purchased Labour/Labour Hire	7	61
Repairs & Maintenance - Facilities	22	45
Staff Amenities and Recruitment	33	50
Subscriptions/Memberships/Publications	83	92
Travel and Accommodation	26	31
Training	50	77
Garbage	91	82
Total materials and services	5,034	5,861

Notes to the Financial Statements

For the year ended 30 June 2016

	2016	2015
Note 12		
Bad and doubtful debts		
Other debtors	8	23
Total bad and doubtful debts	<u>8</u>	<u>23</u>
Note 13		
Depreciation		
Property	888	856
Plant and Equipment	783	939
Infrastructure	4,890	4,948
Total depreciation	<u>6,560</u>	<u>6,742</u>
Refer Note 22 for a more detailed breakdown of depreciation charges		
Note 14		
Finance costs		
Bank overdraft and bank charges	-	99
Interest - Borrowings	298	256
Total	<u>298</u>	<u>355</u>
Note 15		
Other expenses		
Auditors' remuneration - VAGO - audit of the Financial Statements, performance statements and grant acquittals	43	30
Auditor's Remuneration - internal	71	44
Councillors' allowances	152	148
Council Contributions and Donations	350	284
Council meeting expenses	13	10
Miscellaneous	57	55
Street lights upgrade	52	99
Flood emergency management	-	5
Legal Expenses	176	95
Total other expenses	<u>913</u>	<u>770</u>

Notes to the Financial Statements

For the year ended 30 June 2016

	2016	2015
	\$ '000	\$ '000
Note 16		
Investments in associates		
Investments in associates accounted for by the equity method are:		
- Wimmera Regional Library Corporation	222	221
Total	222	221
Wimmera Regional Library Corporation		
<i>Background</i>		
Buloke Shire Council is one of six participating Councils with equity in the Wimmera Regional Library Corporation. The Shire currently holds a 7.09% share in the equity of this corporation.		
Council's share of accumulated surplus (deficit) at start of year	115	98
Comprehensive result	0	10
Transfers (to) from reserves	1	8
Variation - Change in equity	0	(1)
Council's share of accumulated surplus (deficit) at end of year	116	115
<i>Council's share of reserves</i>		
Council's share of reserves at start of year	122	115
Transfers (to) from reserves	1	8
Variation - Change in Equity	0	(1)
Council's share of reserves at end of year	123	122
<i>Movement in carrying value of specific investment</i>		
Carrying value of investment at start of year	221	213
Share of surplus (deficit) for year	0	10
Variation - Change in equity	1	(2)
Carrying value of investment at end of year	222	221
Note 17		
Cash and cash equivalents		
Cash on hand	1	-
Cash at bank	749	2,940
Term Deposits	3,056	2,455
Total cash and cash equivalents	3,806	5,395
Council's cash and cash equivalents are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. These include:		
Unexpended grants (Note 6)	930	3,540
Unexpended contributions (Note 7)	1	54
Trust funds and deposits (Note 25)	28	122
Restricted Funds	959	3,717
Total unrestricted cash and cash equivalents	2,847	1,678
Intended allocations		
Although not externally restricted the following amounts have been allocated for specific future purposes by Council:		
Cash held to fund carried forward capital works	29	112
Total funds subject to intended allocations	29	112

Notes to the Financial Statements

For the year ended 30 June 2016

		2016	2015
		\$ '000	\$ '000
Note 18	Trade and other receivables		
	<i>Current</i>		
	Rates debtors	889	760
	Grant debtors	10	257
	Infringement debtors	209	140
	Other debtors	167	215
	Provision for doubtful debts	(21)	(30)
	GST receivable	126	133
	Total trade and other receivables	1,380	1,475
	a) Ageing of 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 (excluding statutory receivables) was:		
	Current (not yet due)	112	379
	Past due by up to 30 days	11	23
	Past due between 31 and 180 days	73	73
	Past due between 181 and 365 days	32	2
	Past due by more than 1 year	158	135
	Total trade & other receivables	386	612
	b) Movement in provisions for doubtful debts		
	Balance at the beginning of the year	30	27
	New Provisions recognised during the year	8	21
	Amounts already provided for and written off as uncollectible	(17)	(18)
	Amounts provided for but recovered during the year		-
	Balance at end of year	21	30
	c) Ageing of individually impaired Receivables		
	There is no impaired Trade and Other Receivable at the balance date.		
Note 19	Other financial assets		
	Term Deposits	3,000	-
	Total inventories	3,000	-
Note 20	Inventories		
	Inventories held for distribution	172	132
	Total inventories	172	132
Note 21	Non current assets classified as held for sale		
	Cost of acquisition	-	189
	Total non current assets classified as held for resale	-	189
Note 22	Other assets		
	<i>Current</i>		
	Prepayments	215	199
	Accrued income	19	5
	Financial Asset: Community Bank Shares	1	2
	Other	7	7
	Total	242	213

Notes to the Financial Statements

For the year ended 30 June 2016

Note 23 Property, infrastructure plant and equipment

Summary of property, infrastructure , plant and equipment

	At Fair Value 30 June 2016	Accumulated Depreciation	WDV 30 June 2016	At Fair Value 30 June 2015	Accumulated Depreciation	WDV 30 June 2015
Land	3,814	-	3,814	4,079	-	4,079
Buildings	50,397	(28,734)	21,663	50,893	(28,235)	22,658
Plant and Equipment	9,945	(5,927)	4,019	10,585	(6,464)	4,121
Infrastructure	279,067	(136,581)	142,486	234,502	(87,459)	147,043
Work in progress	372		372	135		135
	343,595	(171,242)	172,353	300,195	(122,158)	178,036

Summary of Work in Progress

	Opening WIP	Additions	Transfer	Write-offs	Closing WIP
Buildings	-	127	-	-	127
Plant and Equipment	74	-	(54)	-	20
Infrastructure	60	219	(55)	-	224
Total	135	346	(109)	-	372

Notes to the Financial Statements

For the year ended 30 June 2016

Note 23 Property, infrastructure plant and equipment

Land and Buildings	Note	Land - Specialised	Land - non specialised	Land under roads	Total Land	Buildings - non-specialised	Total Buildings	Work In Progress	Total Property
At fair value 1 July 2015		3,929	146	5	4,079	50,893	50,893	-	54,973
Accumulated depreciation at 1 July 2015		-	-	-	-	(28,235)	(28,235)	-	(28,235)
		<u>3,929</u>	<u>146</u>	<u>5</u>	<u>4,079</u>	<u>22,658</u>	<u>22,658</u>	<u>-</u>	<u>26,737</u>
Movements in fair value									
Acquisition of assets at fair value					-	341	341	127	469
Revaluation increments/decrements		(255)	36		(219)	-	-		(219)
Fair value of assets disposed			(47)		(47)	(892)	(892)		(939)
Impairment losses recognised in operating result					-	-	-		-
Transfers					-	55	55		55
		<u>(255)</u>	<u>(11)</u>	<u>-</u>	<u>(266)</u>	<u>(496)</u>	<u>(496)</u>	<u>127</u>	<u>(635)</u>
Movements in accumulated depreciation									
Depreciation and amortisation					-	(888)	(888)		(888)
Accumulated depreciation of disposals					-	389	389		389
Impairment losses recognised in operating result					-	-	-		-
Transfers					-	-	-		-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(499)</u>	<u>(499)</u>	<u>-</u>	<u>(499)</u>
At fair value 30 June 2016		3,674	135	5	3,814	50,397	50,397	127	54,338
Accumulated depreciation at 30 June 2016		-	-	-	-	(28,734)	(28,734)	-	(28,734)
		<u>3,674</u>	<u>135</u>	<u>5</u>	<u>3,814</u>	<u>21,663</u>	<u>21,663</u>	<u>127</u>	<u>25,604</u>

Notes to the Financial Statements

For the year ended 30 June 2016

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

Plant and Equipment	Note	Plant machinery and equipment	Fixtures fittings and furniture	Computers and telecomms	Work In Progress	Total plant and equipment
At fair value 1 July 2015		8,627	420	1,538	74	10,660
Accumulated depreciation at 1 July 2015		(5,369)	(374)	(721)	-	(6,464)
		<u>3,258</u>	<u>45</u>	<u>817</u>	<u>74</u>	4,195
Movements in fair value						-
Acquisition of assets at fair value		685		153		838
Revaluation increments/decrements						-
Fair value of assets disposed		(934)		(598)		(1,532)
Impairment losses recognised in operating result						-
Transfers		54			(54)	-
		<u>(195)</u>	<u>-</u>	<u>(445)</u>	<u>(54)</u>	(694)
Movements in accumulated depreciation						-
Depreciation and amortisation		(493)	(24)	(266)		(783)
Accumulated depreciation of disposals		722		598		1,321
Impairment losses recognised in operating result						-
Transfers						-
		<u>229</u>	<u>(24)</u>	<u>332</u>	<u>-</u>	538
At fair value 30 June 2016		8,433	420	1,093	20	9,966
Accumulated depreciation at 30 June 2016		(5,140)	(398)	(389)	-	(5,927)
		<u>3,293</u>	<u>22</u>	<u>704</u>	<u>20</u>	4,039

Notes to the Financial Statements

For the year ended 30 June 2016

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

	Roads	Bridges	Footpaths and cycleways	Drainage	Recreational, leisure and Community	Parks open spaces and streetscapes	Aerodromes	Landfill Sites	Other Infrastructure	Work In Progress	Total Infrastructure	Total Property, infrastructure, plant & equipment
Infrastructure												
Note												
At fair value 1 July 2015	197,916	6,773	8,886	10,076	4,888	1,329	659	733	3,242	60	234,562	300,195
Accumulated depreciation at 1 July 2015	(70,836)	(850)	(4,093)	(5,655)	(1,788)	(866)	(599)	(684)	(2,087)	-	(87,459)	(122,158)
	127,080	5,922	4,792	4,422	3,100	462	60	49	1,155	60	147,103	178,036
Movements in fair value												
Acquisition of assets at fair value	3,204		67	24	195		14		124	219	3,846	5,152
Revaluation increments/decrements	42,324	2,965	(731)								44,558	44,339
Fair value of assets disposed	(3,165)		(56)						(399)		(3,620)	(6,091)
Impairment losses recognised in operating result	-										-	-
Transfers	-									(55)	(54,620)	-
	42,364	2,965	(720)	24	195	-	14	-	(275)	164	44,729	43,400
Movements in accumulated depreciation												
Depreciation and amortisation	(4,328)	(68)	(186)	(101)	(98)	(23)	(7)	(5)	(74)		(4,890)	(6,560)
Accumulated depreciation of disposals	3,165		56						319		3,540	5,250
Revaluation increments/decrements	(44,726)	(3,538)	491								(47,773)	(47,773)
Impairment losses recognised in operating result	-										-	-
Transfers	-										-	39
	(45,890)	(3,606)	361	(101)	(98)	(23)	(7)	(5)	245	-	(49,123)	(49,044)
At fair value 30 June 2016	240,280	9,737	8,166	10,100	5,083	1,329	673	733	2,967	224	279,291	343,595
Accumulated depreciation at 30 June 2016	(116,726)	(4,456)	(3,733)	(5,755)	(1,886)	(889)	(606)	(688)	(1,842)	-	(136,581)	(171,242)
	123,554	5,281	4,433	4,345	3,197	440	67	45	1,125	224	142,710	172,353

Notes to the Financial Statements

For the year ended 30 June 2016

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

Valuation of land and buildings

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

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

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

	Level 1	Level 2	Level 3
Land - Non specialised	-	135	-
Land - Specialised	-	-	3,674
Land under roads	-	-	5
Buildings - Non Specialised	-	21,663	-
Buildings - Specialised	-	-	-

Infrastructure

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

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

Valuation of drains has been determined in accordance with a valuation undertaken by Council's Senior Asset Engineer, Naga Sundararajah, FIE (Aust) Fellow Member Institute of Engineers, B Sc (Hons) in Civil Engineering (UK) and M. Engineering in Construction Management (SL).

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

	Level 1	Level 2	Level 3
Roads	-	-	123,554
Bridges	-	-	5,281
Footpath & Cycleways	-	-	4,433
Drainage	-	-	4,345
Recreational, leisure and community facilities	-	-	3,197
Parks, open space and streetscapes	-	-	440
Aerodromes	-	-	67
Landfill sites	-	-	45
Other Infrastructure	-	-	1,125

Notes to the Financial Statements

For the year ended 30 June 2016

	2016 \$ '000	2015 \$ '000
Note 24 Trade and other payables		
Trade payables	1,153	1,840
GST payable	3	33
Accrued expenses	187	139
Total trade and other payables	1,343	2,012

Note 25 Trust funds and deposits		
Funds held on behalf of community groups and third parties	18	26
Retention Amounts	4	16
Overpaid rates and charges	-	71
Fire Services Levy	5	7
Other refundable deposits	1	1
Total trust funds and deposits	28	121

Purpose and nature of items -

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

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

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

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

Note 26 Provisions

	Employee provision	Landfill restoration \$ '000	Pit restoration \$ '000	Total \$ '000
2016				
Balance at beginning of the financial year	2,187	341	538	3,066
Additional provisions	(23)	(35)	3	(55)
Amounts used	(197)	(30)	(51)	(278)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	248	13	67	327
Balance at the end of the financial period	2,215	289	556	3,060
2015				
Balance at beginning of the financial year	1,890	340	469	2,699
Additional provisions	231	80	177	488
Amounts used	(163)	(50)	(23)	(236)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	229	(28)	(85)	116
Balance at the end of the financial period	2,187	341	538	3,066

Notes to the Financial Statements

For the year ended 30 June 2016

	2016	2015
	\$'000	\$'000
a. Employee provisions -		
Current Provisions expected to be settled within 12 months		
Annual leave	433	441
Long service leave	129	129
Rostered days off	26	28
	<u>588</u>	<u>598</u>
Current Provisions expected to be settled after 12 months		
Annual leave	235	229
Long service leave	1,253	1,216
	<u>1,488</u>	<u>1,445</u>
Non-current		
Long service leave	139	144
	<u>139</u>	<u>144</u>
Aggregate carrying amount of employee benefits:		
Current	2,076	2,043
Non-current	139	144
	<u>2,215</u>	<u>2,187</u>

The following assumptions were adopted in measuring the present value

Weighted average increase in employee costs	4.13%	4.44%
Weighted average discount rates	1.75%	2.47%
Weighted average settlement period (months)	12	12

(b) Gravel pit restoration -

(i) Non-current

Pit restorations measured at present value	556	538
	<u>556</u>	<u>538</u>

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

Weighted average increase in costs	1.50%	1.20%
Weighted average discount rates	1.86%	2.65%

(c) Landfill restoration -

(i) Non-current

Landfill restorations measured at present value	289	341
	<u>289</u>	<u>341</u>

Weighted average increase in costs	1.50%	1.20%
Weighted average discount rates	1.76%	2.48%

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

Notes to the Financial Statements

For the year ended 30 June 2016

	2016 \$'000	2015 \$'000
Note 27 Interest-bearing loans and borrowings		
<i>Current</i>		
Borrowings - secured	-	201
	<u>-</u>	<u>201</u>
<i>Non-current</i>		
Borrowings - secured	7,000	7,000
	<u>7,000</u>	<u>7,000</u>
Total	<u>7,000</u>	<u>7,201</u>
Borrowings are secured by way of mortgages over the general rates of the Council.		
The maturity profile for Council's borrowings is:		
Not later than one year	-	201
Later than one year and not later than five years	7,000	7,000
Total	<u>7,000</u>	<u>7,201</u>
Aggregate carrying amount of interest-bearing loans and borrowings:		
Current	-	201
Non-current	7,000	7,000
Total interest-bearing loans and borrowings	<u>7,000</u>	<u>7,201</u>

Notes to the Financial Statements

For the year ended 30 June 2016

Note 28 Reserves

	Balance at beginning of reporting period	Increment/(decrement)	Transfer to accumulated surplus	Balance at end of reporting period
	\$'000	\$'000	\$'000	\$'000
(a) Asset revaluation reserve				
2016				
Property				
Land	1,746	(219)	(37)	1,490
Buildings	7,195		(365)	6,831
	8,941	(219)	(402)	8,322
Infrastructure				
Roads	65,127	(4,503)	-	60,624
Bridges	2,085	(574)	-	1,511
Footpaths and cycleways	4,434	(240)	-	4,194
Kerb and channel	1,759	2,101	-	3,860
Drainage	2,515	-	-	2,515
Other infrastructure	363	-	-	363
	76,283	(3,216)	-	73,067
Total asset revaluation reserve	85,224	(3,435)	(402)	81,389
2015				
Property				
Land	2,022	(276)	-	1,746
Buildings	7,315	(120)	-	7,195
	9,337	(396)	-	8,941
Infrastructure				
Roads	65,127	-	-	65,127
Bridges	2,085	-	-	2,085
Footpaths and cycleways	4,434	-	-	4,434
Kerb and channel	1,759	-	-	1,759
Drainage	2,515	-	-	2,515
Other infrastructure	363	-	-	363
	76,283	-	-	76,283
Total asset revaluation reserve	85,620	(396)	-	85,224
(b) Other reserves				
2016				
General reserve	5	-	-	5
Total Other reserves	5	-	-	5
2015				
General reserve	5	-	-	5
Total Other reserves	5	-	-	5

c) Adjustments directly to equity

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

	2016
	\$'000
Land	37
Buildings	365
	402

Notes to the Financial Statements

For the year ended 30 June 2016

	2016 \$'000	2015 \$'000
Note 29 Reconciliation of cash flows from operating activities to surplus (deficit)		
Surplus / Deficit for the year	(84)	4,902
Non-cash movements:		
Depreciation	6,560	6,742
Net (gain)/loss on disposal of property, infrastructure, plant and equipment	153	(146)
Movement in share of net profit/(loss) in associated entities	(1)	(8)
<i>Change in assets and liabilities:</i>		
(Increase)/Decrease in trade and other receivables	95	449
(Increase)/Decrease in inventories	(40)	(53)
(Increase)/Decrease in prepayments	(16)	(46)
(Increase)/Decrease in accrued income	(14)	36
Increase/(Decrease) in trade and other payables	231	1,489
Increase(Decrease) in trust funds and deposits	(93)	(26)
Increase(Decrease) in provisions	(34)	70
Increase(Decrease) in employee benefits	90	309
Net cash provided by/(used in) operating activities	6,848	13,720
Note 30 Reconciliation of cash and cash equivalents		
Cash and cash equivalents (see note 17)	3,806	5,395
Total reconciliation of cash and cash equivalents	3,806	5,395
Note 31 Financing arrangements		
Bank overdraft	2,500	3,000
Bank Guarantees	250	250
Total facilities	2,750	3,250
Used facilities - bank guarantees	68	68
Unused facilities	2,683	2,933
Council's overdraft limit will be \$2.5m from 1 July 2015.		

Notes to the Financial Statements

For the year ended 30 June 2016

Note 32 Commitments

The Council has entered into the following commitments

2016	Not later	Later than 1	Later than 2	Later than 5	Total
	than 1 year	year and not	years and		
	\$'000	later than 2	not later than	years	\$'000
		years	5 years		
		\$'000	\$'000	\$'000	\$'000
Operating					
Recycling	86	89	91	-	266
Garbage collection	240	247	255	-	742
Provision of library services	240	-	-	-	240
Vehicle leases	319	294	93	-	706
Information systems and technology	184	188	161	19	552
Photocopier management agreement	48	48	96	-	192
Office Equipment	15	6	6	-	27
Waste transfer station	40	55	55	-	150
Provision of building services	153	156	118	-	427
Local Government Electoral Services	104	-	-	-	104
Total	1,429	1,083	875	19	3,406
Capital					
Infrastructure	466	-	-	-	466
Total	466	-	-	-	466
2015	Not later	Later than 1	Later than 2	Later than 5	Total
	than 1 year	year and not	years and		
	\$'000	later than 2	not later than	years	\$'000
		years	5 years		
		\$'000	\$'000	\$'000	\$'000
Operating					
Recycling	83	86	179	-	349
Garbage collection	233	240	502	-	975
Valuation services	124	-	-	-	124
Provision of library services	290	164	-	-	454
Vehicle leases	66	66	58	-	190
Information systems and technology	184	178	379	25	766
Photocopier management agreement	49	49	99	-	197
Office Equipment	8	8	-	-	17
Street Lighting	73	-	-	-	73
Total	1,111	792	1,217	25	3,145
Capital					
Infrastructure	41	-	-	-	41
Total	41	-	-	-	41

Notes to the Financial Statements

For the year ended 30 June 2016

Note 33 Superannuation

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

Accumulation

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

Defined Benefit

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

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

Funding arrangements

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

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

Net investment returns 7.0% pa
Salary information 4.25% pa
Price inflation (CPI) 2.5% pa.

Vision Super has advised that the estimated VBI at quarter end June 2016 was 102%.

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

Employer contributions

Regular contributions -

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

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

Notes to the Financial Statements

For the year ended 30 June 2016

Funding calls -

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

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

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

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

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

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

2015 interim actuarial investigation surplus amounts

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

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

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

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

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

Notes to the Financial Statements

For the year ended 30 June 2016

b. Superannuation contributions

Contributions by Buloke Shire Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2016 are detailed below:

Scheme	Type of scheme	Rate	2016	2015
			\$'000	\$'000
Vision Super	Defined benefits	9.50%	67	84
Vision Super	Accumulation	9.50%	375	375
Australian Super	Accumulation	9.50%	75	65
HESTA	Accumulation	9.50%	15	7
Hostplus	Accumulation	9.50%	11	10
LUCRF	Accumulation	9.50%	16	17
Prime	Accumulation	9.50%	10	10
REST Master	Accumulation	9.50%	19	23
Vicsuper	Accumulation	9.50%	15	23
Other	Accumulation	9.50%	116	115
			719	729

The expected contributions to be paid to the defined benefit category of Vision Super for the year ending 30 June 2017 is \$59,189.

Note 34 Contingent liabilities and contingent assets

1. Superannuation

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

2. Guarantees for loans to other entities

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

	2016	2015
	\$'000	\$'000
Bank Guarantee	150	150
TOTAL	150	150

3. Pending legal matters

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

Contingent Assets

Nil

Notes to the Financial Statements

For the year ended 30 June 2016

Note 35 Financial Instruments

(a) Objectives and policies

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

(b) Market risk

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

Interest rate risk

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

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

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

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

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

(c) Credit risk

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

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

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

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

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

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

(d) Liquidity risk

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

To help reduce these risks Council:

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

Notes to the Financial Statements

For the year ended 30 June 2016

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

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

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

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

e) Fair value

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

Fair value hierarchy

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

(f) Sensitivity disclosure analysis

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

- A parallel shift of + 1% and - 1% in market interest rates (AUD) from year-end cash rate of 1.75%.

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

Notes to the Financial Statements

For the year ended 30 June 2016



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

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

Chief Executive Officer John Hicks
Anthony Judd (Acting CEO)

14 -18 Sep 2015
2 - 6 May 2016

Bill Hutcheson (Acting CEO)

4 - 8 Jan 2016

(ii) Remuneration of Responsible Persons

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

	2016 No.	2015 No.
\$10,000 - \$19,999	6	6
\$50,000 - \$59,999	1	1
\$220,000 - \$229,999	1	1
	8	8

	2016 \$'000	2015 \$'000
Total Remuneration for the reporting year for Responsible Persons included above amounted to:	392	385

(iii) No retirement benefits have been made by the Council to a Responsible Person.

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

(vi) Senior Officers Remuneration

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

- a. has management responsibilities and reports directly to the Chief Executive Officer or
- b. whose total annual remuneration exceeds \$139,000

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

	2016 No.	2015 No.
Income Range:		
<\$139,000	6	5
\$140,000 - \$149,999	2	2
	8	7

Total Remuneration for the reporting year for Senior Officers included above, amounted to:	781	691
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Note 37 Events occurring after balance date

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

Certification of the Financial Statement

Certification of the Financial Statements

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



William Hutcheson
Principal Accounting Officer

Date: 14.9.2016
Wycheproof

In our opinion the accompanying Financial Statements present fairly the financial transactions of Buloke Shire Council for the year ended 30 June 2016 and the financial position of the Council as at that date.

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

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

Reid Mather (Mayor)
Councillor 

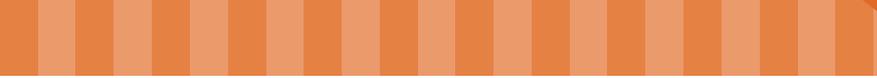
Date: 14/09/2016
Wycheproof

Graeme Milne
Councillor 

Date: 14/9/16
Wycheproof

John Hicks
Chief Executive Officer 

Date: 14-9-16
Wycheproof



VAGO

Victorian Auditor-General's Office

Level 24, 35 Collins Street
Melbourne VIC 3000

Telephone 61 3 8601 7000

Facsimile 61 3 8601 7010

Website www.audit.vic.gov.au

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Buloke Shire Council

The Financial Report

I have audited the accompanying financial report for the year ended 30 June 2016 of the Buloke Shire Council which comprises the comprehensive income statement, balance sheet, statement of changes in equity, statement of cash flows, statement of capital works, notes comprising a summary of the significant accounting policies and other explanatory information, and the certification of the financial statements.

The Councillors' Responsibility for the Financial Report

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

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

Auditor's Responsibility

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

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

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

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

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, I and my staff and delegates complied with the applicable independence requirements of the Australian Auditing Standards and relevant ethical pronouncements.

Opinion

In my opinion the financial report presents fairly, in all material respects, the financial position of the Buloke Shire Council as at 30 June 2016 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*.

MELBOURNE
16 September 2016


Dr Peter Frost
Acting Auditor-General



BULOKE
SHIRE COUNCIL

