



ANNUAL REPORT
2009-2010



COUNCIL PROFILE

OUR VISION

A SUSTAINABLE COMMUNITY WHERE EVERYONE IS ACTIVELY ENCOURAGED TO PARTICIPATE IN COMMUNITY LIFE TO ENRICH THE CULTURAL, SOCIAL AND ECONOMIC VIABILITY OF OUR SHIRE AND TO CARE FOR OUR MOST IMPORTANT ASSET, THE NATURAL ENVIRONMENT.

OUR MISSION

TO ENSURE THE COMMUNITY HAS THE PRACTICAL TOOLS TO MAKE BULOKE AN AMAZING PLACE TO LIVE. 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;
- ▶ Delivering good governance and sound financial and risk management practices;
- ▶ Involving the community in making decisions that effect them directly and indirectly; and
- ▶ Celebrating community achievements and milestones together.

OUR VALUES

TO ACCOMPLISH OUR MISSION, COUNCIL BASES ITS DECISIONS AND ACTIONS ON THE FOLLOWING CORE VALUES:

- ▶ Accountability for the future
- ▶ Creating the future
- ▶ Asset-based approaches
- ▶ Interconnected and interdependent
- ▶ Always practical
- ▶ Strong responsive service principals

OUR PROFILE

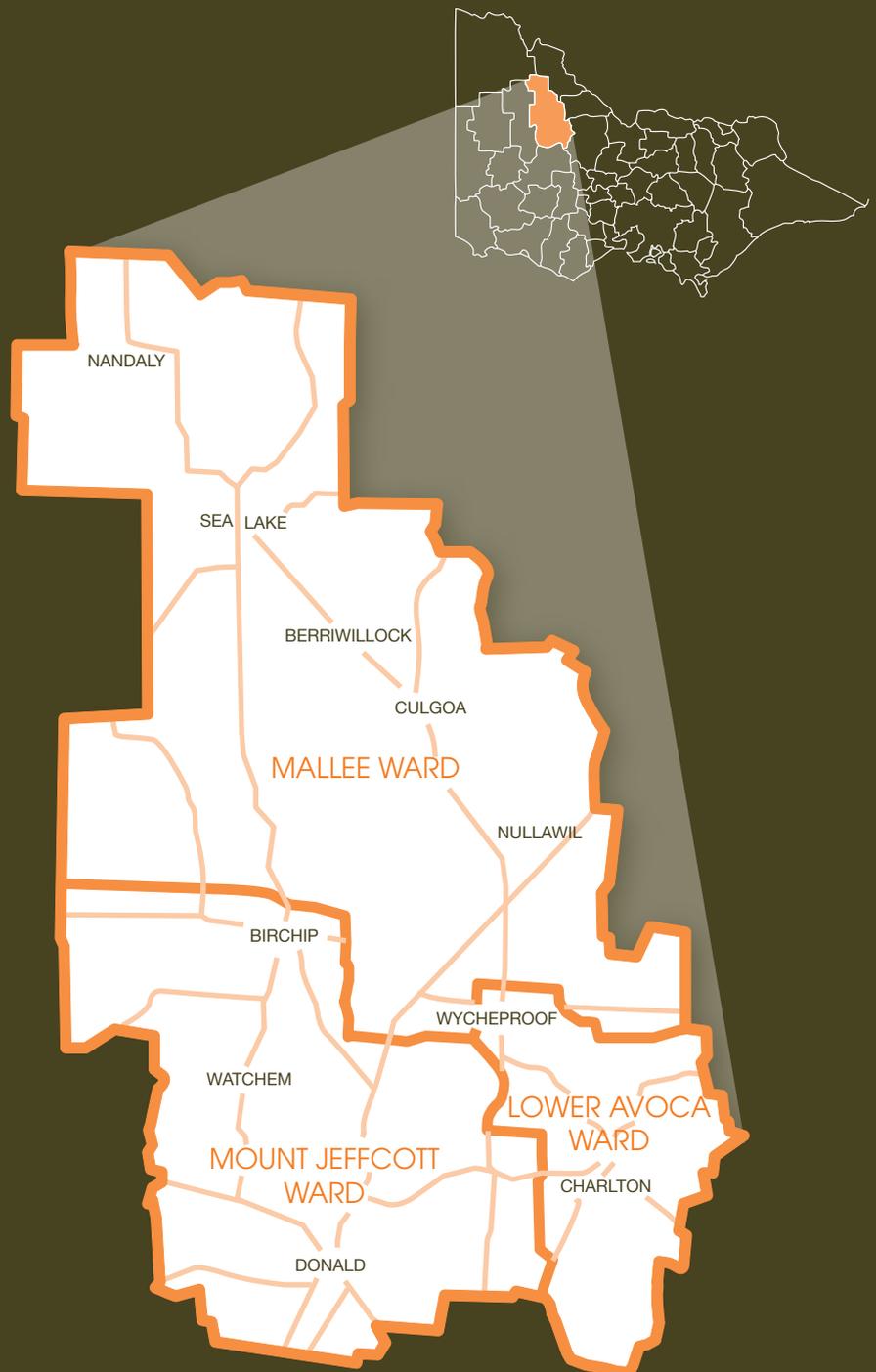
Buloke Shire is located in North-West Victoria on the eastern edge of the Wimmera plains and Southern Mallee, 300 km from Melbourne. It occupies an area of 8,001 square kilometres with an estimated resident population of 7,078 (ABS) – less than one person per square kilometre. There are ten townships within the Shire; the larger towns are Birchip, Charlton, Donald, Sea Lake and Wycheproof. The five smaller townships are Berrivillock, Culgoa, Nandaly, Nullawil and Watchem.

Agriculture, specifically grain production, is the primary source of income and employment in the area. Other forms of farming, education, retail, community service sectors and light industry also provide employment and income.

Buloke is named after the 'buloke' or 'bulloak tree', 'Allocasuarina Luehmannii', which is common in the area.

"NONE OF US CAN CREATE SIGNIFICANT IMPACT ON OUR OWN; OUR POTENTIAL IS GREATEST WHEN WE WORK TOGETHER."

CEO WARWICK HEINE





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THE BULOKE COMMUNITY REMAINS COMMITTED TO A STRONG AND PROSPEROUS FUTURE. THIS LEVEL OF COMMITMENT CAN BE SEEN IN THE CONTINUING CELEBRATION OF COMMUNITY IN ALL OF OUR TOWNS AND IN EVERYTHING WE DO.
CR LEO TELLEFSON (MAYOR)



Over the past year, the Shire of Buloke has experienced a mix of highs and lows and as Mayor, I wish to comment on them and place them in context.

The highs have all related to our community, the lows to our ongoing struggle to financially provide the services and facilities the community expects.

In a Local Government context, Buloke is a small rural Shire genuinely facing significant ongoing financial challenges. This has been reinforced over the past year through a series of well publicised government reports and publications that have questioned the ongoing financial sustainability of the Shire. The information in these reports has not been 'news' to Councillors. The need to achieve a balance between affordability and sustainability has been an ongoing focus of attention for Council over many years.

Rather than ignore or dismiss these reports, Council has sought to engage the community in discussion about affordability and sustainability. An unprecedented amount of information has been made available to the Buloke community in 2009/10 through publications including the **Council Plan 2009-2013** and regular communications such as **Community Matters**. Feedback following the release of this information has been mixed. In general, the community has endorsed Council's decision to maintain a consistent but conservative approach to rate increases in forthcoming years while, at the same time, remaining focused on the maintenance and improvement of road infrastructure. To achieve this will require careful management of Council expenses and a selective approach to capital infrastructure investment.

The upside of the year has been the continued demonstration of the resilience of the Buloke community. Despite nearly ten years of drought, the Buloke community remains committed to a strong and prosperous future. This level of commitment can be seen in the continuing celebration of community in all of our towns and in everything we do. Festivals and other events have been strongly supported throughout the year; our sporting teams have continued to succeed; our schools have continued to excel; new initiatives have continued to be developed; adaptive

farm practices have been developed and embraced; and our local economy has started to rebound.

Our communities have also continued to develop their own unique community plans, with some of the ideas turning into built reality. The hard work put into these plans will pay a dividend in the future as other levels of government look to communities for ideas on where to commit future development funds.

From a Council perspective, the highs in 2009/10 have far outweighed the lows. However, we do need to acknowledge that the question of affordability and sustainability is one that will be with us for some years to come.

While our recent adopted **2010-2011 Budget** identifies the exact scale of the financial challenges we face, it demonstrates that we have a structured plan to ensure that core services are maintained and, where possible, improved. We know that the community wants to see improvements in basic infrastructure such as roads but these all cost money, not just in building them but also in their repair, maintenance and replacement.

Council is also committed to continuing to advocate to, and work with, State and Federal Governments to ensure the Shire receives financial support to deliver the projects and further enhance the quality of life for residents and business.

We are also aware of the need to provide leadership to our community and this is something that I and all of my Councillor colleagues are committed to. We are here to represent and advocate for the Buloke community in every area of endeavour. In doing this work we are all aware of the need to embrace the concepts, plans and budgets required to deliver sustainable improvement in everything we do.

My thanks to the Councillors, staff and members of the Buloke community who have contributed ideas and efforts to ensure that the Buloke Shire continues to move forward in a positive manner.

Cr Leo Tellefson
Mayor



THE NEED TO ACHIEVE A BALANCE BETWEEN AFFORDABILITY AND SUSTAINABILITY HAS BEEN AN ONGOING FOCUS OF ATTENTION FOR COUNCIL OVER MANY YEARS.

As indicated in the Mayor's Report, the past year has seen massive challenges for all living in Buloke. This situation seems likely to continue for the next few years as the local economy continues to recover from the impact of prolonged drought and ongoing changes to farming practices which influence population growth.

Council must respond to these challenges by continuously improving its forward planning capacity, being more transparent in its decision making, adapting the way we work to ensure that we provide better services and constantly seeking to improve our capacity to deliver value for money.

As indicated by the Mayor in his introductory comments to this Report, this is not always easy given our small rate base and the large geographic area Council is required to service. Once again, we come back to that careful balance between affordability and financial sustainability.

As an organisation, we try to ensure that our priorities reflect what the Buloke community has told us is important to them, and this is at the heart of everything we do. A key part of achieving this is to spend

as much time as possible listening to and talking with the community. Setting aside time to talk to and listen to people may seem a waste of resources, but it is the only way we can ensure that we know what you think is important.

In this context, a particular highlight for me in 2009/10 has been the continued interaction with township Forum and Progress Associations. Particularly in the ongoing development of the community plans that have been developed for each of our ten towns over the last few years. Combined with the 'fire shed' meetings held across the Shire, as part of the 'Managing Now Planning Ahead' initiative, Councillors, senior staff and I have had the opportunity to directly interact with as many as one in four of our residents. This is no small achievement, and reflects the high level of interest the Buloke community has in civic affairs.

2009/10 has also seen the publication of the **Council Plan 2009-2013**. The 2009-2013 Plan was published in a different format to previous Plans and was structured around a series of sometimes provocative statements about the future of the Shire. Unfortunately, only a small number of residents



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accepted the invitation to respond to these statements. However, the responses received provided good input into the development of the second edition of the Plan which will be released in 2010/11.

Climate change remains a major challenge for Council, irrespective of the form that it takes over the next few years. It is becoming increasingly clear that partnerships and the delivery of tangible and practical assistance to farmers and the broader community, will be the key to the development of adaptive strategies to accommodate the likely impacts of climate change. The establishment and success of these partnering arrangements will be dependant on the capacity of sometimes competing interests to work together. Council has a role to play in this process; to foster the required partnerships and to facilitate their operation. Council's limitation in this regard is that it does not have financial resources to commit to the process.

Many of Council's policies, service delivery and work practices will need to be reviewed and restructured to reflect the need for environmental design rather than environmental management, which has largely characterised our approach to date.

This will have a profound impact on Council's land use policies and asset management practices.

Resource constraints in 2009/10 have prohibited Council from making progress on addressing some of the changes that are necessary to address these challenges. Action to address this situation will continue in 2010/11 and result in proposals for amendments to current land use planning policies, roadside vegetation management and road maintenance practices being placed before the community for comment and endorsement.

Strategies to improve the environmental performance of Council buildings and facilities will also continue to be a priority.

Council advocacy activities in 2009/10 continued to have a focus on increasing the level of government support for small rural shires; on increased government funding for road and road related infrastructure; on the need for improved telecommunications; improved health services; the transfer of freight from road transport to rail and on improvements to utilities infrastructure.

The provision of water to two of the five recreational lakes within the Shire was an unexpected bonus during 2009/10 but with it came the inevitable question of who pays for the water, and the need for Council to assist lake committees to ensure facilities not used for many years were open and available to visitors.

Council also continued to identify and oppose cost shifting to local government from other levels of government but the practice continues unabated despite agreements to review the impact of new legislation and regulation.

Council's overall financial position slipped backward in 2009/10. The end of year deficit was \$4.239M, \$2.828M more than predicted as part of the 2009/10 Budget. The major cause of this was a significant increased investment in road maintenance activities and the consequent use

of contractors to undertake capital works on the road network. This resulted in near completion of the entire capital works program for 2009/10 and a significant investment in improved road conditions. The level of expenditure in 2009/10 also caused some cash flow problems which will carry over into 2010/11 and require careful management to ensure the situation does not worsen.

Review of the 2009/10 financial statements will show that the Shire's financial position continues to be dependant upon the receipt of support from the Commonwealth and State Government through the Victorian Grants Commission and other tied and untied grants. The financial statements also show that Council's capacity to raise revenue through means other than rates and charges continues to be severely restricted. This means that without increases in the level of Government support there will continue to be pressure on Council to either reduce services, or raise rates at levels higher than inflation for the foreseeable future.

It is important that the Buloke community understands this position and works with Council to ensure expenditures are targeted to essential services and maintenance of essential infrastructure. Additional services will only be possible if supported by revenue from other sources.

As you read through this report you will learn much about the activities and achievements of Council in 2009/10. Council staff acknowledge there are many areas in which we can improve and it is our intent to do this in 2010/11 and beyond.

In conclusion, I would like to thank the Mayor and Councillors for their role as the elected representatives of the community and the personal support they have shown to me and all staff. I also gratefully acknowledge the support and commitment of the Senior Management Team, staff and contractors.

Warwick Heine
Chief Executive Officer





EXECUTIVE & GOVERNANCE

Finance

Finance encompasses the areas of rates, payroll, debtors and creditors and is responsible for the efficient management of Council's financial services.

Achievements

- BIS financial reporting system upgraded to Version 9 to facilitate improved financial reporting.
- Staff trained in BIS software to enable them to input budgets to allow for more responsible budgeting and accountability.
- Manual spreadsheets for budget input no longer required providing a more accurate and robust budgeting input regime.
- Review of Finance policy suite to bring policies in line with current requirements.
- Significant reduction in items identified by external auditor from previous year.
- Adoption of financial compliance framework checklist to improve quality of internal controls and reporting.
- Update of Audit Advisory Committee

Charter to align with Best Practice Guidelines.

- Council's internal auditors assisted in auditing Council's efforts to meet the requirements of the financial compliance checklist and advised on improved procedures to meet outstanding items. They also reviewed Council's assets and reviewed governance compliance issues.
- The Audit Advisory Committee met on five occasions during 2009/10. Mr Ian Cuthbertson continues as chair of the Committee. Mr Eugene Sibelle was reappointed for a further 2 year term. Mr Geoffrey Ballard was appointed to the committee for a two year term. Mr Ballard's skills and experience provide additional accounting knowledge and experience to the Committee.

Procurement

A separate Procurement Unit was established during the course of 2009/10 reporting directly to the Chief Executive Officer. The Procurement team is responsible for the review and implementation of all business processes associated with purchasing, contracting and the calling of tenders for services and works. Their objective is to maximise the amount of Council

expenditure with local businesses while at the same time ensuring value for money.

Achievements

- Establishment of Procurement business unit within Buloke Shire Council with demonstrated flexible team capability.
- Introduction of Light Vehicle Fleet Management Policy.
- Implementation of Light Vehicle Fleet Management Procedure.
- Establishment of Vehicle Fleet Performance Management System.
- Change over of light fleet vehicles (30 vehicles in two weeks) with minimum disruption to organisation.
- Development and implementation of inventory and stock control policies.
- Increased local purchasing.
- 37.73% of 2009/10 procurement budget spent within the local economy.
- Improved supplier relationships.
- Introduction of Asset and Inventory Management Policy.
- Preparation for implementation of Asset and Inventory Management in July 2010 across all business units.

CORPORATE SERVICES

Community Development

The Community Development team works with communities to help them realise the vision articulated in their community plan. The team also assists with facilitating the community planning process, provides information on grants and supports communities to prepare grant submissions.

Achievements

- 12 editions of Council's Community Matters information page published in the 3 local papers.
- 20 projects underway or completed, with 320 volunteers involved. \$456,690 in external funding received matched with \$80,000 of in-kind contributions from the community. The projects involved partnerships between over 40 local and regional organisations.
- 15 *Managing Now Planning Ahead* fire shed gatherings held across the Shire at Berriwillock, Curyo, Glenloth East, Buckrabanyule, Jeffcott, Litchfield, Reedy Dam, Teddywaddy, Warmur, Yeungroon, Nullawil, Corack, Cope Cope, Nandaly and Dumosa. The financial support of the Rosebud Rotary Club for these gatherings is gratefully acknowledged.
- Development of effective relationships with Centrelink, Country Fire Authority (CFA), Department of Human Services (DHS), Department of Planning and Community Development (DPCD), Department of Primary Industry (DPI), Loddon Shire Council, Office for Senior Victorians, Regional Development Victoria (RDV), Rotary Club of Rosebud, Rural Financial Counselling Service, Wimmera and Bendigo Volunteers, Wimmera Development Association and Wimmera Uniting Care to facilitate and/or provide support to families in the Shire.
- In partnership with Southern Mallee Primary Care Partnerships (PCP) and the North Central Local Learning & Employment Network (NCLLEN) initiated a service mapping exercise to track changes in outreach services provided into the Shire.
- Contributed to the development of Men's Shed projects as follows:

- Wycheproof and Charlton sheds have opened.
- Sea Lake shed has received funding and is waiting for the final documentation to be exchanged prior to them moving into their shed.
- Donald Men's Shed is applying for funding to enhance the safety of the workspace.
- Birchip group looking into the most appropriate accommodation options.

Customer Service

The Customer Service team provides a "one-stop shop" for people having contact with the Council, through the handling of telephone calls and front desk enquiries; including cashiering functions.

Achievements

- 4,840 customer requests logged directly into Council's Customer Request Management System and all customers supplied with a request number to assist them track the request if necessary.
- Introduction of a 1300 number to ensure residents are not disadvantaged when telephoning Council.
- Implementation of technology to create a single telephone based Customer Contact Centre to ensure a prompt and consistent response to customer telephone enquiries.
- Ongoing training and up skilling of Customer Service staff to ensure that optimum knowledge in respect to the

operations of the organisation and any topical issues.

- Continued implementation to rationalise and improve forms. 235 forms reviewed and updated during 2009/10.
- 2,174 VicRoads transactions completed across the five district offices.
- 12 Customer Service staff received VicRoads training (totalling 14.5 hours).
- Implementation of Corporate Uniform for front of house staff.

Human Resources

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

Achievements

- Human Resources strategy developed and adopted.
- Human Resource policies reviewed and adopted:
 - Code Red
 - Conditions of Employment
 - Leave
 - Recognition of Service
 - Resignation and Exit
 - Training and Development
- Occupational Health and Safety policies reviewed and adopted:
 - Occupational Health and Safety >>>



Customer Service Team – permanent and relief staff at Council's five District Offices

- First Aid
- Non Smoking
- Provision of training programs for staff:
 - Business Continuity Planning – 3 days
 - Customer Service
 - Manual Handling
 - Microsoft Office suite
 - MS2007 upgrade training
 - OH&S Supervisors Course - 3 days
- Development and implementation of Managers toolkit for recruitment and induction.
- Position register developed listing all staff skills and qualifications.
- 3 year corporate training calendar developed.
- Review and standardised all position descriptions.
- Health and Safety Representative reviewed to ensure all designated work groups are represented at the OHS Committee.

Information Technology

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

Achievements

- Toll free number 1300 520 520 successfully introduced.
- Review of Council's Geographic Information System (GIS) functions and usage.
- System upgrade to Microsoft Office 2007.
- Software inventory completed and documented.
- IT Help desk implemented.
- Printer upgrades at Birchip and Wycheproof offices.
- Investigation of wireless network opportunities.
- Power problems at Wycheproof and Birchip investigated and resolved by PowerCor.

- Uninterrupted power supply upgrade completed.
- New software for Home Care and Environmental Health functions successful brought on-line.
- Phone and fax line review delivered significant savings.
- Continued upgrade of Council's two-way radio hardware.

Local Laws & Fire Prevention

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

Achievements

- 383 Fire Hazard Notices issued.
- Increase in the number and frequency of inspections of residential properties.
- 60 dogs impounded.
- 27 impounded dogs reunited with their owners.
- 9 of the dogs impounded were rehoused through Council's new rehousing scheme.
- 24 of the dogs impounded were rehoused through an animal shelter.
- 14 cats impounded.
- 3 of the cats impounded were rehoused locally.
- The remaining 11 impounded cats were rehoused through an animal shelter.
- 49 feral cats were trapped as part of the Feral Cat Trapping program. 7 of

these cats were released when found to be registered, the remainder were euthanized.

- Pound facility approved by DPI as compliant with State Government regulations.

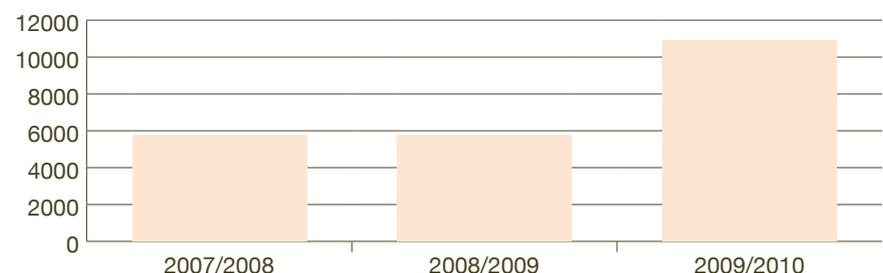
Records Management

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

Achievements

- Upgrade of storage facilities to allow consolidation of 8,500 property files.
- Software upgrade enabling one click document registration and direct registration of emails.
- 90% increase in the number of documents scanned and filed.
- Conversion of incoming fax lines to the central email address allowing for faster delivery of information.
- Inter office pick-up and delivery of over 14,000 documents.
- Implementation of destruction bins for confidential information in four offices.
- Education of staff on document disposal policies.
- Introduction of improved paper recycling opportunities.
- Over 300 archive boxes from the former Shires of Charlton, Birchip, Donald and Wycheproof catalogued resulting in the removal and destruction of duplicate documents, and the sentencing and destruction of expired records in accordance with Public Records Act requirements.
- Development of a building register incorporating all Building Permits from pre-amalgamation (1995) to the present day.

Scanned Documents



COMMUNITY SERVICES

Aged & Disability Services

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

Achievements

- 20,045 hours of home care, personal care, respite care, and home maintenance delivered to HACC and Packaged Care clients.
- 17,728 meals delivered to HACC & Packaged Care clients.
- Achieved 100% Compliance with Department of Health requirements.
- 611 clients were transported to specialist medical/dental appointments.
- Employed six new direct care workers.
- In conjunction with East Wimmera Health Service participated in the implementation of the Make a Move exercise project for over 80yr olds.
- 112 improvement activities undertaken to enhance the provision

of service to eligible clients of the HACC program.

- 11 Direct Care Workers completed Certificate III in Home and Community Care.
- 3 HACC Coordinators completed Certificate IV in Service Coordination.
- Work Safe Home and Community Care Project completed.
- 92% of Direct Care Staff completed training in manual handling, infection control and hazard/risk identification.
- 3 HACC Coordinators completed Better Health Self Management (chronic disease management).

Maternal & Child Health Services

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

Achievements

- 40% increase in birth notifications (65) compared to the previous year (45).
- Ongoing development of a MCH Service Improvement Plan.

- Implementation of the 'Key Ages and Stages' child developmental check program.
- Promotion of the MCH service through presentations at children focused community initiatives such as the Mothers of Pre-Schoolers (MOPS) program.

Youth Services

Youth Services provides a range of services that support young people aged 12-25 to become leaders, decision-makers and active citizens within their communities. The continued financial support of the Uniting Church in Australia for this service is gratefully acknowledged.

Achievements

- Delivery of the Buloke and Local Community Partnerships Apprentice Night to recognise the significant contributions that apprentices and their employers make to the economic fabric of the Shire. The night was attended by 120 apprentices, employers, business representatives and community members.
- In partnership with local swimming pool committees and Youth Action Groups delivered a series of community events at local pools.
- A total of 1,000 young people attended five FReeZA youth events held at Donald, Birchip, Charlton, Wycheproof and Sea Lake respectively.
- Contributed to the development and implementation of the North Central Local Learning & Employment Network (NCLLEN) Links for Life mentoring program. Four Council staff participated in the program as mentors for young people.
- Buloke's Youth Strategy 2009-2012 adopted.
- The Birchip Youth Group, supported by the Birchip community, established a Youth Space utilising one of the rooms at the Birchip Business and Learning Centre.
- The Youth Development Officer appointed to represent the Loddon Mallee Region at the Regional Youth Affairs Network (RYAN).



ASSETS & INFRASTRUCTURE

Building and Property Maintenance

The Building and Properties team is responsible for the development, inspection, maintenance, and cleaning of all Council controlled buildings and playgrounds.

Achievements

- Partnered with local community groups and funding bodies to establish Men's Sheds in Charlton and Wycheproof.
- Completed renovations to the Donald Men's Shed.
- Developed infrastructure at Tchum Lake, Green Lake and Watchem Lake; including the establishment of new playgrounds and picnic facilities.
- Upgrade of Wycheproof Shire Hall and Supper Room.
- Renovations to the roof at Charlton Shire Hall.
- Upgrades at Maternal & Child Health centres; including heating and cooling in Birchip and Charlton, new floor coverings and painting.
- Installed curtains and air conditioning in the Donald Senior Citizens' card room.
- Maintenance painting at:
 - Charlton Court House
 - Charlton Bus Shelter and Travellers' Rest toilets
 - Sea Lake Royal Park
 - Sea Lake Senior Citizens Centre
 - Wycheproof Hall Supper Room
 - Birchip Youth Group Room
- Partnered with community groups to access grant funds culminating in grassed areas being laid in Birchip and Berrivillock park areas.
- Assisted the Culgoa Bowling Club to renovate the outside barbeque.
- Assisted the Birchip Tennis Club to upgrade its kitchen facilities.

Building Services

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

Achievements

- Building Permits issued by Council's Building Surveyor:
 - 10 new dwellings
 - 11 extension & Alterations to dwellings
 - 4 non commercial/Industrial/Public Buildings
 - 3 demolitions
 - 2 re-erection of buildings
 - 4 swimming pools
 - 32 other, including sheds
- 10 Building Permits issued by private surveyors.

Economic Development

The role of the Economic Development unit is to implement Council's Economic Development Strategy, assist with the development and growth of local businesses, support local Chambers of Commerce and Tourism Associations, assist with the development and promotion of local events and facilitate grant applications with an economic or tourism emphasis.

Achievements

- Successfully facilitated the following grant applications:
 - Mt Jeffcott Reserve Tourism Upgrade
 - Mt Wycheproof Tourism Redevelopment
 - Taggerty Lions Park Tourism Development
 - Provincial Victoria Buy Local Campaign
 - Local Roads to Market Program -

Seven Mile Road at Charlton

- Sea Lake Travellers Rest Redevelopment
- Farming of sustainable soils
- Co-sponsored 3 Lamb Feedlot seminars in conjunction with DPI.
- Coordinated and managed the Buloke PowerCor Business Excellence Awards. 43 local businesses were nominated for the Awards.
- Facilitated a Bio-fuel seminar resulting in farmers growing *Brassica Juncea* for the production of bio-diesel.
- Successfully facilitated grant applications for the following events:
 - Wycheproof Great Grains Festival
 - Birchip Quarter Horse Cup
 - Charlton Pacing Cup
 - Donald Cup
 - Wycheproof Cup
- Establishment and ongoing support of the Buloke Tourism Board.
- Facilitated the Northern Poultry Cluster to develop innovative shedding systems for the poultry industry.
- Partnered with the Agriculture and Machinery Cluster to develop relations with agricultural machinery manufacturers in Argentina to explore possible business opportunities.
- Supported the establishment of new businesses in the Shire, including assistance with the relocation of a business from Mackay in Queensland.
- Supported the establishment of a distribution network for Jonesy's Milk in Buloke Shire.
- Participated in the development of a proposal to attract Federal Government funding for affordable housing in the Wimmera region.
- New Business Incentives provided to assist in the establishment of the following businesses:
 - Globe Fitness (Charlton)
 - SE Carpentry (Wycheproof)



- Gallery 79 (Charlton)
- Dr Louise Bibby (Berriwillock)
- Danny's Dingo Service (Charlton)
- Premier Auto Electrics (Wycheproof)
- Home Maintenance and Rubbish Removal (Wycheproof)
- Mallee Steel (Birchip)

- Worked with Peaco and Regional Development Victoria to access funding to upgrade the intermodal freight depot at the Donald rail yards.

Environmental Compliance

The Environmental Compliance Unit is responsible for the promotion and development of policy and practices relating to environmental management, awareness and improvement. It is charged with protecting and enhancing the natural environment and the living landscape of the Shire. It also oversees Council's compliance with a wide range of environmental legislation.

Achievements

- ECO-BUY - Council was recognised for its achievements in green purchasing at the 2009 ECO-BUY Awards. Council was a finalist in two categories:
 - Excellence in Green Purchasing – Small Rural Council (Recognises the Local Government with the

largest investment in recycled content products as a percentage of available expenditure.)

- Local Government Energy Saving Champion. Recognises investment in energy efficient and energy saving products as a percentage of available expenditure.
- \$304,350 or 2% of annual budget spent on environmentally preferred products.
- Roadside Rabbit Control – Funding received from the Department of Primary Industries to eradicate rabbits and warrens from the northern part of the Shire. Audit conducted by DPI identified 20% of the warrens eradicated in early 2009, had reopened, from the initial target area of 560km.
- Central Victorian Solar Cities – Council participated in the Solar Cities project which involves 13 Councils who are members of Central Victorian Greenhouse Alliance (CVGA).
- Installation of an energy monitoring system in Council's Birchip office to identify:
 - High overnight usage
 - Start and stop times of major plant and equipment including heating and air-conditioning
 - Identification of peaks in energy use

Environmental Health

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

Achievements

- 80% of septic tanks in the Shire surveyed to establish a database for the Domestic Waste Water Management Plan due for completion in October 2010.
- Public Health and Wellbeing Plan planning process commenced. Plan to be completed by October 2010.
- Heatwave Plan completed and adopted.
- Municipal Emergency Management Plan Influenza Pandemic Sub-Plan completed and adopted.
- Community Swine Flu vaccination sessions held in Charlton, Donald, Sea Lake and Birchip.
- Seven (100%) Category One Commercial Food Premises inspections.
- Food sampling from nine local food providers and manufacturers completed to ensure compliance with standards
- 100% mandatory inspections carried out to ensure compliance with the Tobacco Act. The Tobacco Interim Report sent to the MAV in February 2010.

Recreation Services

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

Achievements

- Successful completion of the Birchip and Sea Lake Reserve Master Plans to ensure the strategic development of both reserves into the future.
- Secured funding for the upgrade of the Birchip Netball Courts to meet Netball Victoria standards. ➤➤



- Secured funding for the Donald Recreation Reserve Master Plan to develop a strategy for the future development of the facilities at the reserve.
- Hosted the inaugural Buloke and Hobson's Bay Bowls Challenge at Donald Golf Bowls Club, where 24 bowlers from each Shire competed over two days.
- Minor upgrades at Charlton Park and Birchip Leisure Centre.

Road Asset Management

The Road Asset Management unit is responsible for the planning and prioritisation of Council's road assets.

Achievements

Planning for the following major upgrades has included:

- 3.2 kilometres of seal and widening of Donald South Road, to encourage diversion of trucks around the Donald Township.
- 3 kilometres of seal and widening of Seven Mile Road, Charlton, to improve linkage to the Charlton Feedlot.
- Approximately 8 kilometres of roads rehabilitated and sealed including 6 kilometres gavel road upgraded to seal.
- 8 kilometres of road pavement widened and sealed.
- Approximately 25 kilometres roads sealed.
- Approximately 11 kilometres of sealed shoulder works completed.

Plant Management and Maintenance

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

Achievements

Plant purchases included:

- Two 15,000 litre water tanker trucks.
- Workshop truck hoist capable of lifting all Council trucks.
- High flow heated pressure cleaner.
- Combination road roller.

Statutory Planning

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

Achievements

- Average time taken to issue permits reduced by 11 days:
 - Sixty-nine (69) permits received
 - Fifty-nine (59) permits issued
 - Ten (10) permits still processing
 - Eight (8) Subdivisions certified
- Heritage Precincts Amendment C14 submitted to the Planning Minister and on public exhibition.

- Proposed Anomalies Amendment C12 submitted to the Planning Minister seeking authorisation to commence an Amendment.
- Shire-wide Residential Land Use Review adopted by Council, and proposed Residential Land Use Amendment C18 submitted to the Planning Minister seeking authorisation to commence an Amendment.
- Draft Rural Living Land Use Review prepared and to be submitted for adoption by Council.
- Proposed Amendment C20 to include further Individual Heritage Places on the planning scheme schedule to the Heritage Overlay submitted to the Planning Minister seeking authorisation for commencement of an Amendment (Donald places).
- Modified submission prepared and waiting for finalisation of maps- to expand seeking authorisation for commencement of Amendment C20 to include Individual Heritage Places for Birchip and Charlton, as well as Donald.

Swimming Pools

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

Achievements

- Major redevelopment of Charlton and Donald Swimming Pool change facilities and kiosk.
- Significant water saving at Donald Swimming Pool, including replacement of pool pipes and installation of vinyl liner to pool shell.
- 22,949 visitors to Council's Swimming Pools during the Pool Season.
- Swimming Pools utilised by 20 Buloke Community Groups.
- 25 seasonal jobs provided.
- Implementation of stage one of Council Technical Pools Audit and Strategy.

WORKS & CONSTRUCTION

Parks and Gardens

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

Achievements

- Streetscapes have been constructed in Charlton, Wycheproof, Birchip and Sea Lake. Improvements also have been made to existing garden beds within these towns.
- The use of recycled plastic seating to replace old worn out wooden and concrete seats.
- Increased surveillance and maintenance checks at existing playgrounds.

Urban Infrastructure

The Urban Infrastructures unit is responsible for the update and maintenance of all Council's footpaths, kerb and channel, urban drainage systems, street furniture, street signage and street tree maintenance in all towns.

Achievements

- 270m² of new footpath constructed in Birchip.

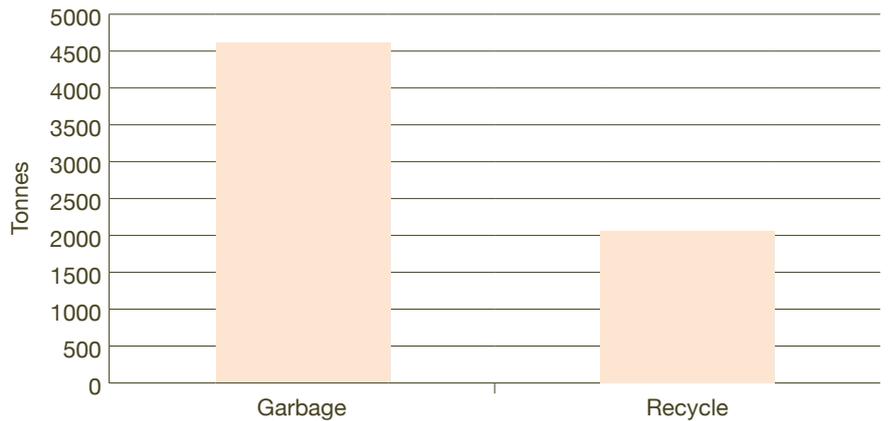
- 306m² of footpath renewed in Charlton & Donald.
- Replacement and grinding of smaller sections of footpaths identified through annual inspections as hazards to residents.
- Major tree trimming programs undertaken throughout the Shire in nature strips and near footpaths.
- Improvement in consistency and timing of footpath inspections.
- Urban drainage strategies completed in all major townships within Buloke Shire to ensure that any new work will tie in with storm water recycle systems that are currently in place.

Waste Management

The waste management unit is responsible for the maintenance and improvement of Council's landfills and transfer stations as well as providing a Residential Kerbside Garbage & Recycling service in all towns within the Shire.

- Commencement of new Garbage & Recycling Contractor on the 1st July 2009.
- Recycling rate increased from 22% to 45%.
- Contamination rate of recycling bins down from 15% to 5%.
- Ongoing progressive rehabilitation at Donald and Wycheproof landfills.

Buloke Shire Council Waste Collected 2009/2010



The Buloke Council Plan 2009-2013 is Council's four year plan. The Plan provides information on all of Council's activities and tells you what the Council is proposing to do over the four year period.

In addition, the Plan references key strategies and policies to be developed or reviewed over the four years. The Plan also details how the Buloke Community can measure Council's progress in delivering the proposals set out in the Plan.

Listed on the following pages are Council's strategic objectives, strategies, indicators and performance measures outlined in Council's Plan for 2009 -2013 along with achievement results for the

last twelve months. A full copy of the Council Plan can be found on Council's website www.buloke.vic.gov.au.

The results have been derived from a number of sources including; DPCD – Department of Planning & Community

Development, HACC - Home, Aged & Community Care, MAV – Municipal Association of Victoria and Council's id Economic profile.

Below is how we have measured our indicators:

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

STRATEGIC OBJECTIVES, STRATEGIES, STRATEGIC INDICATORS & PERFORMANCE MEASURES FOR 2009-2010

1. Our Community

Strategic Statements:

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

| 2009-2010 Strategic Indicator | Performance Measure | Performance Target | Outcome | Status |
|---|--|--------------------|-----------|-------------------------|
| Community satisfaction with Council's overall performance | Maintain Satisfaction | 70 | 69 | Target not met |
| Community satisfaction with Council's engagement in decision making on key local issues | Maintain satisfaction | 70 | 68 | Target not met |
| Increase in the annual number of visits recorded to Council's website | Increase site visitation | 6,205 | 10,287 | Target met and exceeded |
| Average number of Home and Community Care hours of service provided per month | Increase in annual hours of service | 1,250 | 1,397 | Target met and exceeded |
| Community satisfaction with Health and Human Services | Maintain satisfaction | 76 | 76 | Target met/achieved |
| Number of grants applied for or facilitated by Council staff annually | Number of grant applications maintained or increased | 42 | 47 | Target met and exceeded |
| Total value of grants applied for or facilitated by Council staff annually | Value of grant applications maintained or increased | \$8.268 M | \$8.254 M | Target not met |

2. Our Local Economy

Strategic Statements:

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

| 2009-2010 Strategic Indicator | Performance Measure | Performance Target | Outcome | Status |
|--|--|--------------------|-----------|---|
| Number of jobs in Buloke | Number of jobs maintained or increased | 2,646 | 2,646 | Target met (based on 2006 Census data) |
| Number of local workforce employed in Buloke jobs. | %of local workforce employed in Buloke maintained or increased | 2,403 | 2,403 | Target met (based on 2006 Census data) |
| Number of regional workforce employed in Buloke jobs. | %of local workforce from within the region maintained or increased | 243 | 243 | Target met (based on 2006 Census data) |
| Community satisfaction with Economic Development | Maintain satisfaction | 62 | 63 | Target met |
| Total participants in local economy support events | Number of participants maintained | 350 | 360 | Target met (7 events held) |
| Level of commercial and industrial development within the Shire of Buloke (\$) | Value of building approvals maintained or increased | \$2.194 M | \$4.171 M | Target met and exceeded (22 Commercial and Industrial Building Approvals) |

3. Our Built Environment

Strategic Statements:

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

| 2009-2010 Strategic Indicator | Performance Measure | Performance Target | Outcome | Status |
|---|--|--------------------|---------|---|
| Community satisfaction with town planning and policy approvals | Maintain satisfaction | 67 | 68 | Target met |
| Community satisfaction with recreational facilities | Maintain satisfaction | 71 | 71 | Target met |
| Customer satisfaction with local roads and footpaths | Maintain satisfaction | 55 | 54 | Target not met |
| Community satisfaction with the appearance of public areas | Maintain satisfaction | 72 | 73 | Target met |
| 100% of planning applications processed within the statutory limit | No applications outside of statutory limit | 100% | 90% | Target not met (7 permits over 60 days) |
| Average number of Service Requests and Work Orders received per month | Number of requests received increased | 211 | 380 | Target met and exceeded |

4. Our Natural Environment

Strategic Statements:

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

| 2009-2010 Strategic Indicator | Performance Measure | Performance Target | Outcome | Status |
|--|--|-----------------------------|------------------------------|----------------|
| Town garbage collection, measured as kilograms per household | Decrease in kilograms collected per household | 730 | 522 kilograms | Target not met |
| Recyclables collection, measured as kilograms per household | Increase in kilograms collected from household | 291 | 261 kilograms | Target not met |
| Usage Figures | | | | |
| Energy – Megawatts | | Energy – 0.267500 MW | Energy – 1.046.192 MW | |
| Water – Megalitres | Reduction in energy, water, petrol, Diesel and LPG gas usage | Water – 0.65500 ML | Water – .68257ML | Target not met |
| Petrol – Litres | | Petrol – 79,184 L | Petrol – 60,903 L | |
| Diesel – Litres | | Diesel – 476,969 L | Diesel – 440,262 L | |
| LPG – Litres | | LPG – 61,336 L | LPG – 53,796 L | |

5. Our People and Organisation

Strategic Statements:

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

| 2009-2010 Strategic Indicator | Performance Measure | Performance Target | Outcome | Status |
|--|--|--------------------|---------|----------------|
| Conduct regular Audit committee meetings | Minimum 4 meetings per annum | 4 | 5 | Target met |
| Level of rates levied (rates per assessment) compared with neighbouring municipalities | Current ratio maintained or reduced | 102% | 114% | Target met |
| Community satisfaction with the advocacy performance of Council | Maintain satisfaction | 72 | 71 | Target not met |
| Community satisfaction with Council's interaction and responsiveness in dealing with the public | Maintain satisfaction | 78 | 78 | Target met |
| Number of workforce entry level positions (traineeships, apprenticeships, students and graduates) created annually | Number of positions available annually maintained or increased | 8 | 6 | Target not met |



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

THE COUNCIL'S ROLE

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

The Council:

- acts as a representative government and considers community needs when making decisions
- establishes strategic objectives for municipal services and monitors their achievement
- ensures the responsible and accountable management of the organisation's resources
- advocates local community interests to other communities and governments
- provides fair and equitable representation of constituents
- is a responsible partner in government, taking the needs of other communities into account
- fosters community cohesion and encourages participation in civic life
- manages community assets
- enforces by laws

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

MT JEFFCOTT WARD



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



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



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

LOWER AVOCA WARD



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



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

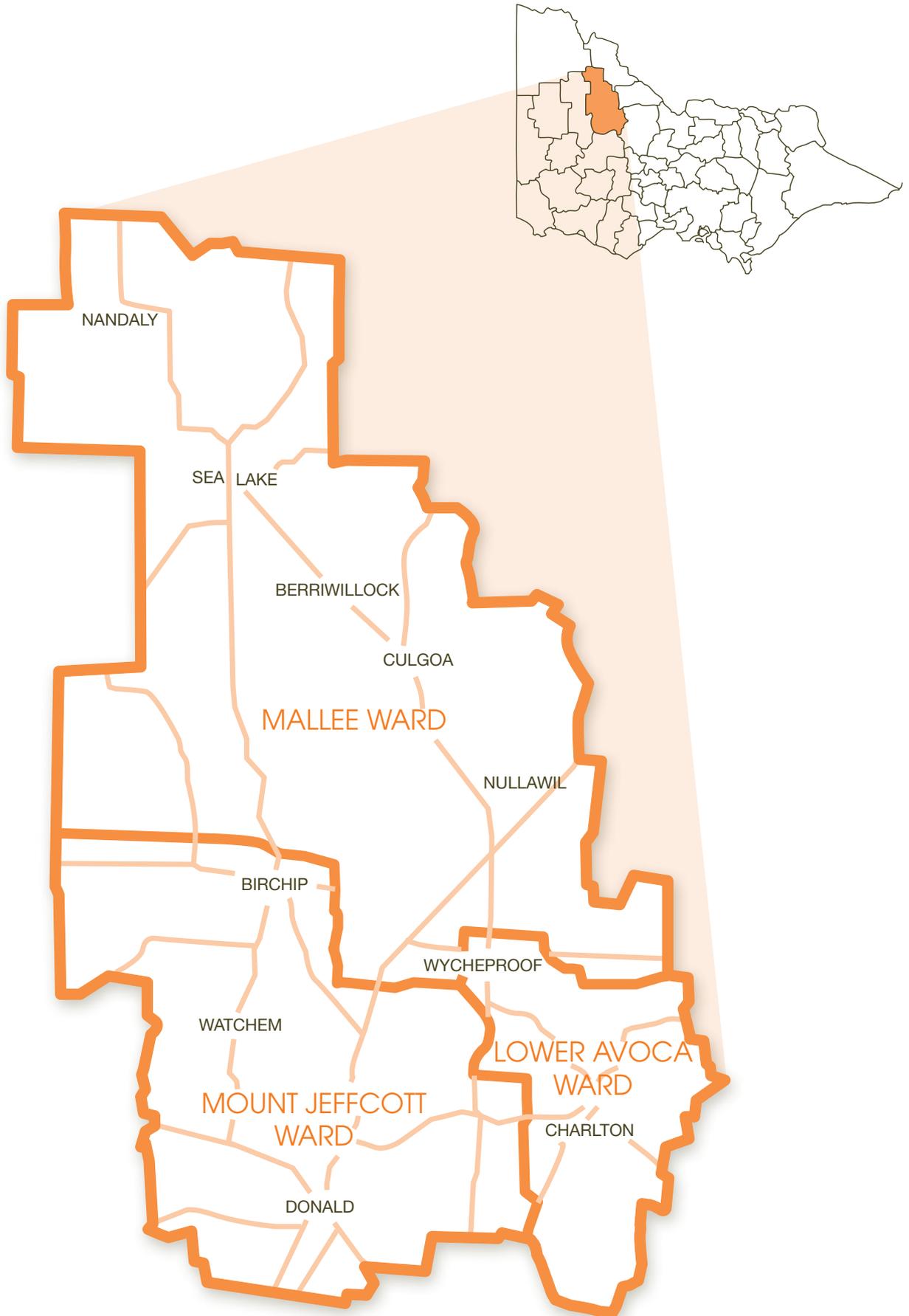
MALLEE WARD



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



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



The Buloke Shire Council is committed to good corporate governance.

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

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

and accountable Government.

The Chief Executive Officer (CEO) is appointed by Council for the purposes of managing the daily business of the organisation. The CEO may delegate to other Council officers to enable the functions of the Council to be undertaken in an accountable, efficient and effective manner.

The following sections contain information on performance in areas such as councillor information, legislative compliance, risk and audit operations.

COUNCIL CODE OF CONDUCT

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

COUNCIL MEETINGS

Council conducts its business in open and publicly advertised meetings. In 2009/2010 there were 11 Ordinary and 4 Special meetings. Meetings are held on a rotating basis in each major town of the Buloke Shire.

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

| Councillors Attendance 1 July 09 – 30 June 10 | Ordinary Meetings | Special Meetings |
|---|-------------------|------------------|
| Number of Meetings Held | 11 | 4 |
| Cr Leo Tellefson | 11 | 3 |
| Cr David Pollard | 11 | 4 |
| Cr Gail Sharp | 10 | 3 |
| Cr Ellen White | 11 | 4 |
| Cr Harold Flett | 11 | 4 |
| Cr Reid Mather | 10 | 3 |
| Cr Stuart McLean | 10 | 3 |

COUNCILLOR ALLOWANCES

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

The Mayoral annual allowance for 2009/2010 was \$30,599.77. The Mayor also has use of a Council funded mobile phone, a fully maintained vehicle for use on Council business and a laptop computer with intranet and internet access.

The Councillor annual allowance for 2009/2010 was \$15,827.59. Councillors also have use of a Council funded mobile telephone, access to a fully maintained vehicle for use on Council business and a laptop computer with intranet and internet access.

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

| 2009 – 2010 Councillor Expenditure | Mobile Telephone & Information Technology | Professional Development | Forums & Conferences | Total |
|--|---|--------------------------|----------------------|--------------|
| Cr Leo Tellefson (Mayor from Dec '09) | \$ 3,236.86 | \$ 2,046.29 | \$ 6,600.42 | \$ 11,883.57 |
| Cr David Pollard (Deputy Mayor from Dec '09) | \$ 806.92 | \$ 1,825.30 | \$ 447.90 | \$ 3,080.12 |
| Cr Gail Sharp | \$ 1,425.41 | \$ 0.00 | \$ 539.50 | \$ 1,964.91 |
| Cr Ellen White | \$ 1,074.45 | \$ 1,995.50 | \$ 1,281.31 | \$ 4,351.26 |
| Cr Harold Flett | \$ 960.59 | \$ 0.00 | \$ 1,320.66 | \$ 2,281.25 |
| Cr Reid Mather (Mayor to Dec '09) | \$ 3,116.60 | \$ 1,559.29 | \$ 11,960.63 | \$ 16,636.52 |
| Cr Stuart McLean | \$ 1,334.68 | \$ 0.00 | \$ 1,981.34 | \$ 3,316.02 |

COUNCILLOR REPRESENTATION ON COMMITTEES

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

| Committee Appointments | Councillor |
|---|--|
| Central Murray Waste Management Group | Cr Tellefson |
| Wimmera Regional Library Corporation | Cr White and Ms Jan Corrie |
| North West Municipalities Assoc | Cr Tellefson and Cr Mather |
| Sea Lake Community Complex Committee | Cr White |
| Wimmera Mallee Pipeline Project | Mr Warren Hemopo, Manager Works and Construction |
| Buloke Network | Cr Sharp and Cr Tellefson |
| Wimmera Regional Transport Group | Cr Flett |
| Municipal Association of Victoria | Cr Mather (Cr McLean alternate representative) |
| Workspace Australia (formerly known as Regional Enterprise Network) | Cr Tellefson |
| Great Murray and Outback Touring Route | Cr McLean |
| Livestock Saleyards Assoc Vic (rep Mallee Region) | Cr McLean |
| Victorian Feedlot Committee (MAV/State Government Appointment) | Cr McLean |
| North Central Local Learning Employment Network | Cr Sharp |
| Municipal Emergency Management Planning Committee | Cr Tellefson |
| Municipal Fire Prevention Committee | Cr Pollard |
| Calder Highway Improvement Committee | Cr Pollard |
| Workspace Australia (formerly known as Regional Enterprise Network) | Cr Tellefson |
| Central Vic Greenhouse Alliance | Cr Flett |
| Sunraysia Highway Improvement Committee | Cr White |
| Mid Murray Higher Education Working Party | Cr Tellefson |
| Victorian Local Sustainability Advisory Committee | Cr Mather (Cr McLean alternate representative) |
| Heritage Advisory Committee | Cr White, Cr Sharp and Cr Pollard |
| Business Excellence Awards Steering Committee | Cr McLean, Cr White and Cr Tellefson |
| Australian Local Govt Women's Association | Cr White and Cr Sharp |
| Wimmera Development Association | Cr Sharp (Cr McLean alternate representative) |
| Electric Line Clearance Consultative Committee | Cr McLean |
| Charlton Stadium Committee | Cr Pollard |
| Lake Batyo Catyo Rich Avon Weir Management Group | Cr Tellefson |
| Buloke and Northern Grampians Landcare Network | Cr Tellefson |
| Wimmera Mallee Sustainability Alliance | Cr Tellefson |
| North West Regional Transport Strategy Study | Cr Flett (Cr Pollard alternate representative) |

AUDIT ADVISORY COMMITTEE

Members:

Mr Ian Cuthbertson (Chair)
 Mr Eugene Sibelle
 Mr John Chu - (to August 2009)
 Cr Reid Mather - (to December 2009)
 Mr Geoff Ballard - (from August 2009)
 Cr Leo Tellefson - (from December 2009)

The audit committee met on five occasions during the 2009/10 financial year.

Audit activities commenced or completed in 2009/10 included:

- 2008/2009 Annual Financial Statements
- 2009/2010 Budget documents
- Risk Register and Risk Management Review
- Insurance Program
- Progress on the recommendations contained Audit Management letter for 2008/2009
- Tendering process
- Delegations

STATUTORY OFFICERS

Chief Executive Officer - Warwick Heine

Protected Disclosure Coordinator - Warwick Heine

Protected Disclosure Officer - Gaynor Doreian, Manager Corporate Services

Principal Accounting Officer - Bill Ryan, Manager Finance

Councillor Conduct Panel Registrar - Gaynor Doreian, Manager Corporate Services

Freedom of Information Officer - Naomi Grant, Records Management Coordinator

Municipal Emergency Response Officer (Acting) - Warren Hemopo, Manager Works & Construction

Municipal Emergency Recovery Coordinator - Bill Keane, Manager Community Services

Municipal Fire Prevention Officer - John Groves, Local Laws Officer

Environmental Health Officer - Jaclyn Cummins

Municipal Building Surveyor - Fred Brocklebank

WHISTLEBLOWER PROTECTION ACT

The Whistleblower Protection Act 2001 came into effect on 1 January 2002.

Its purpose is to encourage and facilitate the disclosure of improper conduct by Councillors and Council Officers. The Act also provides protection for a person making disclosures who may suffer reprisals as a result of their actions.

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

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

PRIVACY ACT

Standards set out by the *Information Privacy Act 2000* (Vic) control how we manage personal information. Privacy compliance is included in Council's staff induction program.

FREEDOM OF INFORMATION

The Freedom of Information Act 1982 provides the public with access to Council documents.

Material Prepared by Council

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

Procedures in Requesting Access to a Document

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

| Freedom of Information | 2007-2008 | 2008-2009 | 2009-2010 |
|---|-----------|-----------|-----------|
| Total Number of Requests | 0 | 1 | 2 |
| Access Granted in Full | 0 | 0 | 1 |
| Access Granted in Part | 0 | 0 | 0 |
| Other | 0 | 0 | 0 |
| Access Denied in Full | 0 | 0 | 0 |
| Requests Still Under Consideration | 0 | 0 | 1 |
| Number of Internal Reviews Sought | 0 | 0 | 0 |
| Number of Appeals Lodged with the Administrative Appeals Tribunal | 0 | 0 | 0 |
| Total Charges Collected | \$0.00 | \$22.00 | \$46.80 |

Information Available for Inspection

- Details of current salaries and allowances fixed for the Councillors.
- Details of Senior Officers gross salaries, allowances and other benefits for the current financial year and two previous financial years.
- Details of overseas or interstate travel (with the exception of interstate travel to a neighbouring municipality undertaken in an official capacity) for Councillors and any member of Council staff in the previous 12 months.
- Names of Council Officers who were required to submit a return of interest during the financial year and the dates the returns were submitted.
- Agendas for and minutes of Ordinary and Special Council meetings kept under Section 93 of the Local Government Act 1989 except where such minutes relate to parts of meetings that have been closed to members of the public under Section 90 of the Act.
- Minutes of assembly of Councillors meetings convened under Section 80A of the local Government Act 1989 for a period of twelve months after the date of the assembly.
- A list of all major committees established by the Council and the purpose for which each committee was established.
- A list of all major committees established by the Council which were abolished or ceased to function during the financial year.
- Minutes of meeting of Special Council committees established under Section 86 of the Local Government Act 1989 except where such minutes relate to parts of meetings that have been closed to members of the public under Section 89 of the Act.
- Application for enrolment on the voters' roll under Section 12 and 13 of the Local Government Act 1989 for the immediate past roll and the next roll being prepared.

- Register of delegations kept under Section 87, Section 88 and Section 98 of the Local Government Act.
- Submissions received under Section 223 of the Local Government Act 1989 during the previous 12 months.
- Agreement to establish regional corporations under Section 197 of the Local Government Act 1989.
- Register of Authorised Officers appointed under Section 224 of the Local Government Act 1989.

RISK MANAGEMENT

Buloke Shire Council maintains an effective risk management program to ensure that its exposure to operational, legal, material, contractual and financial risk is minimised. The Council complies with its obligations under the Local Government Act 1989 and maintains the risk management practices, principles and procedures in accordance with the Australian Standard AS/NZS 4360:2004 which addresses the process of risk identification, risk control, risk evaluation, risk treatment and risk financing.

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

Results of the audit undertaken for 2009 show a significant improvement from previous years (41% to 62%). The audit identified the need for further improvements to record keeping and the need to create documented procedures in some business areas. An action plan to address these improvements has been developed and is being implemented.

Achievements in 2009/2010 included:

- Risk Management Policy reviewed and adopted by Council
- Staff development and training
- Completion of insurance audits
- Continual development of Council's Risk Register

- Continued evolution of the Occupational Health and Safety Committee
- Liaisons with WorkSafe throughout audit process and compliance with notices

BUSINESS CONTINUITY PLANNING

In 2009/10 Council adopted its Business Continuity Policy. In addition a number of staff received training in Business Continuity Planning. Work is underway to develop Business Continuity Plans for key business functions.

MUNICIPAL EMERGENCY MANAGEMENT

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

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

Buloke Shire's Emergency Management Plan was reviewed by the State Emergency Service and other key stakeholders in June 2010 to incorporate a 'risk management' approach to emergency management. The Plan now focuses on the causes of risk (hazards) and the elements at risk (community and environment) rather than emergencies that may arise. The Plan will contribute to the wellbeing of the community and the environment by reducing the incidence and impact of emergency risks within Buloke Shire.

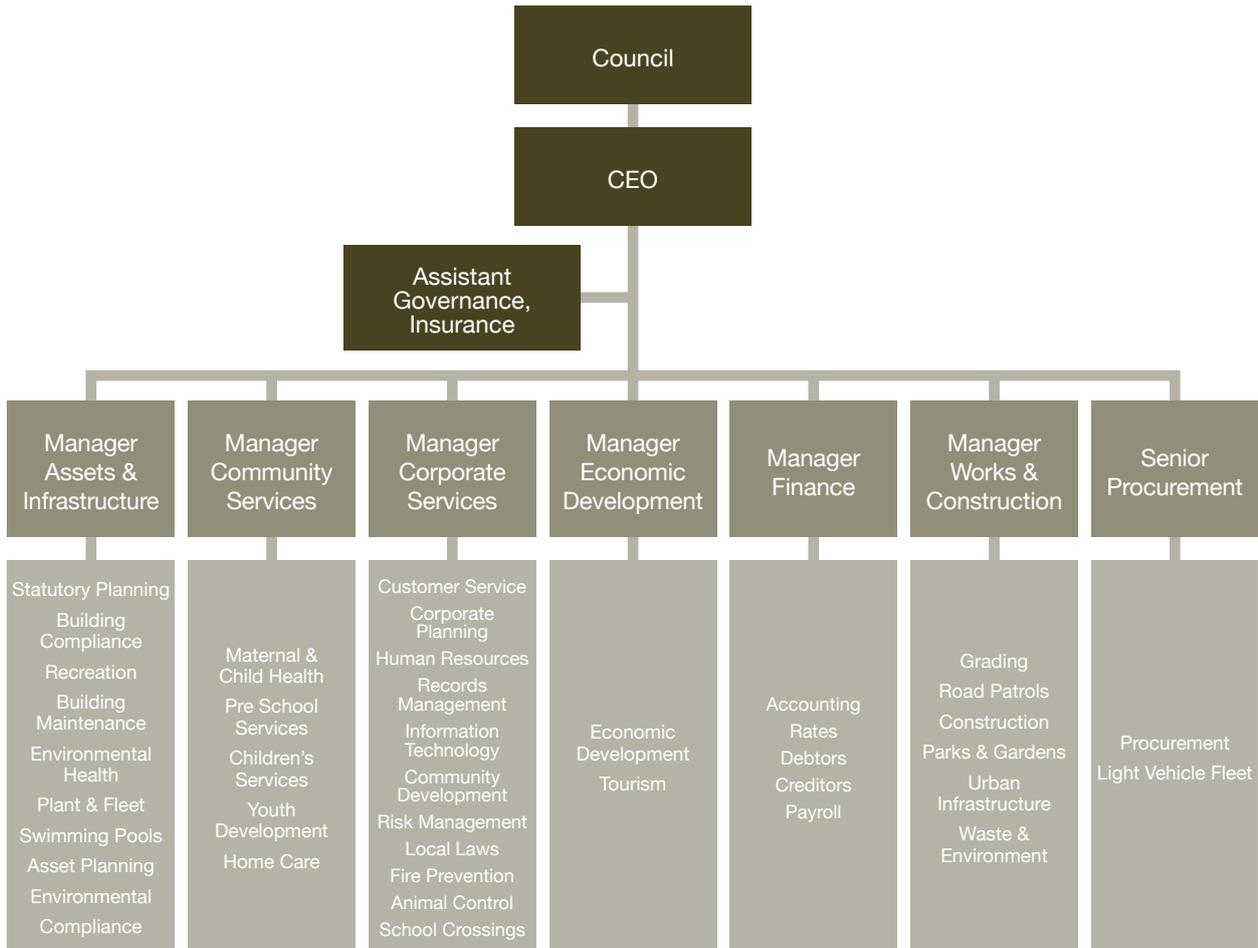
OUR ORGANISATION

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

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

Lake; including maternal and child health centres, childcare centres, depots and swimming pools.

BULOKE SHIRE COUNCIL'S ORGANISATIONAL CHART



EMPLOYEE STATISTICS

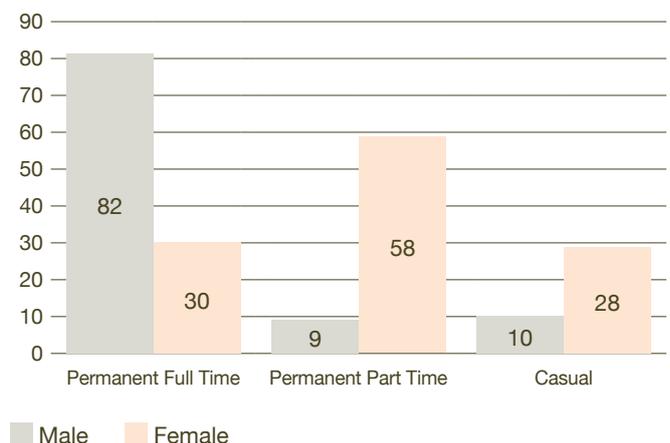
| | Male | EFT | Female | EFT | Total | EFT |
|-----------|------|------|--------|-------|-------|-------|
| Full-time | 82 | 82 | 30 | 30 | 112 | 112 |
| Part-time | 9 | 2.44 | 58 | 20.40 | 67 | 22.84 |
| Casual | 10 | 2.2 | 28 | 2.8 | 38 | 5 |

EFT = Equivalent Full-time

Forty-three (43) positions were advertised during the course of 2009/10 with an average of 5.9 applicants for each position. The majority of these vacancies were created by staff turnover.

Forty-seven (47) staff commenced full time, part-time and casual work during the 2009/10 year. The turnover rate for the year was 12.44%.

Employees By Gender



Service Milestones

Thirty staff achieved service milestones of between 5, 10, 20 and 30 years and received recognition for their achievement and contribution to the Buloke Shire Council:

- 5 years - 9 staff
- 10 years - 3 staff
- 15 years - 13 staff
- 20 years - 5 staff

EQUAL OPPORTUNITY

The Buloke Shire Council is committed to providing workplace harmony and refuses to tolerate workplace harassment or any form of discrimination or offensive behaviour. To help staff identify what their rights are and how they can recognise problems in the workplace and community we have recently provided training to all Buloke Shire Council employees on Human Rights Charter Awareness by the Victorian Equal Opportunity & Human Rights Commission. In addition to this training all staff last year attended Bullying and Harassment training.

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 the courtesy and sensitivity to their rights, duties and aspirations.

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

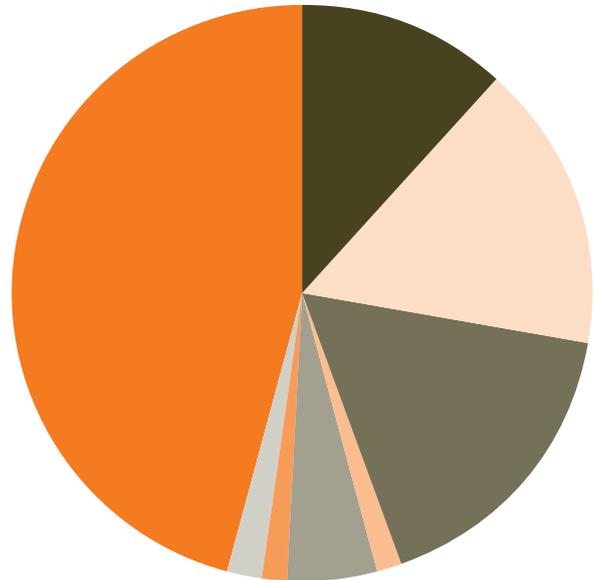
HEALTH AND SAFETY

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

Actions in 2009/10 included training provided to management and staff which covered a number of areas including White Card and Manual Handling. The OH&S Committee and supervisors attended a five day OH&S training course.

Employees By Department (EFT)

| | |
|-----------------------------|-------|
| ■ Assets and Infrastructure | 16.67 |
| ■ Community Services | 22.24 |
| ■ Corporate Services | 23.54 |
| ■ Economic Development | 2 |
| ■ Finance | 6.8 |
| ■ Governance | 2 |
| ■ Procurement | 2.8 |
| ■ Works and Construction | 63.79 |



Absenteeism

| | 2008/2009 | 2009/2010 | Result |
|-----------------------------------|---------------|---------------|-----------------|
| Workplace Incidents | 52 | 49 | 5.77% decrease |
| Lost Time Injuries | 11 | 3 | 72.7% decrease |
| Number of days lost due to injury | 1,077.04 days | 575.74 days | 30.3% decrease |
| Absence due to illness | 1,278.31 days | 1,116.54 days | 12.65% decrease |

WORKERS' COMPENSATION

| Financial Year | Standard Claims | Minor Claims | Premium | Change in Premium on past year % |
|----------------|-----------------|--------------|--------------|----------------------------------|
| 2009/10 | 2 | 1 | \$318,538.66 | +23% |
| 2008/09 | 9 | 2 | \$260,006.12 | +8% |
| 2007/08 | 8 | 3 | \$240,038.21 | -11% |
| 2006/07 | 9 | 2 | \$268,645.29 | -12% |
| 2005/06 | 2 | 1 | \$306,579.28 | -19% |
| 2004/05 | 3 | 4 | \$379,006.94 | -9% |
| 2003/04 | 6 | 3 | \$415,564.64 | +30% |
| 2002/03 | 6 | 5 | \$319,488.33 | +17% |
| 2001/02 | 5 | 2 | \$272,393.69 | +17% |
| 2000/01 | 5 | 8 | \$231,931.57 | +101% |

COMMUNITY GRANTS, DONATIONS

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

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

the local community. The following grants, donations and contributions were made during the 2009/10 financial year.

| Description | Recipient/Organisation | Amount (\$) |
|----------------------------|---|-------------|
| All Weather Road Access | Mallee Steel & Fabrication | 2,000 |
| Awards Night Donation | Birchip P-12 School | 100 |
| Awards Night Donation | Charlton College | 100 |
| Awards Night Donation | Donald High School | 100 |
| Awards Night Donation | Tyrrell College | 100 |
| Awards Night Donation | Wycheproof P-12 College | 100 |
| Business Excellence Award | Signs R Us | 35 |
| Christmas Party | Birchip Senior Citizens | 500 |
| Christmas Party | Charlton Senior Citizens | 500 |
| Christmas Party | Culgoa Senior Citizens Lunch | 568 |
| Christmas Party | Donald Senior Citizens | 500 |
| Christmas Party | Nullawil Senior Citizens | 500 |
| Christmas Party | Sea Lake Senior Citizens | 500 |
| Christmas Party | Wycheproof Senior Citizens | 500 |
| Christmas Promotion Events | Advance Sea Lake | 500 |
| Christmas Promotion Events | Berrillock Community Development | 200 |
| Christmas Promotion Events | Birchip Community Forum | 500 |
| Christmas Promotion Events | Donald 2000 Committee | 500 |
| Christmas Promotion Events | Charlton Chamber of Commerce | 200 |
| Christmas Promotion Events | Culgoa Development Group | 200 |
| Christmas Promotion Events | Nandaly Progress Association | 200 |
| Christmas Promotion Events | Nullawil Progress Association | 200 |
| Christmas Promotion Events | Watchem Progress Association | 200 |
| Christmas Promotion Events | Wycheproof Vision | 500 |
| Council Contribution | Action for World Development | 250 |
| Council Contribution | Advance Sea Lake | 1,000 |
| Council Contribution | Birchip Community Forum | 500 |
| Council Contribution | Birchip Cropping Group | 5,000 |
| Council Contribution | Birchip Racing Club Inc. – Quarter Horse Cup | 500 |
| Council Contribution | Birchip Uniting Church Catering | 1,750 |
| Council Contribution | Buloke & Northern Grampians Landcare | 5,500 |
| Council Contribution | Charlton College – Catering Art Exhibition | 700 |
| Council Contribution | Charlton Forum | 1,000 |
| Council Contribution | Charlton Pony Club | 1,098 |
| Council Contribution | Charlton Rotary Club – Art Show | 150 |
| Council Contribution | Cunningham Dax Art Exhibition – Advertising | 849 |
| Council Contribution | Cunningham Dax Art Exhibition - Bill & Joy Freeman | 60 |
| Council Contribution | Donald 2000 Committee | 1,000 |
| Council Contribution | Donald & District Community Bank Steering Committee | 2,000 |
| Council Contribution | Donald Light Harness Club – Printing of race books | 100 |
| Council Contribution | Donald RSL | 200 |
| Council Contribution | Glengower Charlton | 137 |
| Council Contribution | Horsham Rural City Council – Wimmera Regional Transport Group | 2,611 |
| Council Contribution | Lighting for Exhibition - Cr D Pollard | 1,000 |
| Council Contribution | Loddon Murray Community Leadership Program | 7,000 |
| Council Contribution | Mental Health Research Institute | 2,000 |

| Description | Recipient/Organisation | Amount (\$) |
|---------------------------------|--|-------------|
| Council Contribution | Mildura Rural City Council – Rail Freight Alliance | 2,000 |
| Council Contribution | Municipal Association of Victoria – Public Lighting Campaign | 1,000 |
| Council Contribution | Nullawil Progress Association | 200 |
| Council Contribution | Regional Waste Management Group | 3,500 |
| Council Contribution | Sea Lake & District Community Bank Steering Committee | 2,000 |
| Council Contribution | Stitchum Craft Group – Hall Hire | 320 |
| Council Contribution | Watchem Progress Association | 4,700 |
| Council Contribution | Wimmera Development Association | 5,000 |
| Council Contribution | Wimmera Regional Library | 11,242 |
| Council Contribution | Wycheproof Vision | 1,000 |
| Council Contribution | Wycheproof Vision – Farmhouse Project | 500 |
| Council Contribution | Wychitella District Landcare Group – Chemicals | 240 |
| Council Contribution | Youth FReeZA Events | 17,943 |
| Donation | Birchip P-12 School – Mental Health Week | 200 |
| Donation | Birchip Friends of the Library | 500 |
| Donation | Donald A & P Society | 100 |
| Donation | Indoor Senior Bowlers | 110 |
| Donation | Mt Wycheproof Racing Club – Sponsorship | 800 |
| Donation | Pets Haven | 900 |
| Donation | Swan Hill Rural City Council – George Fairfax Theatre Festival | 500 |
| Donation | Wimmera Racing – Sponsorship – Donald Cup | 500 |
| Donation | Wimmera Uniting Care – Beyond Blue Workshop | 200 |
| Donation | Wycheproof A & P Society | 200 |
| Donation | Wycheproof Men's Shed | 7,500 |
| Donation | Wycheproof Vision – Mt Wycheproof Park Improvement | 2,000 |
| Helen McPherson Smith Grant | Wycheproof Vision | 2,000 |
| New Business Incentive | Danny's Dingo Service | 250 |
| New Business Incentive | Darren Samson | 250 |
| New Business Incentive | Dr Louise Bibby | 250 |
| New Business Incentive | Gallery 79 | 250 |
| New Business Incentive | Globe Fitness | 250 |
| New Business Incentive | Scott Edwards | 250 |
| Recreation Reserve Contribution | Berrivillock Recreation Reserve | 6,500 |
| Recreation Reserve Contribution | Birchip Recreation Reserve | 32,100 |
| Recreation Reserve Contribution | Charlton Recreation Reserve | 36,400 |
| Recreation Reserve Contribution | Culgoa Recreation Reserve | 6,500 |
| Recreation Reserve Contribution | Donald Recreation Reserve | 43,700 |
| Recreation Reserve Contribution | Nandaly Hall & Recreation Reserve | 5,000 |
| Recreation Reserve Contribution | Nullawil Recreation Reserve | 22,000 |
| Recreation Reserve Contribution | Sea Lake Recreation Reserve | 39,000 |
| Recreation Reserve Contribution | Wycheproof Recreation Reserve | 33,100 |
| Seniors Festival Grant | Birchip Senior Citizens | 370 |
| Seniors Festival Grant | Charlton Senior Citizens | 370 |
| Seniors Festival Grant | Culgoa Senior Citizens | 370 |
| Seniors Festival Grant | Donald Senior Citizens | 370 |
| Seniors Festival Grant | Nullawil Senior Citizens | 370 |
| Seniors Festival Grant | Sea Lake Senior Citizens | 370 |
| Seniors Festival Grant | Wycheproof Senior Citizens | 370 |
| Subsidy & Contribution | Birchip S.E.S | 12,052 |
| Subsidy & Contribution | Wycheproof S.E.S | 12,052 |

GRANTS RECEIVED FROM EXTERNAL SOURCES

| No. | Date of Submission | Applicant Organisation | Amount Granted | Project Summary/Description |
|-----|--------------------|--|----------------|---|
| 1 | 2009 | Dept of Planning & Community Development | \$ 2,000.00 | National Youth Week Campaign in Buloke – Short Film Festival |
| 2 | 2009 | Dept of Planning & Community Development | \$ 90,000.00 | Youth Participation & Access 2009-2011 for youth programs in Buloke |
| 3 | July 2009 | Macpherson Smith Community Alliance | \$ 11,350.00 | Donald BBQ's |
| 4 | July 2009 | Macpherson Smith Community Alliance | \$ 104,000.00 | Charlton Travellers Rest Information Centre |
| 5 | July 2009 | Macpherson Smith Community Alliance | \$ 2,000.00 | Wycheproof On Track Community Newsletter |
| 6 | July 2009 | Wimmera Uniting Care | \$ 2,000.00 | Beyond the Trees Exhibition – Cunningham Dax Collection |
| 7 | September 2009 | Dept of Planning & Community Development | \$ 12,500.00 | Wooroonook Community Centre Improvements |
| 8 | October 2009 | Dept of Planning & Community Development | \$ 30,000.00 | Berrillock Community Centre Feasibility Study |
| 9 | October 2009 | Helen Macpherson Smith Trust | \$ 52,354.92 | Watchem Lake Foreshore Project - Watchem |
| 10 | October 2009 | Helen Macpherson Smith Trust | \$ 20,350.00 | Renovations at Charlton Men's Shed |
| 11 | October 2009 | Department of Health – Grampians Regional Office | \$ 19,950.00 | Home based Project for Eligible HACC Clients |
| 12 | November 2009 | DPCD – Office for Youth | \$ 38,900.00 | FReeZA Grant 2010 & 2011 |
| 13 | November 2009 | Macpherson Smith Community Alliance | \$ 20,350.00 | Charlton Men's Shed Project - Charlton |
| 14 | November 2009 | Department of Health & Ageing | \$ 200,000.00 | Rural Access Proposed Health Project Model |
| 15 | November 2009 | Department of Health & Ageing | \$ 5,000.00 | Extra Support for HACC Clients & Disability – Emergency Management |
| 16 | December 2009 | Minister for Regional & Rural Development | \$ 300,000.00 | Small Towns Development Fund – Sea Lake Travellers Rest |

| No. | Date of Submission | Applicant Organisation | Amount Granted | Project Summary/Description |
|-----|--------------------|--|----------------|---|
| 17 | December 2009 | Regional & Rural Development Victoria | \$ 46,152.00 | Small Towns Development Fund – Mt Jeffcott Reserve |
| 18 | 2010 | Sports & Recreation Victoria | \$ 20,000.00 | Birchip Netball Club Upgrade - Birchip |
| 19 | January 2010 | Wimmera Uniting Care | \$ 11,000.00 | Wimmera Uniting Care – MNPA Fire Shed Meetings in Buloke |
| 20 | January 2010 | Dept of Planning & Community Development | \$ 20,303.00 | Sea Lake Men's Shed – Sea Lake |
| 21 | January 2010 | Regional & Rural Development Victoria | \$ 10,000.00 | Buloke Carnival 2010 – Promoting Living & Working in Buloke |
| 22 | January 2010 | Regional & Rural Development Victoria | \$ 5,000.00 | Young Rural Leader – Company Directors Course |
| 23 | January 2010 | Regional & Rural Development Victoria | \$ 63,660.00 | Small Towns Development Fund - Taggerty Lions Park - Donald |
| 24 | January 2010 | Regional Development Victoria | \$ 337,023.00 | Seven Mile Road Upgrade Stage 2 under the Local Roads to Market Program |
| 25 | February 2010 | Regional Development Victoria | \$ 5,000.00 | Support Great Grains Festival - Wycheproof |
| 26 | February 2010 | Minister for Regional & Rural Development | \$ 37,000.00 | Northern Poultry Cluster Sheds Project – Buloke |
| 27 | February 2010 | Department of Primary Industries | \$ 9,350.00 | Future Farming Initiatives – Rabbit Control within DPI Central Murray |
| 28 | March 2010 | Minister for Regional & Rural Development | \$ 45,970.00 | Small Towns Development Fund – Mt Wycheproof |
| 29 | March 2010 | Dept of Infrastructure, Transport & Regional Dev | \$ 184,000.00 | Refurbishment of Birchip Swimming Pool - Birchip |
| 30 | April 2010 | Sustainability Victoria | \$ 26,000.00 | Recycling in the Streets – Improving Recovery in Central Murray |
| 31 | April 2010 | Minister for Sports, Recreation & Youth Affairs | \$ 20,000.00 | Donald Recreation Reserve Feasibility Study - Donald |
| 32 | May 2010 | Local History Grants | \$ 8,300.00 | Strong Roots Resilient Communities -Travelling Exhibition Throughout the Municipality |

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

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

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

Service Improvement

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

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

A focus of service improvement in 2009/10 has been on procurement practices and procedures, tender documentation, 'just-in-time' inventory control and project planning. This focus will continue into 2010/11.

Community Consultation

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

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

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

Council also experimented with 'on-line' consultation in 2009/10.

Reporting Achievements

Council regularly reported progress on its performance to the community through a variety of means. These included the Annual Report, regular articles in local newspapers - "*Community Matters*", on Council's website and through publications such as the Council Plan and Budget papers. Publications were forwarded to key local organisations and feedback was invited.



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NATIONAL COMPETITION POLICY COMPLIANCE 2009-2010

Certification by the Chief Executive Officer

A. TRADE PRACTICES COMPLIANCE

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

Buloke Shire Council is Compliant

B. LOCAL LAWS COMPLIANCE

State whether the Council is compliant or non-compliant. List all local laws made or remade during 2009-2010 which impose a restriction on competition.

Buloke Shire Council is Compliant

C. COMPETITIVE NEUTRALITY COMPLIANCE

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

Buloke Shire Council is Compliant

I certify that:

- a) this statement has been prepared in accordance with the 2009-2010 National Competition Policy reporting guidelines, which is pursuant to the 2009 Statement; and
- b) this statement presents fairly the Council's implementation of the National Competition Policy.

Signed



Warwick Heine
Chief Executive Officer



Local Government Community Satisfaction Survey

The Office of Local Government undertakes an annual state-wide survey of 27,000 Victorians across seventy-eight (78) municipalities (approx. 350 per municipality).

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

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

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

The Buloke Shire Council continues to perform well in the survey, particularly in the area of Customer Contact.

| Local Government Indicators | 2008 | 2009 | 2010 | Change |
|--|------|------|------|--------|
| Overall Performance | 64 | 70 | 69 | ▼1 |
| Advocacy | 68 | 72 | 71 | ▼1 |
| Community Engagement | 67 | 70 | 68 | ▼2 |
| Customer Contact | 80 | 78 | 78 | Equal |
| Specific Performance Areas | 2008 | 2009 | 2010 | Change |
| Overall Performance in Key Service Areas | 67 | 69 | 68 | ▼1 |
| Local Roads and Footpaths | 51 | 56 | 54 | ▼2 |
| Health and Human Services | 75 | 77 | 76 | ▼1 |
| Recreational Facilities | 72 | 71 | 71 | Equal |
| Appearance in Public Areas | 72 | 73 | 73 | Equal |
| Traffic Management and Parking | 71 | 71 | 71 | Equal |
| Waste Management | 73 | 76 | 75 | ▼1 |
| Enforcement of Local Laws | 66 | 68 | 66 | ▼2 |
| Economic Development | 59 | 62 | 63 | ▲1 |
| Town Planning Policy and Approvals | 68 | 67 | 68 | ▲1 |





INTRODUCTORY COMMENTS

The following management comments are written with a view to explaining Council's financial performance for 2009/10 and financial position as at 30 June 2010. These comments must be read in conjunction with the Financial Report, the Standard Statements and Performance Statement that follow these comments.

The Financial Report has been prepared in accordance with Australian Accounting Standards and other regulatory requirements. The Standard Statements compare Council's operating, capital expenditure and cash flow performance, as well as its financial position against Council's Budget for 2009/10. Major variances between the budgeted results and actual outcomes are explained in the notes to the Standard Statements. Other information has been extracted from Council's 2009/10 Budget which is available on Council's website.

In the 2009/10 Budget, Council projected an operating deficit of \$1.661M. As shown in the accompanying Financial Report and Standard Statements, at 30

June 2010, Council has recorded a deficit of \$4.239M against a projected budget deficit of \$1.411M. This result includes a grant of \$1.170M paid in advance by the Victorian Grants Commission from the 2010/11 grants allocation.

The result has been impacted by a decision to defer revaluation of Council's road infrastructure for 12 months to 1 July 2011. This decision was made necessary as a result of the identification of deficiencies in the valuation methodology and the application of depreciation in the lead up to preparation of the Financial Report. The late identification of this problem, and problems with several other accounting treatments, made it difficult to affect necessary adjustments and meet statutory obligations. The support of the Auditor in agreeing to the deferral is acknowledged. The flow-on from this decision will have an impact on Council's 2010/11 financial position and may require consideration of a revised budget for the 2010/11 year.

Apart from the road asset valuation and depreciation problem, a number of other factors also impacted on the result for the year. These factors include:

- ▶ Employee costs were \$10.051M against a budget of \$8.129M as a result of the following factors;
 - Delays to the certification of Enterprise Bargaining Agreement No. 5, 2005 (as varied). The delay resulted in the payment of back pay \$0.415M in excess of the allowance made for this purpose in 2009/10 Budget. This payment included accrued Annual Leave Loading.
 - An increase of \$0.200M in long service leave provision to align the liability with the changing probability of this leave being taken due to Council's ageing workforce.
 - An adjustment of \$0.112M in calculating employee benefits for 2009/10 as a result of changing the methodology by which annual leave liability is calculated. This is a particularly disappointing outcome given the efforts by management to reduce the level of accumulated leave in lieu of Rostered Days Off and Annual Leave.
 - Misallocation of employee costs associated with the 2009/10 Capital Works Program, preparatory work for the 2010/11 Capital Works Program and the inconsistent application of employee costs to training and other down-time activities. Identification of these misallocations has highlighted a systemic error in the allocation of labour to Capital Works projects and to Works Maintenance activities. This will be addressed in 2010/11.
- ▶ At the request of the Auditor, \$3.348M in Internal Plant Hire Income and \$1.603M in Internal Plant Hire Expenditure included in the 2009/10 Budget has been excluded from the 2009/10 Standard Statements on the basis that they are Internal Charges and therefore not accountable in the Standard Statements. Council has included these items in the Standard



Statements for previous years. The net effect of this requirement is to increase the reported deficit by \$1.745M.

- ▶ Grant Income of \$8.135M against budget of \$6.781M. Included in this amount are:
 - \$1.170M from the Victorian Grants Commission as an advance payment for the 2010/11 financial year)
 - \$0.184M in Commonwealth Government stimulus funding towards upgrading community facilities
 - \$0.329M in Commonwealth Government Road funding above that projected in the 2009/10 Budget
 - Additional over budget grant funding for the provision of Family and Children's Services (\$0.027M), Aged and Disability Care Services (\$0.023M) and a range of unbudgeted grants received across the Council (\$0.014M).

CHANGE IN EQUITY

Council recognised in its accounts a net increase in the value of its Property, Infrastructure, Plant and Equipment Assets of \$1.148M following a revaluation carried out during the year. As indicated above, this increase excludes any revaluation of Road Assets for the reason outlined.

This increase, combined with the deficit for the year resulted in Council's Equity (Net Assets) decreasing by \$3.121M.

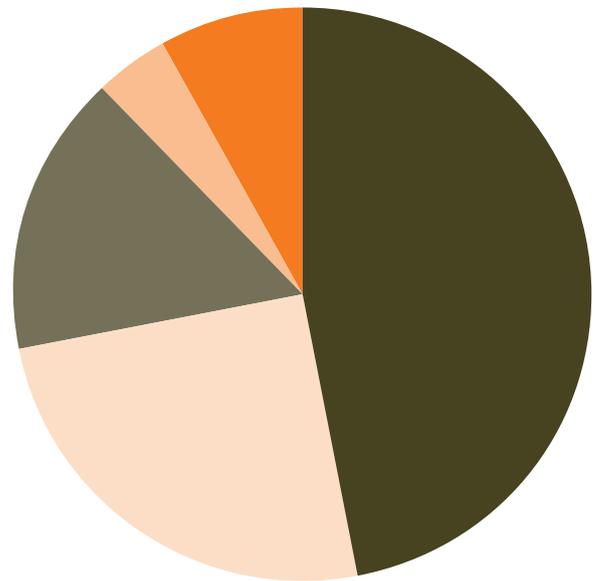
CAPITAL EXPENDITURE

The distribution of Capital Expenditure for 2010/11 is depicted in the chart above.

Council spent \$6.644M on capital works during the year; \$5.889M (88.6%) of this was on renewal and upgrades to Council's existing infrastructure assets; \$0.755M was spent on the expansion of assets, principally through road construction.

Capital Expenditure

- Roads
- Land and Buildings
- Plant and Equipment
- Furniture and Equipment
- Other Infrastructure



CASH FLOWS

Net inflows from operating activities – Council generated a net cash inflow from operating activities of \$2.767M for 2009/10, \$1.88M less than Budget. This result was principally due to the change in accounting requirements referred to above in relation to internal plant income and expenditure.

The result was also affected by the higher than budgeted expenditure on employee costs, the forward receipt of grants from the Victorian Grants Commission and unbudgeted additional Commonwealth Government Road Funding.

Net outflows from investing activities – Investing activities refer mainly to Council's sale and purchase of non-current assets. Council spent a net amount of \$7.593M on the purchase of assets in 2009/10.

Financing activities – Financing activities refer to Council's borrowings. Council borrowed no long term loan funds in 2009/10. Council repaid \$0.120M of its long term debt during the year to be debt free at 30 June 2010.

BORROWINGS

Council had no long term borrowings at 30 June 2010. No new long term borrowings are proposed for 2010/11.

Council's long term financial strategy is to remain debt free for at least the next five years unless a project of genuine inter-generational status is developed and a decision made to implement made by Council in consultation with the Buloke community.

Council had \$0.959M in short term borrowings (overdraft) as at 30 June 2010. The purpose of the short term borrowings was to meet day-to-day cash flow requirements. Unlike other larger municipalities, with a diverse range of income sources other than from Rates and Grant allocations, Council is principally reliant on quarterly rate payments and quarterly Victorian Grants Commission payments for its cash flow. Council is aware of the potential problem in becoming reliant on ongoing short term borrowings and its long term financial strategy seeks to reduce this by seeking to contain operating and capital expenditure.

COUNCIL'S FINANCIAL POSITION

As indicated above, Council's financial position deteriorated in 2009/10 by \$3.121M, made up of the operating deficit of \$4.239M offset by an increase in asset valuations of \$1.148M.

The net worth of Council at 30 June 2010 was \$173.212M, made up of the following assets and liabilities:

Council's assets (what Council owns) comprises:

| | \$(M's) | % |
|--|---------|-------|
| Cash Assets | 0.735 | 0.4% |
| Receivables | 1.246 | 0.7% |
| Other Assets | 0.368 | 0.2% |
| Other Financial Assets | 0.126 | 0.1% |
| Receivables | 0.000 | 0% |
| Investment in Associates | 0.162 | 0.1% |
| Property, Infrastructure and Equipment | 176.626 | 98.5% |

Council's Liabilities (what Council owes) comprises:

| | \$ | % |
|--------------------------------------|-------|-------|
| Payables | 1.925 | 31.8% |
| Trust Funds | 0.032 | 0.5% |
| Provisions (Current and Non-Current) | 3.135 | 51.8% |
| Interest bearing Liabilities | 0.959 | 15.9% |

EXPENDITURE

Total operating expenditure for 2009/10 including depreciation was \$22.698M (\$21.415M in 2008/09).

The distribution of operating expenditure is depicted in the graph below.

Employee Costs – Employee costs include salary on-costs such as WorkCover premium, provision for Long Service Leave entitlements and council's superannuation contributions on behalf of employees.

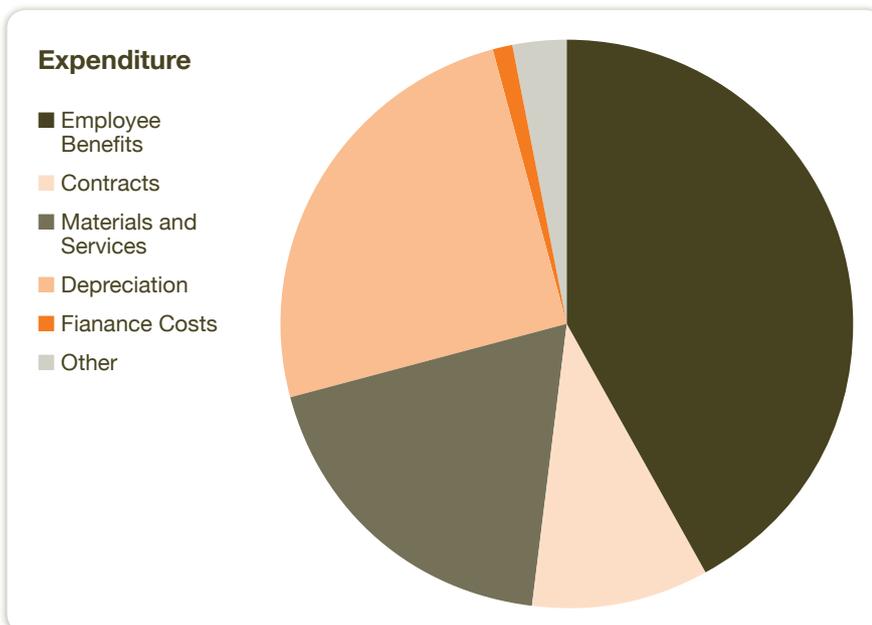
Contracts – Included in this category are payments to contractors for the

provision of services such as domestic waste collection, domestic recycling collection, strategic land use planning services, electricity for street lighting, meal production for the Meals on Wheels Service, internet services, information technology support and a range of other contracted services.

Materials and Services – Includes fuel for plant, plant repairs, the cost of utility services (gas, telephone, sewage and electricity), insurance, road maintenance, landfill operations, gravel pit operations, legal fees and other materials and services required to support the range of services provided everyday by Council.

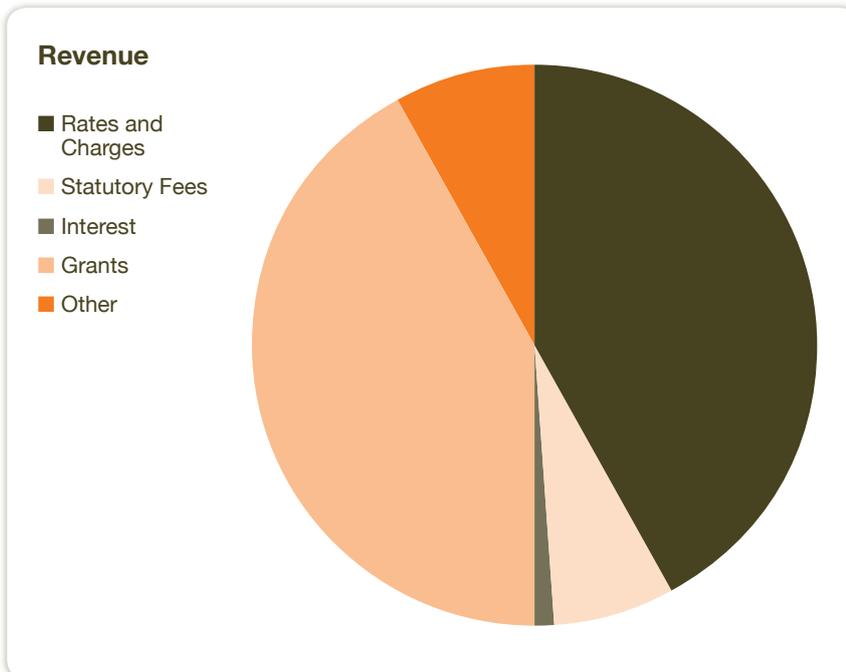
Depreciation – The depreciation expense reflects the diminution in the value of assets due to wear and tear and obsolescence. It has no impact on the cash position of Council. Cash flow is impacted only at the time of purchase and sale of assets.

Finance Costs – represents interest paid on Council's short term borrowings.



REVENUE

Council's operating revenue for 2009/10 was \$18.620M (\$22.587M in 2008/09) including rates and charges revenue (\$7.625M), operating grants (\$8.135M), Interest (\$0.106M), statutory fees and charges (\$1.424M) and other revenue (\$1.330M). The breakdown of operating revenue by major categories is depicted in the graph below.



Rate Revenue - General rate revenue on the Capital Improved Value of properties and a 'rate in the dollar' applies against each category of property. Waste collection charges are based on the frequency of collections. Council's rate revenue for the year was in line with budget expectations.

Grants - Operational grant revenue comprises a general purpose grant of \$2.682M, a road funding grant of \$1.826M for local roads and tied grants of \$1.570M which were essentially for community services such as home care, aged care and youth services.

Capital grants received were \$3.883M. These grants were expended on capital projects in addition to funds allocated by Council from other sources of revenue.

Fees, Charges and Fines -

Revenue from these sources was \$1.424M for the year. The major sources of revenue are:

- ▶ Waste Services \$0.823M
- ▶ Aged Care Services \$0.345M
- ▶ Saleyard Fees \$0.064M
- ▶ Statutory and other fees (building permits, Infringements, Infringement court recoveries, etc) \$0.035M
- ▶ Waste Disposal \$0.054M

Other Income - This item of income relates to fees for provision of valuation data to State Revenue Office, interest received on investments and other sundry income.

CONCLUDING REMARKS

Preparation of the 2009/10 Financial Reports and Standard Statements has highlighted the need for Council to re-examine its medium to long term financial strategy and for management to address a number of weaknesses in accounting procedures.

While the size of the deficit for 2009/10 is of concern, it is not inconsistent with Council's current long term financial strategy. Council acknowledged the need for a deficit budget strategy in the 2009/10 Budget and as part of the Strategic Resource Plan (SRP) published as part of the **Council Plan 2009-2013**. However, the cash flow situation that must necessarily accompany a continuing deficit situation is one that Council cannot afford to ignore.

The 2009/10 Budget and the SRP both acknowledged the need for a sustained commitment to revenue growth and expenditure constraint over the next five to eight years. The 2009/10 financial result reinforces the need for this level of discipline.

The 2009/10 result also reinforces the need for management to better support Council's commitment to sound fiscal management through business system improvements. Improvements are required to accounting related business systems, in particular the need for the consistent application of business rules across the organisation. Training and system documentation are essential to affect this improvement and will be addressed as a matter of urgency in 2010/11.

Some of the decisions made during the finalisation of the 2009/10 Financial Report, Standard Statements and Performance Statement will have an impact on Council's 2010/11 financial position. Some of the decisions will also have an impact on Council's medium to long term financial planning.

Management acknowledges that the 2009/10 financial outcome is unsatisfactory. It also acknowledges that the outcome does not reflect the careful attention Councillors have paid to financial management throughout the year.

Warwick Heine
Chief Executive Officer

PROGRESS AGAINST FINANCIAL TARGETS

| Outputs | Measures | Actual 2008/2009 | Actual 2009/2010 | Target 2009/2010 | Difference |
|--------------------------------------|--|---------------------|---------------------|---------------------|------------|
| Rates Management | Total rates and charges declared (\$000's) | \$8,014 | \$8,448 | \$8,425 | \$24 |
| | Average rates and charges (per assessment) | \$1,332 | \$1,360 | \$1,360 | \$0 |
| | Rates and charges (per capita) | \$1,132 | \$1,194 | \$1,190 | \$3 |
| | Rates and charges (% of CIV) | 0.77% | 0.81% | 0.81% | - |
| | Average residential rates and charges per assessment | \$857 | \$901 | \$896 | \$5 |
| | Average farming rates and charges per assessment | \$1,715 | \$1,809 | \$1,821 | -\$12 |
| Dependence on Rates and Grants | Rates and charges (% of total recurrent revenue) | 47% | 58% | 49% | 9% |
| | Financial assistance grants (per capita) | \$758 | \$637 | \$639 | -\$2 |
| | % achievement of capital expenditure program | 88.4% | 91.6% | NA | NA |
| Sustainability | Underlying Operating surplus/(deficit) (% of total underlying revenue) | -27.0% | -58.5% | -29.2% | -29.2% |
| | % change in net assets from previous year | -0.49% | -1.77% | -0.61% | -1.16% |
| | Debt servicing costs as % of rates and charges revenue | 0.16% | 1.10% | 0.14% | 0.96% |
| | Working capital ratio (current assets/current liabilities) | 144% | 41% | 94% | -54% |
| | Self Financing ratio (%) (ability to generate cash flows from operations) | -27.1% | 26.3% | -15.4% | 41.7% |
| | Non-current liabilities to revenue ratio (%) (ability to meet long term debt obligation) | 4.7% | 7.8% | 5.8% | 2.0% |
| Capital Expenditure | Ratio of capital expenditure to total depreciation | 105% | 105% | 124% | -19% |
| Infrastructure Renewal | Ratio of current spending on renewal to the long term AAAC. | 109% | 112% | 103% | 9% |
| Infrastructure Renewal & Maintenance | Ratio of current spending on renewal plus maintenance to the long term AAAC plus maintenance | 109% | 110% | 118% | -8% |
| Debt Management | Rates, fees and charges outstanding as % of rates, fees and charges revenue outstanding at 30 June | 11.3% | 10.3% | 10.0% | 0.3% |
| Operating Costs | % change in net operating expenditure (from 30 June) | 8.7% | 6.0% | NA | NA |
| | Average operating expenditure per assessment | \$3,560 | \$3,654 | \$3,598 | \$56 |
| | Operating expenditure per capita | \$3,026 | \$3,207 | \$3,148 | \$59 |
| | % Change in operating expenditure per capita | \$0.24 | \$0.18 | NA | NA |

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For the Year Ended 30 June 2010

| | Note | 2010 \$'000 | 2009 \$'000 |
|---|------|------------------------|------------------------|
| Income | | | |
| Rates and charges | 2 | 8,448 | 8,013 |
| Statutory fees and fines | 3 | 35 | 24 |
| User fees | 4 | 627 | 644 |
| Contributions - cash | 6 | 170 | 268 |
| Grants - recurrent | 5 | 4,252 | 4,681 |
| Grants - non-recurrent | 5 | 3,883 | 3,438 |
| Reimbursements | 7 | 23 | 10 |
| Net gain(loss) on disposal of property, infrastructure, plant and equipment | | (161) | 223 |
| Share of net profit (loss) of associates and joint ventures | 15 | 22 | 13 |
| Other income | 8 | 1,160 | 3,031 |
| Total income | | <u>18,459</u> | <u>20,345</u> |
| Expenses | | | |
| Employee benefits | 9 | (10,051) | (8,624) |
| Materials and services | 10 | (5,749) | (6,107) |
| Bad and doubtful debts | 11 | (7) | (32) |
| Depreciation and amortisation | 12 | (6,340) | (6,174) |
| Finance costs | 13 | (93) | (13) |
| Other expenses | 14 | (458) | (465) |
| Total expenses | | <u>(22,698)</u> | <u>(21,415)</u> |
| Profit/(loss) | | <u>(4,239)</u> | <u>(1,070)</u> |
| Other comprehensive income | | | |
| Net asset revaluation increment(decrement) reversals | | 1,118 | 204 |
| Comprehensive result | | <u>(3,121)</u> | <u>(866)</u> |

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

As at 30 June 2010

| | Note | 2010 \$'000 | 2009 \$'000 |
|--|------|----------------|----------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 16 | (224) | 3,581 |
| Trade and other receivables | 17 | 1,246 | 962 |
| Inventories | 18 | 126 | 165 |
| Other assets | 19 | 368 | 729 |
| Total current assets | | <u>1,516</u> | <u>5,437</u> |
| Non-current assets | | | |
| Investments in associates accounted for using the equity | 15 | 162 | 140 |
| | 20 | 176,626 | 175,478 |
| Total non-current assets | | <u>176,788</u> | <u>175,618</u> |
| Total assets | | <u>178,304</u> | <u>181,055</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 21 | 1,925 | 1,592 |
| Trust funds and deposits | 22 | 32 | 32 |
| Provisions | 23 | 1,753 | 2,032 |
| Interest-bearing loans and borrowings | 24 | - | 119 |
| Total current liabilities | | <u>3,710</u> | <u>3,775</u> |
| Non-current liabilities | | | |
| Provisions | 23 | 1,382 | 932 |
| Interest-bearing loans and borrowings | 24 | - | 15 |
| Total non-current liabilities | | <u>1,382</u> | <u>947</u> |
| Total liabilities | | <u>5,092</u> | <u>4,722</u> |
| Net Assets | | <u>173,212</u> | <u>176,333</u> |
| Equity | | | |
| Accumulated surplus | | 46,059 | 49,702 |
| Reserves | 25 | 127,153 | 126,631 |
| Total Equity | | <u>173,212</u> | <u>176,333</u> |

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

For the Year Ended 30 June 2010

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

| | Note | Accumulated | | Asset | Other |
|---|-------|----------------|---------------|----------------|--------------|
| | | Total | Surplus | Revaluation | Reserves |
| | | 2009 | 2009 | Reserve | 2009 |
| 2009 | | \$'000 | \$'000 | \$'000 | \$'000 |
| Balance at beginning of the financial year | | 177,194 | 50,767 | 125,334 | 1,093 |
| Adjustment on change in accounting policy | | | | | |
| - Land Under Roads | | 5 | 5 | | - |
| Surplus(deficit) for the year | | (1,070) | (1,070) | - | - |
| Net asset revaluation increment(decrement) | 25(a) | 204 | - | 204 | - |
| Transfers to other reserves | 25(b) | - | - | - | - |
| Balance at end of the financial year | | 176,333 | 49,702 | 125,538 | 1,093 |

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

For the Year Ended 30 June 2010

| | 2010 Inflows/ (Outflows) \$'000 | 2009 Inflows/ (Outflows) \$'000 |
|---|--|--|
| Cash flows from operating activities | | |
| Rates | 7,709 | 7,138 |
| Statutory fees and fines | 35 | 24 |
| User charges and other fines (inclusive of GST) | 1,413 | 1,595 |
| Grants (inclusive of GST) | 8,135 | 8,258 |
| Contributions (inclusive of GST) | 170 | 129 |
| Reimbursements (inclusive of GST) | 23 | 10 |
| Interest | 45 | 182 |
| Rents (inclusive of GST) | 20 | 25 |
| Other receipts (inclusive of GST) | 1,095 | 2,824 |
| Net GST refund/payment | (336) | 158 |
| Payments to suppliers (inclusive of GST) | (5,416) | (5,810) |
| | (9,575) | (9,020) |
| Other payments | (458) | (452) |
| Net cash provided by (used in) operating activities | 26 | 5,061 |
| Cash flows from investing activities | | |
| Payments for property, infrastructure, plant and equipment | (7,706) | (6,326) |
| Proceeds from sale of property, infrastructure, plant and equipment | 113 | 280 |
| Loans and advances to community organisations | - | 10 |
| Repayment of loans and advances from community organisations | - | - |
| Net cash provided by (used in) investing activities | (7,593) | (6,036) |
| Cash flows from financing activities | | |
| Finance costs | (93) | (13) |
| Trust funds and deposits | - | (41) |
| Repayment of interest bearing loans and borrowings | - | (172) |
| Net cash provided by (used in) financing activities | (93) | (226) |
| Net increase (decrease) in cash and cash equivalents | (4,826) | (1,201) |
| Cash and cash equivalents at the beginning of the financial year | 4,602 | 4,782 |
| Cash and cash equivalents at the end of the financial year | 27 | 3,581 |
| Financing arrangements | 28 | |
| Restrictions on cash assets | 29 | |

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

For the Year Ended 30 June 2010

Introduction

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

External Auditor - Auditor-General of Victoria

Internal Auditor - Mc Lean Delmo

Solicitors - Maddocks

- Radford Legal

- Karen Probst

Bankers - Bendigo Bank

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

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

Note 1 Significant accounting policies

(a) Basis of accounting

This financial report has been prepared on the accrual and going concern bases.

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

All entities controlled by Council that have material assets or liabilities, such as Special Committees of Management, have been included in this financial report. All transactions between these entities and the Council have been eliminated in full. Details of entities not included in this financial report based on their materiality are detailed in note 42.

(b) Change in accounting policies

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

(c) Revenue recognition

Rates, grants and contributions

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

For the Year Ended 30 June 2010

Note 1 Significant accounting policies (cont.)

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

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

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

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

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

User fees and fines

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

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

Sale of property, plant and equipment, infrastructure

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

Trade and other receivables

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

Interest and rents

Interest and rents are recognised as revenue on a proportional basis when the payment is due, the value of the payment is notified, or the payment is received, whichever first occurs.

Dividends

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

(d) Inventories

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

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

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

Where infrastructure 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.

For the Year Ended 30 June 2010

Note 1 Significant accounting policies (cont.)

Artworks are not depreciated.

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

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

| | Period |
|----------------------------------|---------------|
| Property | |
| Buildings | |
| buildings | 50 years |
| fittings | 10 years |
| Plant and Equipment | |
| Plant | |
| plant, machinery and equipment | 6 - 10 years |
| fixtures, fittings and furniture | 4 - 15 years |
| Infrastructure | |
| Roads | |
| formation | 100 years |
| pavement | 80 years |
| seal | 15 years |
| footpaths and cycleways | 13 - 80 years |
| kerb and channel | 50 years |
| drainage | 100 years |
| bridges | 50 years |
| landfill | 10 years |
| other structures | 50 years |
| other fittings | 6 - 10 years |

(f) Repairs and maintenance

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

(g) Borrowing costs

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

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

(h) Recognition and measurement of assets

Acquisition

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

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

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

For the Year Ended 30 June 2010

Note 1 Significant accounting policies (cont.)

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

Revaluation

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

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

Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation 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 as at 30 June 2008 at deemed cost. Land under roads acquired after 30 June 2008 is brought to account using the cost basis.

For the Year Ended 30 June 2010

Note 1 Significant accounting policies (cont.)

(i) **Cash and cash equivalents**

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

(j) **Other financial assets**

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

(k) **Investments**

Investments, other than investments in associates, are measured at cost.

(l) **Accounting for investments in associates**

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

(m) **Tender deposits**

Amounts received as tender deposits and retention amounts controlled by Council are recognised as Trust funds until they are returned or forfeited (refer to Note 22).

(n) **Employee benefits**

Wages and salaries

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

Annual leave

Annual leave entitlements are accrued on a pro rata basis in respect of services provided by employees up to balance date. Annual leave expected to be paid within 12 months is measured at nominal value based on the amount, including appropriate oncosts, expected to be paid when settled. Annual leave expected to be paid later than one year has been measured at the present value of the estimated future cash outflows to be made for these accrued entitlements. Commonwealth bond rates are used for discounting future cash flows.

Long service leave

Long service leave entitlements payable are assessed at balance date having regard to expected employee remuneration rates on settlement, employment related oncosts and other factors including accumulated years of employment, on settlement, and experience of employee departure per year of service. Long service leave expected to be paid within 12 months is measured at nominal value based on the amount expected to be paid when settled. Long service leave expected to be paid later than one year has been measured at the present value of the estimated future cash outflows to be made for these accrued entitlements. Commonwealth bond rates are used for discounting future cash flows.

Classification of employee benefits

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

For the Year Ended 30 June 2010

Note 1 Significant accounting policies (cont.)

Superannuation

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

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

Retirement gratuities

There are no retirement gratuity benefits payable to employees.

(o) Leases

Finance leases

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

Operating leases

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

Leasehold improvements

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

(p) Allocation between current and non-current

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

(q) Agreements equally proportionately unperformed

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

(r) Web site costs

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

For the Year Ended 30 June 2010**Note 1 Significant accounting policies (cont.)****(s) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian 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 cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(t) Impairment of assets

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

(u) Rounding

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

(v) Financial guarantees

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

For the Year Ended 30 June 2010

(w) Pending Accounting Standards

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

| Standard / Interpretation | Summary | Applicable for annual reporting periods beginning or ending on | Impact on Local Government financial statements |
|--|---|--|--|
| AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project. [AASB 5, 8, 101, 107, 117, 118, 136 & 139] | Some amendments will result in accounting changes for presentation, recognition or measurement purposes, while other amendments will relate to terminology and editorial changes. | Beginning 1 Jan 2010 | Terminology and editorial changes. Impact minor. |
| AASB 2009-8 Amendments to Australian Accounting Standards – Group Cash-settled Share-based Payment Transactions. [AASB 2] | The amendments clarify the scope of AASB 2. | Beginning 1 Jan 2010 | No impact. AASB 2 does not apply to Local Government; consequently this Standard does not apply. |
| AASB 2009-9 Amendments to Australian Accounting Standards – Additional Exemptions for First-time Adopters [AASB 1] | Applies to entities adopting Australian Accounting Standards for the first time, to ensure entities will not face undue cost or effort in the transition process in particular situations. | Beginning 1 Jan 2010 | No impact. Relates only to first time adopters of Australian Accounting Standards. |
| AASB 2009-10 Amendments to Australian Accounting Standards – Classification of Rights Issues [AASB 132] | The Standard makes amendments to AASB 132, stating that rights issues must now be classed as equity rather than derivative liabilities. | Beginning 1 Feb 2010 | No impact. Local Government do not issue rights, warrants and options, consequently the amendment does not impact on the statements. |
| AASB 9 Financial Instruments | This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement). | Beginning 1 Jan 2013 | Detail of impact is still being assessed. |
| AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] | This gives effect to consequential changes arising from the issuance of AASB 9. | Beginning 1 Jan 2013 | Detail of impact is still being assessed. |
| AASB 2009-12 Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] | This Standard amends AASB 8 to require an entity to exercise judgement in assessing whether a government and entities know to be under the control of that government are considered a single customer for purposes of certain operating segment disclosures. This Standard also makes numerous editorial amendments to other AASs. | Beginning 1 Jan 2011 | AASB 8 does not apply to Local Government therefore no impact expected. Otherwise, only editorial changes arising from amendments to other standards, no major impact. Impacts of editorial amendments are not expected to be significant. |
| AASB 2009-13 Amendments to Australian Accounting Standards arising from Interpretation 19. [AASB 1] | Consequential amendment to AASB 1 arising from publication of Interpretation 19. | Beginning 1 Jul 2010 | Local Governments do not extinguish financial liabilities with equity instruments, therefore requirements of Interpretation 17 and related amendments have no impact |
| AASB 2009-14 Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement [AASB Interpretation 14] | Amendment to Interpretation 14 arising from the issuance of Prepayments of a Minimum Funding Requirement | Beginning 1 Jan 2011 | Expected to have no significant impact |

(x) Contingent assets and contingent liabilities and commitments

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

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

For the Year Ended 30 June 2010

| | 2010 \$'000 | 2009 \$'000 |
|--|----------------|----------------|
| Note 2 | | |
| Rates and charges | | |
| <p>Council uses Capital Improved Value as the basis of valuation of all properties within the municipal district. The Capital Improved Value of a property is its estimated value including improvements at the date of valuation.</p> <p>The valuation base used to calculate general rates for 2009/2010 was \$948.45 million (2008-2009 \$1,040.00 million). The 2009/2010 rate in the CIV dollar was 0.7245 cents and the Farm Rate was 0.6956. (2008-2009, rate in CIV dollar was 0.6886 cents and the Farm Rate was 0.6610 cents).</p> | | |
| | 1,772 | 1,645 |
| Residential | 460 | 414 |
| Commercial | 5,163 | 4,891 |
| Farm/Rural | 230 | 230 |
| Municipal charge | 762 | 759 |
| Garbage charge | 61 | 74 |
| Interest on Rates | <u>8,448</u> | <u>8,013</u> |
| Total rates and charges | | |
| <p>The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2008, and the valuation will be first applied in the rating year commencing 1 July 2008.</p> <p>The date of the previous general revaluation of land for rating purposes within the municipal district was 1 January 2006, and the valuation first applied to the rating period commencing 1 July 2006.</p> | | |
| Note 3 | | |
| Statutory fees and fines | | |
| | 13 | - |
| Infringements and costs | 1 | 1 |
| Election fines | 1 | - |
| Subdivision Fees | 14 | 17 |
| Planning Permits | 6 | 6 |
| Land information certificates | <u>35</u> | <u>24</u> |
| Total statutory fees and fines | | |
| Note 4 | | |
| User fees | | |
| | 53 | 56 |
| Recreation fees | 64 | 40 |
| Saleyard fees | 345 | 393 |
| Aged services fees | 43 | 35 |
| Registration fees | 18 | 22 |
| Building services fees | 2 | 2 |
| Truck wash fees | 54 | 45 |
| Waste disposal fees | 48 | 51 |
| Other fees and charges | <u>627</u> | <u>644</u> |
| Total user fees | | |

For the Year Ended 30 June 2010

| | 2010 | 2009 |
|--|--------------|--------------|
| | \$'000 | \$'000 |
| Note 5 | | |
| Grants | | |
| Grants were received in respect of the following | | |
| Summary of grants | | |
| Federally funded grants | 6,093 | 6,509 |
| State funded grants | 2,042 | 1,610 |
| Total | <u>8,135</u> | <u>8,119</u> |
| Recurrent | | |
| Victoria Grants Commission - unallocated | 2,682 | 3,186 |
| School crossing supervisors | 4 | 8 |
| Youth development | 29 | 52 |
| Maternal and child health | 132 | 122 |
| Family and children | 158 | 139 |
| Food services | 22 | 21 |
| Home help / linkages | 396 | 383 |
| Senior citizen centres | 47 | 44 |
| Assessment / welfare support | 100 | 97 |
| Libraries | 90 | 88 |
| Recreation | - | - |
| Local Government Improvement Incentives (Operating) | 258 | 222 |
| Volunteer Co ordination Grant SES | 12 | 11 |
| Other | 322 | 308 |
| Total recurrent | <u>4,252</u> | <u>4,681</u> |
| Non-recurrent | | |
| Commonwealth Government - Roads to Recovery | 1,204 | 619 |
| Commonwealth government - Auslink | 125 | - |
| Victoria Grants commission - local roads | 1,826 | 2,200 |
| Community Health | - | 22 |
| National Livestock ID System | 10 | - |
| Community Drought Projects | 61 | 126 |
| RLCIP Project | 184 | - |
| Recreation | 5 | 38 |
| Other | 468 | 433 |
| Total non-recurrent | <u>3,883</u> | <u>3,438</u> |
| Conditions on Grants | | |
| Grants recognised as revenue during the year that were obtained on condition that they be expended in a specified manner that had not occurred at balance date were: | | |
| Roadworks | 477 | 516 |
| Community | 10 | 619 |
| Recreation | 111 | 69 |
| Total | <u>598</u> | <u>1,204</u> |
| Grants which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were: | | |
| Community | (34) | (5) |
| Recreation | (572) | (326) |
| Roadworks | (386) | - |
| | <u>(992)</u> | <u>(331)</u> |
| Net increase (decrease) in restricted assets resulting from grant revenues for the year: | <u>(394)</u> | <u>873</u> |

For the Year Ended 30 June 2010

| | 2010 \$'000 | 2009 \$'000 |
|--|----------------|----------------|
| Note 6 | | |
| Contributions | | |
| Cash | | |
| Recreational, leisure and community facilities | 68 | 67 |
| Community Contributions | 45 | 58 |
| Diesel Fuel Rebate | 55 | 81 |
| Valuation | 2 | 62 |
| Total | <u>170</u> | <u>268</u> |
| Note 7 | | |
| Reimbursements | | |
| Immunisation Reimbursements | 1 | 2 |
| Other | 22 | 8 |
| Total | <u>23</u> | <u>10</u> |
| Note 8 | | |
| Other Income | | |
| Interest | 45 | 182 |
| Waste sales | 45 | 29 |
| Other rent | 20 | 25 |
| Works | 110 | 66 |
| Workcover | 66 | 27 |
| Insurance | 45 | - |
| Other | 829 | 2,702 |
| Total other income | <u>1,160</u> | <u>3,031</u> |
| Note 9 | | |
| Employee benefits | | |
| Wages and salaries | 8,280 | 7,514 |
| RDO Entitlement | - | - |
| Annual leave and long service leave | 801 | 293 |
| Superannuation | 648 | 613 |
| Fringe benefits tax and work cover | 322 | 204 |
| Total employee benefits | <u>10,051</u> | <u>8,624</u> |
| Note 10 | | |
| Materials and services | | |
| Contract payments | | |
| Cleaning | 6 | 4 |
| Contracts | 251 | 404 |
| Handyman | - | 2 |
| Consultants | 887 | 445 |
| Feasibility studies | - | 2 |
| Plant hire external | - | 24 |
| Meals on Wheels | - | - |
| Recycling | 9 | 119 |
| Revaluation | 6 | 14 |
| Information technology | 336 | 267 |
| Waste management | 9 | 283 |
| Other | - | (10) |
| Materials | | |
| Electricity | 204 | 184 |
| Fuel | 716 | 751 |
| Water and Sewage | 129 | 92 |
| Garbage Charge | 49 | 48 |
| Grants and Contributions | 600 | 560 |
| Insurance | 230 | 212 |
| Materials | 833 | 1,072 |
| Legal Fees | 24 | 17 |
| Printing and Stationery | 41 | 101 |
| Repairs and Maintenance | 582 | 522 |
| Telephone | 113 | 101 |
| Vehicle Registrations | 89 | 97 |
| Other | 635 | 796 |
| Total materials and services | <u>5,749</u> | <u>6,107</u> |

For the Year Ended 30 June 2010

| | 2010 \$'000 | 2009 \$'000 |
|--|----------------|----------------|
| Note 11 | | |
| Bad and doubtful debts | | |
| Rates debtors | - | - |
| Other debtors | 7 | 32 |
| Total bad and doubtful debts | <u>7</u> | <u>32</u> |
| Note 12 | | |
| Depreciation and amortisation | | |
| Buildings | | |
| Buildings | 880 | 812 |
| Plant and Equipment | | |
| Plant, machinery and equipment | 653 | 501 |
| Fixtures, fittings and furniture | 322 | 244 |
| Infrastructure | | |
| Roads | 3,597 | 3,665 |
| Bridges | 77 | 86 |
| Footpaths and cycleways | 204 | 241 |
| Drainage | 84 | 83 |
| Kerb and channel | 249 | 245 |
| Landfills | 86 | 160 |
| Other infrastructure | 188 | 137 |
| Total depreciation and amortisation | <u>6,340</u> | <u>6,174</u> |
| Note 13 | | |
| Finance costs | | |
| Interest - Borrowings | 39 | 13 |
| Interest - Overdraft | 54 | - |
| Interest - Finance leases | - | - |
| Lease costs | - | - |
| Total finance costs | <u>93</u> | <u>13</u> |
| Rate used to capitalise finance costs | 6.06% | 6.06% |
| Note 14 | | |
| Other expenses | | |
| Auditors' remuneration | 65 | 43 |
| Councillors' allowances | 144 | 131 |
| Operating lease rentals | 146 | 218 |
| Business incentives | 41 | 60 |
| Photocopier software licence | 62 | 13 |
| Total other expenses | <u>458</u> | <u>465</u> |

For the Year Ended 30 June 2010

| | 2010 \$'000 | 2009 \$'000 |
|---|----------------|----------------|
| Note 15 | | |
| Investment in associates | | |
| Investments in associates accounted for by the equity method are: | | |
| - Wimmera Regional Library Corporation | 162 | 140 |
| Total | <u>162</u> | <u>140</u> |
| Wimmera Regional Library Corporation | | |
| <i>Background</i> | | |
| Buloke Shire Council is one of six participating Councils with equity in Regional Library Corporation. The Shire currently holds a 7.49% share corporation. | | |
| <i>Council's share of accumulated surplus(deficit)</i> | | |
| Council's share of accumulated surplus(deficit) at start of year | 44 | 35 |
| Reported surplus(deficit) for year | 29 | 9 |
| Transfers (to) from reserves | (5) | - |
| Distributions for the year | - | - |
| Variation - Change in Equity | (2) | - |
| Council's share of accumulated surplus(deficit) at end of year | <u>66</u> | <u>44</u> |
| <i>Council's share of reserves</i> | | |
| Council's share of reserves at start of year | 96 | 92 |
| Transfers (to) from reserves | 5 | - |
| Share of asset revaluation | - | - |
| Variation - Change in Equity | (5) | 4 |
| Council's share of reserves at end of year | <u>96</u> | <u>96</u> |
| <i>Movement in carrying value of specific investment</i> | | |
| Carrying value of investment at start of year | 140 | 127 |
| Share of surplus(deficit) for year | 29 | 9 |
| Share of asset revaluation | - | - |
| Variation - Change in Equity | (7) | 4 |
| Carrying value of investment at end of year | <u>162</u> | <u>140</u> |

For the Year Ended 30 June 2010

| | 2010 | 2009 |
|---|--------------|--------------|
| | \$'000 | \$'000 |
| Note 16 | | |
| Cash and cash equivalents | | |
| Cash on hand | 2 | 2 |
| Cash at bank - NBA | 24 | - |
| Cash at bank - Bendigo | (959) | 869 |
| Term deposits | 709 | 2,710 |
| Total cash and cash equivalents | <u>(224)</u> | <u>3,581</u> |
| Users of the financial report should refer to Note 29 for details of restrictions on cash assets and Note 31 for details of existing Council commitments. | | |
| Note 17 | | |
| Trade and other receivables | | |
| <i>Current</i> | | |
| Rates debtors | 491 | 514 |
| Other debtors | 445 | 469 |
| Provision for doubtful debts | (20) | (15) |
| Net GST receivable | 330 | (6) |
| Trade and other receivables | <u>1,246</u> | <u>962</u> |
| Total trade and other receivables | <u>1,246</u> | <u>962</u> |
| Note 18 | | |
| Inventories | | |
| Inventories held for distribution | 126 | 165 |
| Total inventories | <u>126</u> | <u>165</u> |
| Note 19 | | |
| Other assets | | |
| <i>Current</i> | | |
| Prepayments | 368 | 425 |
| Accrued income | - | 304 |
| Total | <u>368</u> | <u>729</u> |

For the Year Ended 30 June 2010

| Note 20 | <i>Property, infrastructure, plant and equipment</i> | 2010 | 2009 |
|---------|--|----------------|----------------|
| | | \$'000 | \$'000 |
| | Summary | | |
| | at cost | 19,424 | 17,018 |
| | Less accumulated depreciation | 6,126 | 5,946 |
| | | <u>13,298</u> | <u>11,072</u> |
| | at fair value as at 30 June 2008 | 206,626 | 250,994 |
| | Less accumulated depreciation | 66,599 | 87,796 |
| | at Council valuation as at 30 June 2009 | 1,796 | 1,796 |
| | Less accumulated depreciation | 764 | 588 |
| | at fair value as at 30 June 2010 | 48,291 | - |
| | Less accumulated depreciation | 26,022 | - |
| | | <u>163,328</u> | <u>164,406</u> |
| | Total | <u>176,626</u> | <u>175,478</u> |
| | Property | | |
| | at cost | - | - |
| | at fair value as at 30 June 2008 | - | 2,207 |
| | at fair value as at 30 June 2010 | 2,772 | - |
| | | <u>2,772</u> | <u>2,207</u> |
| | Land other controlled | | |
| | at valuation as at 30 June 2008 | - | 1,011 |
| | at valuation as at 30 June 2010 | 1,293 | - |
| | | <u>1,293</u> | <u>1,011</u> |
| | Land under roads | | |
| | At Cost | 5 | 5 |
| | | <u>5</u> | <u>5</u> |
| | Total Land | <u>4,070</u> | <u>3,223</u> |
| | Buildings - Freehold | | |
| | at cost | - | 1,372 |
| | Less accumulated depreciation | - | 22 |
| | | <u>-</u> | <u>1,350</u> |
| | at fair value as at 30 June 2008 | - | 31,272 |
| | Less accumulated depreciation | - | 18,442 |
| | | <u>-</u> | <u>12,830</u> |
| | at Council valuation as at 30 June 2010 | 33,531 | - |
| | Less Accumulated depreciation | 18,988 | - |
| | | <u>14,543</u> | <u>-</u> |
| | Buildings - Controlled | | |
| | at cost | - | 483 |
| | Less accumulated depreciation | - | 9 |
| | | <u>-</u> | <u>474</u> |
| | at fair value as at 30 June 2008 | - | 9,878 |
| | Less accumulated depreciation | - | 6,883 |
| | | <u>-</u> | <u>2,995</u> |
| | at fair value as at 30 June 2010 | 10,695 | - |
| | Less accumulated depreciation | 7,034 | - |
| | | <u>3,661</u> | <u>-</u> |
| | Total Buildings | <u>18,204</u> | <u>17,649</u> |
| | Total Property | <u>22,274</u> | <u>20,872</u> |

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

Land under roads is valued at deemed cost. Deemed cost is based on Council valuations at 30 June 2009 for land under roads in existence at that date and at the date acquired for subsequent acquisitions using site values adjusted for englobo (underdeveloped and/or unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services.

For the Year Ended 30 June 2010

Note 20

Property, infrastructure, plant and equipment (cont)

| <i>Plant and Equipment</i> | 2010 | 2009 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Plant, machinery and equipment | | |
| at cost | 8,515 | 7,973 |
| Less accumulated depreciation | 4,142 | 3,929 |
| | <u>4,373</u> | <u>4,044</u> |
| Fixtures, fittings and furniture | | |
| at cost | 2,125 | 2,427 |
| Less accumulated depreciation | 1,311 | 1,494 |
| | <u>814</u> | <u>933</u> |
| Total Plant and Equipment | <u>5,187</u> | <u>4,977</u> |
| Infrastructure | | |
| Roads | | |
| Road Formation | | |
| at fair value as at 30 June 2008 | 39,669 | 39,669 |
| Less accumulated depreciation | 9,821 | 9,538 |
| | <u>29,848</u> | <u>30,131</u> |
| Road Pavement | | |
| at cost | 5,042 | 2,707 |
| Less accumulated depreciation | 34 | - |
| | <u>5,008</u> | <u>2,707</u> |
| at fair value as at 30 June 2008 | 106,692 | 106,692 |
| Less accumulated depreciation | 28,026 | 26,693 |
| | <u>78,666</u> | <u>79,999</u> |
| Road Seal | | |
| at cost | 1,332 | 570 |
| Less accumulated depreciation | 38 | - |
| | <u>1,294</u> | <u>570</u> |
| at fair value as at 30 June 2008 | 28,238 | 28,238 |
| Less accumulated depreciation | 12,705 | 10,796 |
| | <u>15,533</u> | <u>17,442</u> |
| Bridges | | |
| at cost | 152 | 152 |
| Less accumulated depreciation | 4 | - |
| | <u>148</u> | <u>152</u> |
| at fair value valuation as at 30 June 2008 | 3,927 | 3,927 |
| Less accumulated depreciation | 2,415 | 2,342 |
| | <u>1,512</u> | <u>1,585</u> |

For the Year Ended 30 June 2010

| Note 20 | <i>Property, infrastructure, plant and equipment (cont)</i> | 2010 \$'000 | 2009 \$'000 |
|---------|---|----------------|----------------|
| | Footpaths and cycleways | | |
| | at cost | 120 | 79 |
| | Less accumulated depreciation | <u>3</u> | <u>-</u> |
| | | <u>117</u> | <u>79</u> |
| | at fair value as at 30 June 2008 | 7,831 | 7,831 |
| | Less accumulated depreciation | <u>4,032</u> | <u>3,831</u> |
| | | <u>3,799</u> | <u>4,000</u> |
| | Kerb and Channel | | |
| | at cost | 142 | 142 |
| | Less accumulated depreciation | <u>3</u> | <u>-</u> |
| | | <u>139</u> | <u>142</u> |
| | at fair value as at 30 June 2008 | 12,057 | 12,057 |
| | Less accumulated depreciation | <u>5,138</u> | <u>4,892</u> |
| | | <u>6,919</u> | <u>7,165</u> |
| | Drainage | | |
| | at cost | 36 | 36 |
| | Less accumulated depreciation | <u>1</u> | <u>-</u> |
| | | <u>35</u> | <u>36</u> |
| | at fair value as at 30 June 2008 | 8,212 | 8,212 |
| | Less accumulated depreciation | <u>4,462</u> | <u>4,379</u> |
| | | <u>3,750</u> | <u>3,833</u> |
| | Landfill | | |
| | at cost | 1,009 | 994 |
| | Less accumulated depreciation | <u>578</u> | <u>492</u> |
| | | <u>431</u> | <u>502</u> |
| | Other | | |
| | at valuation 30 June 2009 | 1,796 | 1,796 |
| | Less accumulated depreciation | <u>764</u> | <u>588</u> |
| | | <u>1,032</u> | <u>1,208</u> |
| | at cost | 424 | - |
| | Less accumulated depreciation | <u>12</u> | <u>-</u> |
| | | <u>412</u> | <u>-</u> |
| | Total Infrastructure | <u>148,643</u> | <u>149,551</u> |
| | | <u>176,104</u> | <u>175,400</u> |
| | Valuation of infrastructure assets has been determined in accordance with a valuation undertaken by Assets Engineer, Nagarajah Sundararajah B Sc (Hons) in Civil Engineering (UK) and M Engineering in Construction Management (SL) , as at 30 June 2008. | | |
| | The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation. | | |
| | Works in Progress | | |
| | Works in Progress at Cost | <u>522</u> | <u>78</u> |
| | Total Works in Progress | <u>522</u> | <u>78</u> |
| | Total Property, infrastructure, plant and equipment | <u>176,626</u> | <u>175,478</u> |

For the Year Ended 30 June 2010

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

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

(a) Impairment losses

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

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

For the Year Ended 30 June 2010

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

| 2009 | Balance at beginning of financial year | Acquisition of assets | Revaluation increments (decrements) (note 25) | Depreciation and amortisation (note 12) | Written down value of disposals | Impairment losses recognised in profit or loss (a) | Transfers | Balance at end of financial year |
|--|--|-----------------------|---|---|---------------------------------|--|-----------|----------------------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Property | | | | | | | | |
| land | 3,255 | - | - | - | 37 | - | - | 3,218 |
| land under roads | - | 5 | - | - | - | - | - | 5 |
| Total land | 3,255 | 5 | - | - | 37 | - | - | 3,223 |
| buildings | 17,518 | 940 | - | 809 | - | - | - | 17,649 |
| Total buildings | 17,518 | 940 | - | 809 | - | - | - | 17,649 |
| Total property | 20,773 | 945 | - | 809 | 37 | - | - | 20,872 |
| Plant and Equipment | | | | | | | | |
| plant, machinery and equipment | 3,188 | 1,377 | - | 501 | 20 | - | - | 4,044 |
| fixtures, fittings and furniture | 763 | 414 | - | 244 | - | - | - | 933 |
| Total plant and equipment | 3,951 | 1,791 | - | 745 | 20 | - | - | 4,977 |
| Infrastructure | | | | | | | | |
| roads | 131,238 | 3,277 | - | 3,666 | - | - | - | 130,849 |
| bridges | 1,778 | 45 | - | 86 | - | - | - | 1,737 |
| footpaths and cycleways | 4,241 | 79 | - | 241 | - | - | - | 4,079 |
| drainage | 3,915 | 36 | - | 82 | - | - | - | 3,869 |
| kerb and channel | 7,459 | 96 | - | 248 | - | - | - | 7,307 |
| landfills | 640 | 22 | - | 160 | - | - | - | 502 |
| other infrastructure | 870 | 271 | 204 | 137 | - | - | - | 1,208 |
| Total infrastructure | 150,141 | 3,826 | 204 | 4,620 | - | - | - | 149,551 |
| Works in progress | | | | | | | | |
| works in progress at cost | 126 | (54) | - | - | - | - | - | 72 |
| Other | 6 | - | - | - | - | - | - | 6 |
| Total works in progress | 132 | (54) | - | - | - | - | - | 78 |
| Total property, infrastructure, plant and equipment | 174,997 | 6,508 | 204 | 6,174 | 57 | - | - | 175,478 |

(a) Impairment losses

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

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

For the Year Ended 30 June 2010

| | 2010 \$'000 | 2009 \$'000 |
|---|----------------|----------------|
| Note 21 Trade and other payables | | |
| Trade payables | 1,693 | 1,447 |
| Net GST payable | 54 | - |
| Accrued expenses | 177 | 92 |
| PAYG/Fringe Benefits | 1 | 53 |
| Rates deposits | - | - |
| Total trade and other payables | <u>1,925</u> | <u>1,592</u> |

Note 22 Trust funds and deposits

| | | |
|--|-----------|-----------|
| Grant funds held on behalf of community groups | 2 | 2 |
| Other funds held on behalf of third parties | 14 | 13 |
| Other refundable deposits | 16 | 17 |
| Total trust funds and deposits | <u>32</u> | <u>32</u> |

Trust funds are held by the Shire in relation to specific projects and acquitted on completion. Other refundable deposits are held as security for hall hire and other purposes.

Note 23 Provisions

| | Annual leave | Long service leave | Accrued employee expenses | Retirement gratuity | Landfill restoration | Pit restoration | Total |
|---|-----------------|--------------------------|---------------------------------|------------------------|-------------------------|--------------------|--------------|
| | \$ '000 | \$ '000 | \$ '000 | \$ '000 | \$ '000 | \$ '000 | \$ '000 |
| 2010 | | | | | | | |
| Balance at beginning of the financial year | 679 | 998 | 443 | - | 689 | 155 | 2,964 |
| Additional provisions | 81 | 200 | - | - | 20 | - | 301 |
| Amounts used | - | - | (130) | - | - | - | (130) |
| Increase in the discounted amount arising because of time and the effect of any change in the discount rate | - | - | - | - | - | - | - |
| Balance at the end of the financial year | <u>760</u> | <u>1,198</u> | <u>313</u> | <u>-</u> | <u>709</u> | <u>155</u> | <u>3,135</u> |
| 2009 | | | | | | | |
| Balance at beginning of the financial year | 569 | 840 | 297 | - | 727 | 58 | 2,491 |
| Additional provisions | 110 | 158 | 146 | - | - | 97 | 511 |
| Amounts used | - | - | - | - | (38) | - | (38) |
| Increase in the discounted amount arising because of time and the effect of any change in the discount rate | - | - | - | - | - | - | - |
| Balance at the end of the financial year | <u>679</u> | <u>998</u> | <u>443</u> | <u>-</u> | <u>689</u> | <u>155</u> | <u>2,964</u> |

For the Year Ended 30 June 2010

Note 23 Provisions (cont)

| | 2010 \$'000 | 2009 \$'000 |
|---|----------------|----------------|
| (a) Employee benefits | | |
| Current (i) | | |
| Annual leave | 422 | 679 |
| Long service leave | 863 | 755 |
| Retirement gratuity | - | - |
| Superannuation | - | - |
| Accrued employee expenses | 313 | 443 |
| | <u>1,598</u> | <u>1,877</u> |
| Non-current (ii) | | |
| Long service leave | 335 | 243 |
| Superannuation | - | - |
| Annual Leave | 338 | - |
| Other | - | - |
| | <u>673</u> | <u>243</u> |
| Aggregate carrying amount of employee benefits: | | |
| Current | 1,598 | 1,877 |
| Non current | 673 | 243 |
| | <u>2,271</u> | <u>2,120</u> |
| The following assumptions were adopted in measuring the present value of employee benefits: | | |
| Weighted average increase in employee costs | 4.50% | 4.75% |
| Weighted average discount rates | 5.23% | 4.73% |
| Weighted average settlement period | 12 | 12 |
| (i) Current | | |
| All annual leave, accrued employee expenses and the long service leave entitlements representing 10 or more years of continuous service | | |
| - Short-term employee benefits, that fall due within 12 months after the end of the period measured at nominal value | 539 | 743 |
| - Other long-term employee benefits that do not fall due within 12 months after the end of the period measured at present value | 1,059 | 1,134 |
| | <u>1,598</u> | <u>1,877</u> |
| (ii) Non-current | | |
| Annual leave and long service leave representing less than 10 years of continuous service measured at present value | 673 | 243 |
| (b) Other provisions | | |
| Current | | |
| Pit restorations measured at present value | 155 | 155 |
| | <u>155</u> | <u>155</u> |
| Non-current | | |
| Landfill restoration measured at present value | 709 | 689 |
| | <u>709</u> | <u>689</u> |
| (c) Pit restoration | | |
| Under provisions of the amalgamated Extractive Industries Development Act 1995 in the Mineral Resources (Sustainable Development) Act 1990, Council is obliged to restore gravel pits currently operated under Work Authority Permits. The forecast life of gravel pits (currently under review) is based on current estimates of remaining suitable gravel availability and unrestored areas of individual sites. The provision for pit restoration has been calculated based on the present value of the expected cost of works to be undertaken. | | |

For the Year Ended 30 June 2010

| | 2010 \$'000 | 2009 \$'000 |
|---|----------------|----------------|
| Note 24 | | |
| Interest-bearing loans and borrowings | | |
| <i>Current</i> | | |
| Bank overdraft | - | - |
| Borrowings - secured | - | 119 |
| | <u>-</u> | <u>119</u> |
| <i>Non-current</i> | | |
| Borrowings - secured | - | 15 |
| | <u>-</u> | <u>15</u> |
| Total | <u>-</u> | <u>134</u> |
| The maturity profile for Council's borrowings is: | | |
| Not later than one year | - | 119 |
| Later than one year and not later than five years | - | 15 |
| Later than five years | - | - |
| Total | <u>-</u> | <u>134</u> |
| Aggregate carrying amount of interest-bearing loans and borrowings: | | |
| Current | - | 119 |
| Non-current | - | 15 |
| Total interest-bearing loans and borrowings | <u>-</u> | <u>134</u> |

For the Year Ended 30 June 2010

Note 25 Reserves

| | Balance at beginning of reporting period | Increment (decrement) | Share of increment (decrement) on revaluation of an associate | Balance at end of reporting period |
|--|--|---|--|---------------------------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| (a) Asset revaluation surplus | | | | |
| 2010 | | | | |
| Property | | | | |
| Land | 907 | 839 | - | 1,746 |
| Land improvements | - | - | - | - |
| Buildings | 6,007 | 279 | - | 6,286 |
| | 6,914 | 1,118 | - | 8,032 |
| Infrastructure | | | | |
| Roads | 107,814 | - | - | 107,814 |
| Bridges | 32 | - | - | 32 |
| Footpaths and cycleways | 3,315 | - | - | 3,315 |
| Kerb and channel | 5,168 | - | - | 5,168 |
| Drainage | 1,919 | - | - | 1,919 |
| Other infrastructure | 376 | - | - | 376 |
| | 118,624 | - | - | 118,624 |
| Total asset revaluation surplus | 125,538 | 1,118 | - | 126,656 |
| 2009 | | | | |
| Property | | | | |
| Land | 907 | - | - | 907 |
| Land improvements | - | - | - | - |
| Buildings | 6,007 | - | - | 6,007 |
| | 6,914 | - | - | 6,914 |
| Infrastructure | | | | |
| Roads | 107,814 | - | - | 107,814 |
| Bridges | 32 | - | - | 32 |
| Footpaths and cycleways | 3,315 | - | - | 3,315 |
| Kerb and Channel | 5,168 | - | - | 5,168 |
| Drainage | 1,919 | - | - | 1,919 |
| Other infrastructure | 172 | 204 | - | 376 |
| | 118,420 | 204 | - | 118,624 |
| Total asset revaluation surplus | 125,334 | 204 | - | 125,538 |
| | Balance at beginning of reporting period | Transfer from accumulated surplus | Transfer to accumulated surplus | Balance at end of reporting period |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| (b) Other reserves | | | | |
| 2010 | | | | |
| General reserve | 5 | - | - | 5 |
| Plant replacement reserve | 1,088 | - | 596 | 492 |
| Total Other reserves | 1,093 | - | 596 | 497 |
| 2009 | | | | |
| General reserve | 5 | - | - | 5 |
| Plant replacement reserve | 1,088 | - | - | 1,088 |
| Total Other reserves | 1,093 | - | - | 1,093 |

For the Year Ended 30 June 2010

| | 2010 | 2009 |
|---|--------------|--------------|
| | \$'000 | \$'000 |
| Note 26 | | |
| Reconciliation of cash flows from operating activities to surplus (deficit) | | |
| Comprehensive result | (4,239) | (1,070) |
| Reversal of increments and decrements | - | - |
| Depreciation/amortisation | 6,340 | 6,174 |
| (Profit)/loss on disposal of property, plant and equipment, infrastructure | 161 | (223) |
| Movement in carrying value of interest in associated entities | (22) | 13 |
| <i>Change in assets and liabilities:</i> | | |
| (Increase)/decrease in trade and other receivables | (284) | 259 |
| (Increase)/decrease in prepayments | 57 | 83 |
| (Increase)/decrease in accrued income | 304 | (147) |
| Increase/(decrease) in trade and other payables | 333 | (263) |
| Increase/(decrease) in other liabilities | - | (41) |
| (Increase)/decrease in inventories | 39 | (38) |
| Increase(decrease) in provisions | 20 | 59 |
| Increase/(decrease) in employee benefits | 151 | 414 |
| Net cash provided by/(used in) operating activities | <u>2,860</u> | <u>5,220</u> |
| Note 27 | | |
| Reconciliation of cash and cash equivalents | | |
| Cash and cash equivalents (see note 16) | 735 | 3,581 |
| Less bank overdraft | (959) | - |
| Total reconciliation of cash and cash equivalents | <u>(224)</u> | <u>3,581</u> |
| Note 28 | | |
| Financing arrangements | | |
| Bank overdraft | 1,400 | 600 |
| Used facilities | (959) | - |
| Unused facilities | <u>441</u> | <u>600</u> |
| Note 29 | | |
| Restricted assets | | |
| Council has cash and cash equivalents (Note 16) that are subject to restrictions. As at the reporting date, Council had legislative restrictions in relation to employee entitlements (Long Service Leave) and reserve funds (Recreational Lands Reserves). | | |
| Unexpended grants (Note 5) | 394 | 873 |
| Long service leave (Note 23) | 950 | 998 |
| Reserve funds (Note 22) | 32 | 32 |
| Total restricted assets | <u>1,376</u> | <u>1,903</u> |

* Restricted asset for long service leave is based on the Local Government (Long Service Leave) Regulations 2002 and does not necessarily equate to the long service leave liability disclosed in note 23 due to a different basis of calculation prescribed by the regulation.

For the Year Ended 30 June 2010

Note 30

Superannuation

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

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

Defined Benefit Plan

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

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. On the basis of the results of the most recent full actuarial investigation conducted by the Fund's Actuary as at 31 December 2008, Council makes the following contributions:-

- 9.25% of members' salaries (same as previous year);

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

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

For the Year Ended 30 June 2010

Note 30

Superannuation (Cont'd)

The result of the actuarial review is expected to be finalised during October 2010. Should the review identify a funding shortfall requiring additional contributions, the Council will be notified of any amount payable by November 2010 for payment on 1 July 2011. A further actuarial review will be undertaken as at 30 June 2011. Based on the result of this further review, a detailed funding plan will be developed and implemented to achieve the target of fully funding the Fund by 31 December 2013.

Accounting Standard Disclosure

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

| | 31-Dec-08 |
|--|------------------|
| | \$'000 |
| Net Market Value of Assets | 3,630,432 |
| Accrued Benefits (per accounting standards) | 3,616,422 |
| Difference between Assets and Accrued Benefits | <u>14,010</u> |
| Vested Benefits | <u>3,561,588</u> |

The financial assumptions used to calculate the Accrued Benefits for

| | |
|-----------------------|------------|
| Net Investment Return | 8.5% p.a. |
| Salary Inflation | 4.25% p.a. |
| Price Inflation | 2.75% p.a. |

| | 2010 | 2009 |
|--|--------|--------|
| | \$'000 | \$'000 |

Defined benefits fund

| | | |
|--|------------|------------|
| Employer contributions to Local Authorities Superannuation Fund (Vision Super) | 126 | 124 |
| | <u>126</u> | <u>124</u> |

| | | |
|--|----------|----------|
| Employer contributions payable to Local Authorities Superannuation Fund (Vision Super) at reporting date | - | - |
| | <u>-</u> | <u>-</u> |

Accumulation funds

| | | |
|--|------------|------------|
| Employer contributions to Vision Super | 384 | 382 |
| Employer contributions to AMP Custom Super | 5 | 3 |
| Employer contributions to AMP Flexible Lifetime Super | 9 | 10 |
| Employer contributions to Australian Super | 20 | 15 |
| Employer contributions to BT Personal Lifetime Super | 1 | 1 |
| Employer contributions to BT Super for Life | 2 | - |
| Employer contributions to Care Super | - | 1 |
| Employer contributions to Commonwealth Super Select | 2 | 2 |
| Employer contributions to Health super P/L Super Fund | 2 | 3 |
| Employer contributions to HESTA Super Fund | 10 | 7 |
| Employer contributions to Hostplus Super Fund | 11 | 5 |
| Employer contributions to ING Master Fund | 2 | 2 |
| Employer contributions to Lifetrack Super Fund | 6 | 6 |
| Employer contributions to LUCRF Super Fund | 13 | 13 |
| Employer contributions to Master Super | 8 | 7 |
| Employer contributions to MLC Master Key Super Fund | 1 | - |
| Employer contributions to Plum Super | 1 | - |
| Employer contributions to Portfolio Care Super | 3 | 4 |
| Employer contributions to Prime Super Fund | 2 | 2 |
| Employer contributions to R.E.I Super | 1 | - |
| Employer contributions to Recruitment Super | 4 | 1 |
| Employer contributions to REST Master Super Fund | 9 | 4 |
| Employer contributions to Spectrum super | 5 | 2 |
| Employer contributions to Tower Super Fund | 4 | 3 |
| Employer contributions to TWU Super Fund | 4 | 4 |
| Employer contributions to Unisuper | 2 | 1 |
| Employer contributions to Vic Super | 2 | 3 |
| Employer contributions to Wrattonbully Reds Super Fund | 9 | 8 |
| | <u>522</u> | <u>489</u> |

Due to fluctuations in the value of assets underlying the fund and movements in the liabilities of the fund Council may be required to make an additional contribution to the fund. At this point in time the amount, and the likelihood of payment is not certain. Further detail of this matter is disclosed at Note 33 - Contingencies

For the Year Ended 30 June 2010

Note 31 Commitments

The Council has entered into the following commitments

| | Not later than 1 year | Later than 1 year and not later than 2 years | Later than 2 years and not later than 5 years | Later than 5 years | Total |
|----------------------------------|--------------------------|---|--|-----------------------|--------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 2010 | | | | | |
| <i>Operating</i> | | | | | |
| Recycling | 190 | 194 | - | - | 384 |
| Garbage collection | 174 | 178 | - | - | 352 |
| Communications | - | - | - | - | - |
| Information systems & technology | 66 | - | - | - | 66 |
| Photocopier management agreement | 22 | 65 | 195 | - | 282 |
| Insurances | 580 | - | - | - | 580 |
| Electricity | 93 | 95 | 300 | - | 488 |
| Motor vehicle leases | - | - | - | - | - |
| Valuation services | 37 | 77 | - | - | 114 |
| Total | 1,162 | 609 | 495 | - | 2,266 |
| <i>Capital</i> | | | | | |
| Roads | 600 | - | - | - | 600 |
| Total | 600 | - | - | - | 600 |
| 2009 | | | | | |
| <i>Operating</i> | | | | | |
| Recycling | 190 | 195 | 622 | - | 1,007 |
| Garbage collection | 193 | 199 | 634 | - | 1,026 |
| Communications | - | - | - | - | - |
| Information systems & technology | 182 | - | - | - | 182 |
| Photocopier management agreement | 62 | 62 | 124 | - | 248 |
| Insurances | 435 | - | - | - | 435 |
| Consultancies | - | - | - | - | - |
| Electricity | 188 | 195 | 210 | - | 593 |
| Motor vehicle leases | 66 | - | - | - | 66 |
| Valuation services | 109 | - | 114 | - | 223 |
| Total | 1,425 | 651 | 1,704 | - | 3,780 |
| <i>Capital</i> | | | | | |
| Roads | 607 | 600 | 600 | - | 1,807 |
| Total | 607 | 600 | 600 | - | 1,807 |

For the Year Ended 30 June 2010

| | 2010 \$'000 | 2009 \$'000 |
|--|----------------|----------------|
| Note 32 | | |
| Operating leases | | |
| Operating lease commitments | | |
| At the reporting date, the Council had the following obligations under non-cancellable operating leases for the lease of equipment and land and buildings for use within Council's activities (these obligations are not recognised as liabilities): | | |
| Not later than one year | 62 | 157 |
| Later than one year and not later than five years | - | - |
| Later than five years | - | - |
| | <u>62</u> | <u>157</u> |

Note 33 Contingent liabilities and contingent assets

Contingent liabilities

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

Contingent Assets

Nil

For the Year Ended 30 June 2010

Note 34

Financial

(a) Accounting Policy, terms and conditions

| Recognised financial instruments | Note | Accounting Policy | Terms and Conditions |
|--|------|---|--|
| Financial assets | | | |
| Cash and cash equivalents | 16 | <p>Cash on hand and at bank and money market call account are valued at face value.</p> <p>Interest is recognised as it accrues.</p> <p>Investments and bills are valued at cost.</p> <p>Investments are held to maximise interest returns of surplus cash.</p> <p>Interest revenues are recognised as they accrue.</p> | <p>Cash on hand is at call and is not interest bearing. Cash at bank returning a floating interest rate of 1.75% (4.25% in 2008/2009). The interest rate at balance date was 6.69% (4.25% in 2008/2009).</p> <p>Interest rate at balance date for term deposits ranged from 4.0% to 6.15% (4.25% to 8.10% in 2008/2009).</p> |
| Trade and other | | | |
| Other debtors | 17 | <p>Receivables are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when collection in full is no longer probable.</p> <p>Collectibility of overdue accounts is assessed on an ongoing basis.</p> | <p>General debtors are unsecured and no interest is charged. Credit terms are based on 30 days.</p> |
| Financial | | | |
| Trade and other payables | 21 | <p>Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date whether or not invoices have been received.</p> | <p>General Creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.</p> |
| Interest-bearing loans and borrowings | 24 | <p>Loans are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and recognised as part of payables.</p> <p>Finance leases are accounted for at their principal amount with the lease payments discounted to present value using the interest rates implicit in the leases.</p> | <p>Borrowings are secured by way of mortgages over the general rates of the Council.</p> <p>The weighted average interest rate on borrowings is 6.055% during 2009/2010 (5.62% in 2008/2009).</p> <p>As at balance date, the Council had no finance leases.</p> |
| Bank overdraft | 24 | <p>Overdrafts are recognised at the principal amount. Interest is charged as an expense as it accrues.</p> | <p>The overdraft is subject to annual review.</p> <p>It is secured by a mortgage over Council's general rates and is repayable on demand.</p> |

For the Year Ended 30 June 2010

Note 34 Financial instruments (cont.)

(b) Interest Rate Risk

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

2010

| | Fixed interest maturing in: | | | | | Total \$'000 |
|------------------------------------|------------------------------|----------------|----------------------|----------------------|-------------------------|-----------------|
| | Floating interest rate | 1 year or less | Over 1 to 5 years | More than 5 years | Non-interest bearing | |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | |
| Financial assets | | | | | | |
| Cash and cash equivalents | (226) | (226) | - | - | 2 | (224) |
| Trade and other receivables | - | - | - | - | 775 | 755 |
| <i>Total financial assets</i> | <u>(226)</u> | <u>(226)</u> | <u>-</u> | <u>-</u> | <u>777</u> | <u>531</u> |
| | 1.75% | 5.80% | | | | |
| Financial liabilities | | | | | | |
| Trade and other payables | - | - | - | - | 1,925 | 1,925 |
| <i>Total financial liabilities</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,925</u> | <u>1,925</u> |
| Weighted average interest rate | | 6.06% | | | | |
| Net financial assets (liabilities) | <u>(226)</u> | <u>(226)</u> | <u>-</u> | <u>-</u> | <u>(1,148)</u> | <u>(1,394)</u> |

2009

| | Fixed interest maturing in: | | | | | Total \$'000 |
|---------------------------------------|-----------------------------|----------------|----------------------|----------------------|-------------------------|-----------------|
| | Floating Interest rate | 1 year or less | Over 1 to 5 years | More than 5 years | Non-interest bearing | |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | |
| Financial assets | | | | | | |
| Cash and cash equivalents | 869 | 2,710 | - | - | 2 | 3,581 |
| Trade and other receivables | - | - | - | - | 448 | 448 |
| <i>Total financial assets</i> | <u>869</u> | <u>2,710</u> | <u>-</u> | <u>-</u> | <u>450</u> | <u>4,029</u> |
| Weighted average interest rate | 5.89% | 5.80% | | | | |
| Financial liabilities | | | | | | |
| Trade and other payables | - | - | - | - | 1,592 | 1,592 |
| Interest-bearing loans and borrowings | - | 119 | 15 | - | - | 134 |
| <i>Total financial liabilities</i> | <u>-</u> | <u>119</u> | <u>15</u> | <u>-</u> | <u>1,592</u> | <u>1,726</u> |
| Weighted average interest rate | | 6.08% | 6.20% | 6.42% | | |
| Net financial assets (liabilities) | <u>869</u> | <u>2,568</u> | <u>(15)</u> | <u>-</u> | <u>(1,127)</u> | <u>2,303</u> |

For the Year Ended 30 June 2010

Note 34 Financial instruments (cont.)

(c) Net Fair Values

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

| Financial Instruments | Total carrying amount as per Balance Sheet | | Aggregate net fair value | |
|---------------------------------------|---|----------------|--------------------------|----------------|
| | 2010 \$'000 | 2009 \$'000 | 2010 \$'000 | 2009 \$'000 |
| Financial assets | | | | |
| Cash and cash equivalents | (224) | 3,581 | (224) | 3,581 |
| Trade and other receivables | 755 | 448 | 755 | 448 |
| <i>Total financial assets</i> | <u>531</u> | <u>4,029</u> | <u>531</u> | <u>4,029</u> |
| Financial liabilities | | | | |
| Trade and other payables | 1,925 | 1,592 | 1,925 | 1,592 |
| Interest-bearing loans and borrowings | - | 134 | - | 134 |
| <i>Total financial liabilities</i> | <u>1,925</u> | <u>1,726</u> | <u>1,925</u> | <u>1,726</u> |

(d) Credit Risk

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

(e) Risks and mitigation

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

Market risk

Market risk is the risk that the fair value or future cash flows of our financial instruments will fluctuate because of changes in market prices.

The Council's exposures to market risk are primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign current risk. Components of market risk to which we are exposed are discussed below:

Interest rate risk

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

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

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

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

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

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

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

For the Year Ended 30 June 2010

Note 34 Financial instruments (cont.)

(d) 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 all financial assets included in our balance sheet. To help manage this risk:

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

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

We may also be subject to credit risk for transactions which are not included in the balance sheet, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in note 31.

| Movement in Provisions for Doubtful Debts | 2010 \$'000 | 2009 \$'000 |
|---|----------------|----------------|
| Balance at the beginning of the year | 15 | - |
| New Provisions recognised during the year | 5 | 15 |
| Amounts already provided for and written off as uncollectible | - | - |
| Amounts provided for but recovered during the year | - | - |
| Balance at end of year | 20 | 15 |

Ageing of Trade and Other Receivables

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

| | 2010 \$'000 | 2009 \$'000 |
|-----------------------------------|----------------|----------------|
| Current (not yet due) | 211 | 297 |
| Past due by up to 30 days | 83 | 14 |
| Past due between 31 and 180 days | 6 | 96 |
| Past due between 181 and 365 days | 6 | 5 |
| Past due by more than 1 year | 148 | 16 |
| Total Trade & Other Receivables | 454 | 428 |

Ageing of individually impaired Trade and Other Receivables

The ageing of Trade and Other Receivables that have been individually determined as impaired at reporting date was:

| | 2010 \$'000 | 2009 \$'000 |
|-----------------------------------|----------------|----------------|
| Current (not yet due) | - | - |
| Past due by up to 30 days | - | - |
| Past due between 31 and 180 days | - | - |
| Past due between 181 and 365 days | - | - |
| Past due by more than 1 year | 41 | 41 |
| Total Trade & Other Receivables | 41 | 41 |

Liquidity risk

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

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

To help reduce these risks we:

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

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

For the Year Ended 30 June 2010

The table below lists the contractual maturities for Financial Liabilities

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

| 2010 | 6 mths | 6-12 | 1-2 | 2-5 | >5 | Contracted | Carrying |
|---------------------------------------|---------|--------|--------|--------|--------|------------|----------|
| | or less | months | years | years | years | Cash Flow | Amount |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Trade and other payables | 1,925 | - | - | - | - | 1,925 | 1,925 |
| Trust funds and deposits | - | 32 | - | - | - | 32 | 32 |
| Interest-bearing loans and borrowings | - | - | - | - | - | - | - |
| Total financial liabilities | 1,925 | 32 | - | - | - | 1,957 | 1,957 |

| 2009 | 6 mths | 6-12 | 1-2 | 2-5 | >5 | Contracted | Carrying |
|---------------------------------------|---------|--------|--------|--------|--------|------------|----------|
| | or less | months | years | years | years | Cash Flow | Amount |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Trade and other payables | 1,592 | - | - | - | - | 1,592 | 1,592 |
| Trust funds and deposits | - | 32 | - | - | - | 32 | 32 |
| Interest-bearing loans and borrowings | 59 | 60 | 15 | - | - | 134 | 134 |
| Total financial liabilities | 1,651 | 92 | 15 | - | - | 1,758 | 1,758 |

(f) Sensitivity disclosure analysis

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

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

The table below discloses the impact on net operating result and equity for each category of financial instruments held by the Council at

| | | Interest rate risk | | | |
|---------------------------------------|--------|-------------------------|--------|------------------------|--------|
| | | -2% 200 basis points | | 1% 100 basis points | |
| | | Profit | Equity | Profit | Equity |
| 2010 | | | | | |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Financial assets: | | | | | |
| Cash and cash equivalents | (224) | (4) | (4) | 2 | 2 |
| Trade and other receivables | 1266 | - | - | - | - |
| Financial liabilities: | | | | | |
| Interest-bearing loans and borrowings | - | - | - | - | - |
| 2009 | | | | | |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Financial assets: | | | | | |
| Cash and cash equivalents | 3,581 | (72) | (72) | 36 | 36 |
| Trade and other receivables | 463 | - | - | - | - |
| Financial liabilities: | | | | | |
| Interest-bearing loans and borrowings | 134 | (2) | (2) | (1) | (1) |

For the Year Ended 30 June 2010

| Note 35 | Auditors' remuneration | 2010 \$'000 | 2009 \$'000 |
|---------|---|----------------|----------------|
| | Audit fee to conduct external audit - Victorian Auditor-General | 48 | 34 |
| | Internal audit fees | 17 | 9 |
| | Fees for other services provided by internal auditor | - | - |
| | | 65 | 43 |

Note 36 Events occurring after balance date

There were significant flood events occurring throughout the Shire in September 2010. The impact of these events are yet to be quantified.

It is anticipated that the flooding will incur additional capital and maintenance expenditure in the 2010/2011 financial year to rectify the damage.

The Shire is insured for these types of events. However, the insurance excess of \$250,000 needs to be exceeded before insurance compensation is received.

It is anticipated that Government assistance will be received to offset some of the additional costs. It is not possible to quantify the level of additional costs to be incurred at this time.

For the Year Ended 30 June 2010

Note 37 Related party transactions

(i) Responsible Persons

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

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

| | |
|--------------------------------|---------------|
| Chief Executive Officer | Warwick Heine |
|--------------------------------|---------------|

(ii) Remuneration of Responsible Persons

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

| | 2010 | 2009 |
|-----------------------|----------|----------|
| | No. | No. |
| \$1 - \$ 9,999 | - | - |
| \$10,000 - \$19,999 | 6 | 6 |
| \$30,000 - \$39,999 | - | 1 |
| \$60,000 - \$79,999 | 1 | - |
| \$170,000 - \$179,999 | 1 | 1 |
| | <u>8</u> | <u>8</u> |

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

| | |
|-----|-----|
| 343 | 271 |
|-----|-----|

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

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

(v) Other Transactions

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

(vi) Senior Officers Remuneration

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

| | 2010 | 2009 |
|---------------|----------|----------|
| | No. | No. |
| Income Range: | | |
| \$<120,000 | 8 | 6 |
| | <u>8</u> | <u>6</u> |

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

| | |
|-----|-----|
| 664 | 537 |
|-----|-----|

For the Year Ended 30 June 2010

Note 38 Income, expenses and assets by function/activities

| | Grant Revenue 2010 \$'000 | Other Revenue 2010 \$'000 | Total 2010 \$'000 | Total 2009 \$'000 |
|---|------------------------------------|------------------------------------|-------------------------|-------------------------|
| INCOME | | | | |
| Rates Revenue | - | 7,395 | 7,395 | 7,180 |
| Corporate Services | 2,847 | 252 | 3,099 | 3,872 |
| Community Services | 1,143 | 441 | 1,584 | 1,653 |
| Economic Services | 144 | 21 | 165 | 80 |
| Assets and Infrastructure | 958 | 1,133 | 2,091 | 1,156 |
| Works and Construction | 12 | 969 | 981 | 1,068 |
| Road Works | 3,031 | - | 3,031 | 7,638 |
| Proceeds from disposal of property, plant and equipment | - | 113 | 113 | 280 |
| Total Revenue as per Income Statement | 8,135 | 10,324 | 18,459 | 22,926 |

| | 2010 \$'000 | 2009 \$'000 |
|---|----------------|----------------|
| EXPENSES | | |
| Corporate Services | 4,846 | 4,069 |
| Community Services | 2,176 | 2,075 |
| Economic Services | 390 | 335 |
| Assets and Infrastructure | 4,330 | 3,284 |
| Works and Construction | 3,568 | 4,118 |
| Road Works | 7,114 | 10,058 |
| Written down value of assets sold | 274 | 57 |
| Total Expenditure as per Income Statement | 22,698 | 23,996 |
| SURPLUS/(DEFICIT) FOR THE YEAR | (4,239) | (1,070) |

Allocation of Assets

Assets have been attributed to the following functions/activities:

| | 2010 \$'000 | 2009 \$'000 |
|---------------------------|----------------|----------------|
| Economic Development | 2,596 | 2,590 |
| Assets and Infrastructure | 132,170 | 136,309 |
| Works and Construction | - | - |
| Community | 3,115 | 2,590 |
| Corporate | 6,910 | 6,894 |
| Recreation & Culture | 34,406 | 33,536 |
| | 179,197 | 181,919 |

For the Year Ended 30 June 2010

| Note 39 | Financial ratios (Performance indicators) | 2010 \$'000 | 2010 (%) | 2009 \$'000 | 2009 (%) | 2008 \$'000 | 2008 (%) |
|---------|---|----------------|-------------|----------------|-------------|----------------|-------------|
| | (a) Debt servicing ratio (to identify the capacity of Council to service its outstanding debt) | | | | | | |
| | <u>Debt servicing costs</u> | 93 | = 0.50% | 13 | = 0.06% | 10 | = 0.05% |
| | Total revenue | <u>18,459</u> | | <u>20,345</u> | | <u>18,400</u> | |
| | Debt servicing costs refer to the payment of interest on loan borrowings, finance lease, and bank overdraft. | | | | | | |
| | The ratio expresses the amount of interest paid as a percentage of Council's total revenue. | | | | | | |
| | (b) Debt commitment ratio (to identify Council's debt redemption strategy) | | | | | | |
| | <u>Debt servicing & redemption costs</u> | 93 | = 1.10% | 185 | = 2.31% | 203 | = 2.64% |
| | Rate Revenue | <u>8,448</u> | | <u>8,013</u> | | <u>7,690</u> | |
| | The strategy involves the payment of loan principal and interest, finance lease principal and interest. | | | | | | |
| | The ratio expresses the percentage of rate revenue utilised to pay interest and redeem debt principal. | | | | | | |
| | (c) Revenue ratio (to identify Council's dependence on non-rate income) | | | | | | |
| | <u>Rate revenue</u> | 8,448 | = 45.77% | 8,013 | = 39.39% | 7,690 | = 41.79% |
| | Total revenue | <u>18,459</u> | | <u>20,345</u> | | <u>18,400</u> | |
| | The level of Council's reliance on rate revenue is determined by assessing rate revenue as a proportion of the total revenue of Council. | | | | | | |
| | (d) Debt exposure ratio (to identify Council's exposure to debt) | | | | | | |
| | <u>Total indebtedness</u> | 4,675 | = 16.08% | 3,724 | = 12.85% | 3,885 | = 12.95% |
| | Total realisable assets | <u>29,082</u> | | <u>28,987</u> | | <u>30,010</u> | |
| | For the purposes of the calculation of financial ratios, realisable assets are those assets which can be sold and which are not subject to any restriction on realisation or ... | | | | | | |
| | Any liability represented by a restricted asset (note 29) is excluded from total indebtedness. | | | | | | |
| | The following assets are excluded from total assets when calculating Council's realisable assets: | | | | | | |
| | Land and buildings on Crown land; restricted assets; heritage assets; total infrastructure assets; and Council's investment in associate. | | | | | | |
| | This ratio enables assessment of Council's solvency and exposure to debt. Total indebtedness refers to the total liabilities of Council. Total liabilities are compared to total realisable assets which are all Council assets not subject to any restriction and are able to be realised. The ratio expresses the percentage of total liabilities for each dollar of realisable assets. | | | | | | |

For the Year Ended 30 June 2010

Note 39 Financial ratios (Performance indicators) (cont.)

| 2010 | 2010 | 2009 | 2009 | 2008 | 2008 |
|--------|------|--------|------|--------|------|
| \$'000 | (%) | \$'000 | (%) | \$'000 | (%) |

(e) Working capital ratio (to assess Council's ability to meet current commitments)

| | | | | | | | | | |
|-----------------------|-------|---|--------|--------------|---|---------|--------------|---|---------|
| <u>Current assets</u> | 2,475 | = | 53.01% | <u>5,452</u> | = | 179.64% | <u>6,795</u> | = | 183.85% |
| Current liabilities | 4,669 | | | 3,035 | | | 3,696 | | |

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

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

| | | | | | | | | | |
|-----------------------|-------|---|--------|--------------|---|---------|--------------|---|---------|
| <u>Current assets</u> | 2,475 | = | 65.03% | <u>5,437</u> | = | 115.75% | <u>6,795</u> | = | 223.81% |
| Current liabilities | 3,806 | | | 4,697 | | | 3,036 | | |

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

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

For the Year Ended 30 June 2010

| | Note | 2010 \$'000 | 2009 \$'000 |
|----------------------------------|------|----------------|----------------|
| Note 40 | | | |
| Capital expenditure | | | |
| Capital expenditure areas | | | |
| Roads | | 3,120 | 3,504 |
| Drainage | | - | 36 |
| Land and Buildings | | 1,624 | 940 |
| Plant and equipment | | 1,124 | 1,369 |
| Furniture and equipment | | 219 | 414 |
| Landfills | | 15 | 22 |
| Other infrastructure | | 542 | 223 |
| Total capital works | | 6,644 | 6,508 |
| Represented by: | | | |
| Asset renewal | | 4,824 | 4,942 |
| Asset upgrade | | 1,065 | 381 |
| Asset expansion | | 755 | 1,185 |
| Total capital works | | 6,644 | 6,508 |

Property, plant and equipment, infrastructure movement

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

| | | | |
|--|-----------|--------------|------------|
| Total capital works | | 6,644 | 6,508 |
| Asset revaluation movement | 20 | 1,118 | 204 |
| Depreciation/amortisation | 12 | (6,340) | (6,174) |
| Written down value of assets sold | 20 | (274) | (57) |
| Impairment Losses | 20 | - | - |
| Transfers | 20 | - | - |
| Movement in Present Value | 20 | - | - |
| Net movement in property, plant and equipment, infrastructure | 20 | 1,148 | 481 |

(a) Renewal

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

(b) Upgrade

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

(c) Expansion

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

For the Year Ended 30 June 2010

Note 41 **Special committees and other activities**

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

In my opinion the accompanying financial statements have been prepared in accordance with the Local Government Act 1988, the Local Government (Finance and Reporting) Regulations 2004, Australian Accounting Standards and other mandatory professional reporting requirements.



William Ryan (B Bus.)
Principia Accounting Officer

Date: 29/09/2010
Hydroproof

In our opinion the accompanying financial statements present fairly the financial transactions of Buloke Shire Council for the year ended 30 June 2010 and the financial position of the Council as at that date.

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

We have been authorised by the Council on 29th September 2010 to certify the financial statements in their final form.



Leo Thompson
Mayor

Date: 29/09/2010
Hydroproof



Councillor David Pollard
Councillor

Date: 29/09/2010
Hydroproof



Warwick Meena
Chief Executive Officer

Date: 29/09/2010
Hydroproof

BULOKE SHIRE COUNCIL
STANDARD INCOME STATEMENT
For the Year Ended 30 June 2010

| | Actual 2010 \$'000 | Budget 2010 \$'000 | Variances \$'000 | % | REF |
|---|--------------------------|--------------------------|-----------------------|--------------|-----|
| REVENUES | | | | | |
| Rates and Charges | 7,625 | 7,591 | 34 | - | |
| Government Grants | 8,135 | 6,781 | 1,354 | 20 | 1 |
| Interest | 106 | 149 | (43) | (29) | 2 |
| Internal Plant hire | - | 3,348 | (3,348) | (100) | 3 |
| Statutory Fees and User Charges | 1,424 | 1,510 | (86) | (6) | |
| Other | 1,330 | 1,240 | 90 | 7 | |
| Revenues from ordinary activities | <u>18,620</u> | <u>20,619</u> | <u>(1,999)</u> | <u>(10)</u> | |
| EXPENSES | | | | | |
| Employee Costs | 10,051 | 8,129 | 1,922 | 24 | 4 |
| Materials and Consumables | 4,245 | 4,194 | 51 | 1 | |
| Bad and Doubtful Debts | 7 | 24 | (17) | (71) | 5 |
| External Contracts | 1,504 | 1,335 | 169 | 13 | 6 |
| Utilities | 495 | 305 | 190 | 62 | 7 |
| Internal Plant hire | - | 1,603 | (1,603) | (100) | 8 |
| Borrowing costs | 39 | 12 | 27 | 225 | 9 |
| Depreciation | 6,340 | 5,853 | 487 | 8 | 10 |
| Other | 17 | 825 | (808) | (98) | 11 |
| Expenses from ordinary activities | <u>22,698</u> | <u>22,280</u> | <u>418</u> | <u>2</u> | |
| Net Surplus (Deficit) from Operations | <u>(4,078)</u> | <u>(1,661)</u> | <u>(2,417)</u> | 146 | |
| Proceeds from Sale of assets | 113 | 350 | (237) | (68) | |
| Written Down Value of assets sold | 274 | 130 | 144 | (110) | |
| Net gain on disposal of property, plant infrastructure and equipment | <u>(161)</u> | <u>220</u> | <u>(381)</u> | (173) | |
| Surplus/(deficit) for the year | <u>(4,239)</u> | <u>(1,411)</u> | <u>(2,798)</u> | 198 | |

STANDARD INCOME STATEMENT
COMPARISON REPORT
YEAR ENDED 30 JUNE 2010

Variation Explanation Report

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

| Ref | Item | Revenues |
|-----|------------------------|---|
| 1 | Government Grants | Government grants were significantly greater than budget expectations. These included advance payment of the Victorian Grants Commission funding for the first quarter of the 2010/2011 year in the current year. This prepayment of \$1.17 million significantly increased grant revenue but was outside Council control and could not be anticipated with any certainty. Council also received more capital grants than originally forecast. |
| 2 | Interest | Interest is less than forecast due to the tighter than anticipated cash flow situation experienced during the year. This resulted in substantially less funds being held in interest bearing accounts to generate the budgeted income level. |
| 3 | Internal Plant Hire | Revenue for internal plant hire was budgeted but this was considered to be an internal charge by audit and was eliminated in the accounts. This is a change in accounting treatment from previous years. |
| 4 | Employee Costs | <p>Employee cost were 23.64% over budget for the year. This variance was attributable to a number of factors. These included:</p> <ul style="list-style-type: none"> - An increase in long service leave provisions to align the liability with the changing probability of this leave being taken as Council's workforce ages and more and more employees become eligible for long service leave. - An increase in annual leave provision occurred following a review of actual leave taken over the past two years. <p>This review showed that the anticipated leave taken was less than what the budget expectations predicted. This additional expense was taken up to better reflect the historical trend.</p> <ul style="list-style-type: none"> - Back pay of \$415 k was paid for wages relating to the prior year as a result in the delayed adoption of the Council's enterprise bargaining agreement. - The method of paying leave loading was changed during the year and staff were paid all outstanding accrued loading in December 2009. - Previously loading was paid when leave was taken. This resulted in a one off payment of \$112k to bring balances in line with the new policy. <p>A smaller proportion of labour was charged to capital projects than anticipated. The system of charging labour to capital jobs is to be reviewed as it appears not all capital costs are being correctly allocated at an operational level.</p> |
| 5 | Bad and Doubtful Debts | <p>Better collection results were achieved during the year with over \$40k of long term debt being recovered through successful negotiations with the debtors.</p> <p>Council also notified a number of long outstanding rates debtors that their properties would be sold if rates were not paid.</p> <p>This resulted in a number of the outstanding accounts being paid.</p> |
| 6 | External Contracts | <p>External Contracts showed a negative variance against budget of \$169k. This was due to increased works being carried out to complete the Heritage overlay works.</p> <p>Additional contracting expenses were incurred to complete works normally performed by internal staff due to illness and premature retirement.</p> |
| 7 | Utilities | Utilities costs showed an unfavourable variance of \$190k due to greater than anticipated increases in electricity tariffs and higher than expected telephone usage costs. |
| 8 | Internal Plant Hire | The internal plant hire charges "from internal charges" were reversed to align the treatment of this expense with the changed treatment of internal plant revenue as requested by the auditors. |
| 9 | Borrowing Costs | The \$27k negative variance in borrowing costs was due to Council being in an overdraft situation for longer than anticipated during the year. |
| 10 | Depreciation | The \$487k negative variance in depreciation charges was partially due to a substantial amount of plant being bought in the early months of the year rather than later in the year as budgeted. |
| 11 | Other | <p>Other expenses were showed a significant positive variance of \$808k. These cost were transferred to other expense areas following a review of account allocations at the end of the financial year.</p> <p>The most significant transfers were made to Employee costs. This change in allocation was a significant contributing factor to the increase in employee cost expenses.</p> |

BULOKE SHIRE COUNCIL
STANDARD BALANCE SHEET AS AT 30 June 2010

| | Actual 2010 \$'000 | Budget 2010 \$'000 | Variances | |
|---|--------------------------|--------------------------|----------------|-------------|
| | | | \$'000 | % |
| CURRENT ASSETS | | | | |
| Cash assets | 735 | 1,305 | (570) | (44) |
| Receivables | 1,246 | 907 | 339 | 37 |
| Other Assets | 368 | 524 | (156) | (30) |
| Other financial assets | 126 | 150 | (24) | (16) |
| Total current assets | 2,475 | 2,886 | (411) | (14) |
| NON CURRENT ASSETS | | | | |
| Receivables | - | 6 | (6) | (100) |
| Investments in associates | 162 | 143 | 19 | 13 |
| Property, Infrastructure, Plant and Equipment | 176,626 | 176,473 | 153 | - |
| Total non-current Assets | 176,788 | 176,622 | 166 | - |
| TOTAL ASSETS | 179,263 | 179,508 | (245) | - |
| CURRENT LIABILITIES | | | | |
| Payables | 1,925 | 1,049 | 876 | 84 |
| Trust Funds | 32 | 73 | (41) | (56) |
| Provisions | 1,753 | 1,933 | (180) | (9) |
| Interest bearing liabilities | 959 | - | 959 | - |
| Total current liabilities | 4,669 | 3,055 | 1,614 | 53 |
| NON CURRENT LIABILITIES | | | | |
| Provisions | 1,382 | 1,188 | 194 | 16 |
| Interest bearing liabilities | - | - | - | - |
| Total non current liabilities | 1,382 | 1,188 | 194 | 16 |
| TOTAL LIABILITIES | 6,051 | 4,243 | 1,808 | 43 |
| NET ASSETS | 173,212 | 175,265 | (2,053) | (1) |
| EQUITY | | | | |
| Accumulated surplus | 46,059 | 48,084 | (2,025) | (4) |
| Asset Revaluation Reserves | 127,153 | 127,181 | (28) | - |
| TOTAL EQUITY | 173,212 | 175,265 | (2,053) | (1) |

**BULOKE SHIRE COUNCIL
STANDARD BALANCE SHEET
COMPARISON REPORT
YEAR ENDED 30 JUNE 2010**

Variation Explanation Report

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

| Ref | Item | Commentary |
|------------|---|---|
| 12 | Cash assets | The lower than anticipated cash reserves are due to a greater than anticipated expenditure on operating costs. |
| 13 | Current Receivables | Variance due primarily due grant funding for completed projects not being received as anticipated in the budget. |
| 14 | Other Assets | There was no accrued income provisions required to be made at year end as in previous years resulting in a negative variance of \$156k. |
| 15 | Other financial assets | Decrease due to a reduction in inventories resulting from improved inventory management. |
| 16 | Non Current Receivables | The variance is due the payment of an outstanding property sold on terms agreement that was not expected to be finalised in the budget. |
| 17 | Investments in associates | Positive variance of \$19k due to better than anticipated increase in Council's equity in the Wimmera Regional Library Corporation. \$13,384k greater increase than budget estimate. |
| 18 | Property, Plant, Equipment and Infrastructure | Positive Variance of \$153k due to net effect of increase in valuation of land and buildings and acquisition of assets being in excess of depreciation and disposals as forecast in the budget. |
| 19 | Trust Funds | Variance of \$41k due to more projects being completed and acquitted during the year than budgeted. |
| 20 | Current Provisions | The positive variance of \$180k in provisions is due to the reallocation of provisions from current to non current in comparison to budget forecast. |
| 21 | Interest bearing liabilities | The \$959k variance is due Council being in an unbudgeted overdraft situation due to higher than anticipated operating expenses being incurred. |
| 22 | Non Current Provisions | The \$194k increase in non current provisions is due to the movement of previously classified current annual leave provisions to non current following the review of historical trends. |

BULOKE SHIRE COUNCIL
STANDARD STATEMENT OF CASH FLOWS
For the Year Ended 30 June 2010

| | Actual 2010 \$'000 | Budget 2010 \$'000 | Variations \$'000 | % | Ref. |
|--|--------------------------|--------------------------|----------------------|--------------|------|
| Receipts | | | | | |
| General Rates | 7,709 | 7,323 | 386 | 5 | 23 |
| Operating grants and contributions | 4,252 | 3,231 | 1,021 | 32 | 24 |
| Capital grants and contributions | 3,883 | 3,550 | 333 | 9 | 25 |
| Interest | 45 | 149 | (104) | (70) | 26 |
| User charges & Statutory Fees | 1,448 | 1,537 | (89) | (6) | |
| Other revenue | 1,308 | 4,519 | (3,211) | (71) | 27 |
| Total Receipts | 18,645 | 20,309 | (1,664) | (8) | |
| Payments | | | | | |
| Employee costs | (9,603) | (7,695) | (1,908) | 25 | 28 |
| Materials and consumables | (3,483) | (4,003) | 520 | (13) | 29 |
| External contracts | (1,503) | (1,335) | (168) | 13 | 30 |
| Net GST refund/payment | (336) | - | (336) | - | |
| Utilities | (495) | (305) | (190) | 62 | 31 |
| Finance costs | (93) | (12) | (81) | 675 | 32 |
| Other expenses | (365) | (2,304) | 1,939 | (84) | 33 |
| Total Payments | (15,878) | (15,654) | (224) | 1 | |
| Net cash provided by operating activities | 2,767 | 4,655 | (1,888) | (41) | |
| Cash Flows from Investing Activities | | | | | |
| Proceeds from Sale of Property, Plant and Equipment | 113 | 490 | (377) | (77) | 34 |
| Repayment of Loans and Advances | - | 10 | (10) | (100) | 35 |
| Payments for Property, Plant and Equipment | (7,706) | (7,332) | (374) | 5 | 36 |
| Net Cash Provided in Investment Activities | (7,593) | (6,832) | (761) | 11 | |
| Cash Flows from Financing Activities | | | | | |
| Finance costs | - | - | - | - | |
| Repayment of Borrowings | - | (120) | 120 | (100) | |
| Net Cash Inflow (Outflow) from Financing Activities | - | (120) | 120 | (1) | |
| Net Increase (Decrease) in cash and cash equivalents | (4,826) | (2,297) | (2,529) | 110 | |
| Cash and cash equivalents at beginning of year | 4,602 | 3,602 | 1,000 | 28 | |
| Cash and cash equivalents at end of the period | (224) | 1,305 | (1,529) | (117) | |

**BULOKE SHIRE COUNCIL
STANDARD STATEMENT OF CASH FLOWS
COMPARISON REPORT
YEAR ENDED 30 JUNE 2010**

Variation Explanation Report

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

| Ref | Item | Commentary |
|-----|---|---|
| 23 | General Rates | General rates showed a positive variance over budget projections of \$386k due to changes in value of rateable properties. |
| 24 | Operating grants and contributions | Council received an advance payment of the Victorian Grants Commission allocation for the first quarter of the 2010/2011 financial year in June 2010. This resulted in the large variance of \$1 million in comparison to budget. |
| 25 | Capital Grants and Contributions | Capital grants and contributions showed a positive variance against budget of \$333k due to more successful grants being received than forecast in the original budget. |
| 26 | Interest | Interest revenue was \$104 down on budget projections due to the higher than anticipated operating deficit restricting the term and amount of funds that could be invested to generate interest income. |
| 27 | Other revenue | Other revenue showed a \$3.2 million negative variance against budget due to the reversal of plant income that was budgeted for but not booked as it was deemed to be an internal charge. This change was made as an audit directive. The revenue variance is substantially offset by a similar reduction in expenses . |
| 28 | Employee costs | Employee costs were 24.80% greater than budget. This variance is due to the increase in expenses relating to back pay, leave loading payouts and the reallocation of expenses to employee costs from other budget areas, |
| 29 | Materials and consumables | Variance of \$969k due to non-payment of June invoices at 30/06/2010. |
| 30 | External contracts | Materials and consumables showed a positive variance of \$520k as a result of depletion of inventory holdings and the inability to do road works as budgeted as a result of wet climatic conditions. |
| 31 | Utilities | Utilities showed a \$190k in comparison to budget as a result of increased electricity tariffs in excess of budget projections and increased telephone usage costs. |
| 32 | Finance Costs | Finance costs were \$81k more than budget due to the greater use of overdraft facilities due to higher than anticipated operating costs. |
| 33 | Other Expenses | Other expenses positive variance of \$1,939k is directly related to the change in internal plant hire revenue and the subsequent adjustments to plant hire expenses to maintain accounting conformity. |
| 34 | Proceeds from Sale of Property, Plant and Equipment | Proceeds from sale of property plant and equipment were \$377k less than budget due to a reduction in funds received from plant sales than those expected in the budget. Additionally, the sale of the industrial shed in Wycheproof industrial estate has been deferred until 2010/2011 but was budgeted in 2009/2011. |
| 35 | Loans and Advances | Shire received \$10k more in repayment of advances, than was anticipated. |
| 36 | Payments for Property, plant and Equipment | Actual payments were above expectations as payments were made for a number of substantial plant items that were budgeted for in the previous year but were not delivered until 2009/2011. This resulted in a variance of \$374k or 5.1% |

**BULOKE SHIRE COUNCIL
STANDARD STATEMENT OF CAPITAL WORKS
YEAR ENDED 30 JUNE 2010**

| CAPITAL WORKS AREA | Actuals | Budget | Variances | | Ref |
|----------------------------|--------------|--------------|------------|----------|-----|
| | 2010 | 2009/2010 | \$ | % | |
| | \$ | \$ | \$ | % | |
| Roads | 3,120 | 3,380 | 260 | 8 | 1 |
| Plant and Equipment | 1,124 | 1,197 | 73 | 6 | |
| Buildings | 1,624 | 1,805 | 181 | 10 | 2 |
| Drainage | - | 515 | 515 | 100 | 3 |
| Landfills | 15 | 34 | 19 | 56 | 4 |
| Furniture and Equipment | 219 | 217 | (2) | (1) | |
| Other Infrastructure | 542 | 105 | (437) | (416) | 5 |
| Total Capital Works | 6,644 | 7,253 | 609 | 8 | |
| Represented by : | | | | | |
| Renewal | 4,824 | 5,262 | 438 | 8 | |
| Upgrade | 1,065 | 866 | (199) | (23) | |
| New assets | 755 | 1,125 | 370 | 33 | |
| Total Capital Works | 6,644 | 7,253 | 609 | 8 | |

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

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

| | | | | |
|---|--------------|--------------|------------|-----------|
| Total capital works | 6,644 | 7,253 | 609 | 8 |
| Asset revaluation movement | 1,118 | - | (1,118) | - |
| Depreciation | (6,340) | (5,853) | 487 | (8) |
| Written down value of assets sold | (274) | 270 | 544 | 201 |
| Movement in present value | - | - | - | - |
| Transfers | - | - | - | - |
| Net movement in property, plant and equipment and infrastructure | 1,148 | 1,670 | 522 | 31 |

**BULOKE SHIRE COUNCIL
STANDARD STATEMENT OF CAPITAL WORKS
COMPARISON REPORT
YEAR ENDED 30 JUNE 2010**

Variation Explanation Report

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

| Ref | Item | Commentary |
|------------|----------------------|--|
| 1 | Roads | Interruptions to the roads capital works program due to wet conditions over summer resulted in less than budgeted outlays. |
| 2 | Buildings | Inability to obtain materials and trades delayed some projects beyond the year end. |
| 3 | Drainage | Scheduled drainage projects were deferred. |
| 4 | Landfill | Fewer cells at landfill sites have been opened than was anticipated. |
| 5 | Other Infrastructure | Storm water reuse projects for Charlton and Donald were undertaken instead of the drainage works. |

BULOKE SHIRE COUNCIL

**Notes to the Financial Report
for the year ended 30 June 2010**

Notes to the Standard Statements

1(a). Basis of preparation of Standard Statements

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

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

The Standard Statements are not a substitute for the General Purpose Financial Statements, which are included on pages 1 to 4 of the Annual Report. They have not been prepared in accordance with all Australian Accounting Standards or other authoritative Professional Pronouncements.

The Standard Statements compare council's financial plan, expressed through its budget, with actual performance. The **Local Government Act 1989** requires explanation of any material variances. The Council has adopted a materiality threshold of 10% variance or \$100,000.

The budget figures included in the Statements are those of the budget, adopted by Council on 28 July 2009. The budget was based on assumptions that were relevant at the time of adoption of the budget. The Council set guidelines and parameters for revenue and expense targets in this budget in order to meet council's business plan and financial performance targets for both the short and long term.

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

The Standard Income Statement compares the actual result, with the Budget for 2009/2010, while the Income Statement has been prepared to give a comparison with the previous year.

Consequently some line items have the same description while actual figures in one statement may not agree with the other. Major Variances are listed below:

| | Standard Statement | | Financial Statement |
|-------------------------------|---------------------------|--|--|
| | \$'000 | | \$'000 |
| Rates and Charges | 7,625 | | 8,448 |
| User Charges & Statutory Fees | 1,424 | | 627 |
| | | | Garbage charges included with rates on Financial Statement |
| | | | Garbage charges included with rates on Financial Statement |

This note also applies to the Standard Statement of Cash Flows. The other major variance in the Standard Statement of Cash Flows, is that GST has not been included on the relevant items on the Standard Statement. This is included as part of Government Receipts.

CERTIFICATION OF THE STANDARD STATEMENTS

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



William Andrew Ryan (B.Bus.)
Principal Accounting Officer

Date: 29 September 2010
Wycheproof

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

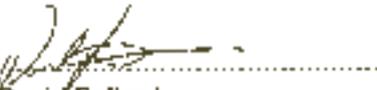
As at the date of signing, we are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

We have been authorised by the Council on 29 September 2010, to certify the standard statements in their final form.



Leo Telford
Mayor

Date: 29 September 2010
Wycheproof



David Pollard
Councillor

Date: 29 September 2010
Wycheproof



Warwick Helne
Chief Executive Officer

Date: 29 September 2010
Wycheproof

VAGO

Victorian Auditor-General's Office

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Buloke Shire Council

The Financial Report and Standard Statements

The accompanying financial report for the year ended 30 June 2010 of Buloke Shire Council which comprises of comprehensive income statement, balance sheet, statement of changes in equity, cash flow statement, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the Certification of the Financial Report has been audited.

The accompanying standard statements for the year ended 30 June 2010 of the Council which comprises of standard income statement, standard balance sheet, standard statement of cash flows, standard statement of capital works, the related notes and the Certification of the Standard Statements have been audited.

The Councillors' Responsibility for the Financial Report and Standard Statements

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

- the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the financial reporting requirements of the *Local Government Act 1989*
- the standard statements in accordance with the basis of preparation as described in note 1 of the statements and the requirements of the *Local Government Act 1989*.

This responsibility includes:

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

Auditor's Responsibility

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

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

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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

Auditing in the Public Interest

VAGO

Victorian Auditor-General's Office

Independent Auditor's Report (continued)

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

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

This auditor's report relates to the financial report and standard statements published in both the annual report and on the website of Buloke Shire Council for the year ended 30 June 2010. The Councillors of Buloke Shire Council are responsible for the integrity of the website. I have not been engaged to report on the integrity of the website. The auditor's report refers only to the statements named above. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on Buloke Shire Council website.

Independence

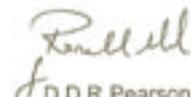
The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with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

Auditor's Opinion

In my opinion:

- (a) the financial report presents fairly, in all material respects, the financial position of Buloke Shire Council as at 30 June 2010 and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations), and the financial reporting requirements of the *Local Government Act 1989*.
- (b) The standard statements present fairly, in all material respects, in accordance with the basis of preparation as described in note 1 to the statements and comply with the requirements of the *Local Government Act 1989*.

MELBOURNE
29 September 2010


D D R Pearson
Auditor-General

2

Level 24, 35 Collins Street, Melbourne Vic. 3000

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Auditing in the Public Interest

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

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

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

ANNUAL MEASURES AND TARGETS

Listed on the following pages are Council's strategic objectives, strategic statements, indicators and activities for 2009 – 2010.

How we have measured our indicators:

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

STRATEGIC OBJECTIVES, STRATEGIES, STRATEGIC INDICATORS & PERFORMANCE MEASURES FOR 2009-2010

1. Our Community

Strategic Statements:

A Buloke community where people of all ages, backgrounds and abilities, are embraced and supported and can access the Council services they need to help live happy and fulfilling lives.

A Buloke community connected and involved in shaping decisions that affect them.

| 2009-2010 Strategic Indicator | Performance Measure | Performance Target | Outcome | Status |
|---|--|---------------------------|----------------|-------------------------|
| Community satisfaction with Council's overall performance | Maintain Satisfaction | 70 | 69 | Target not met |
| Community satisfaction with Council's engagement in decision making on key local issues | Maintain satisfaction | 70 | 68 | Target not met |
| Increase in the annual number of visits recorded to Council's website | Increase site visitation | 6,205 | 10,287 | Target met and exceeded |
| Average number of Home and Community Care hours of service provided per month | Increase in annual hours of service | 1,250 | 1,397 | Target met and exceeded |
| Community satisfaction with Health and Human Services | Maintain satisfaction | 76 | 76 | Target met/achieved |
| Number of grants applied for or facilitated by Council staff annually | Number of grant applications maintained or increased | 42 | 47 | Target met and exceeded |
| Total value of grants applied for or facilitated by Council staff annually | Value of grant applications maintained or increased | \$8.268 M | \$8.254 M | Target not met |

2. Our Local Economy

Strategic Statements:

A local economy in which the contribution of the agricultural sector and business sector is recognised and their continued growth actively encouraged and supported.

A local economy in which new investment and new employment opportunities are actively encouraged and supported.

| 2009-2010 Strategic Indicator | Performance measure | Performance Target | Outcome | Status |
|--|--|-----------------------|-------------|--|
| Number of jobs in Buloke | Number of jobs maintained or increased | 2,646 | 2,646 | Target met (based on 2006 Census data) |
| Number of local workforce employed in Buloke jobs. | %of local workforce employed in Buloke maintained or increased | 2,403 | 2,403 | Target met (based on 2006 Census data) |
| Number of regional workforce employed in Buloke jobs. | %of local workforce from within the region maintained or increased | 243 | 243 | Target met (based on 2006 Census data) |
| Community satisfaction with Economic Development | Maintain satisfaction | 62 | 63 | Target met |
| Total participants in local economy support events | Number of participants maintained | 350 | 360 | Target met (7 events held) |
| Level of commercial and industrial development within the Shire of Buloke (\$) | Value of building approvals maintained or increased | \$2.194 M | \$4,170,803 | Target met (22 Commercial and Industrial Building Approvals) |

3. Our Built Environment

Strategic Statements:

A Shire planned to meet the current and future needs of the agricultural sector while maintaining and enhancing its natural environment.

A Shire where roads, drains and public spaces, community facilities, parks and other essential infrastructure are fit for purpose, well maintained and contribute to the well-being of the community.

| 2009-2010 Strategic Indicator | Performance measure | Performance Target | Outcome | Status |
|---|--|--------------------|---------|---|
| Community satisfaction with town planning and policy approvals | Maintain satisfaction | 67 | 68 | Target met |
| Community satisfaction with recreational facilities | Maintain satisfaction | 71 | 71 | Target met |
| Customer satisfaction with local roads and footpaths | Maintain satisfaction | 55 | 54 | Target not met |
| Community satisfaction with the appearance of public areas | Maintain satisfaction | 72 | 73 | Target met |
| 100% of planning applications processed within the statutory limit | No applications outside of statutory limit | 100% | 90% | Target not met (7 permits over 60 days) |
| Average number of Service Requests and Work Orders received per month | Number of requests received increased | 211 | 380 | Target met |

4. Our Natural Environment

Strategic Statements:

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

| 2009-2010 Strategic Indicator | Performance measure | Performance Target | Outcome | Status |
|---|--|--|---|----------------|
| Town garbage collection, measured as kilograms per household | Decrease in kilograms collected per household | 730 | 522.480 kilograms | Target met |
| Recyclables collection, measured as kilograms per household | Increase in kilograms collected from household | 291 | 260.995 kilograms | Target not met |
| Energy – MW Water – ML LPG – L Petrol – L Diesel – L usage figures | Reduction in energy, water, petrol, Diesel and LPG gas usage | Energy – 0.267500 MW Water – 0.65500 ML Petrol – 79,184 L Diesel – 476,969 L LPG – 61,336 L | Energy –1.046.192 MW Water – .68257 ML Petrol – 60,903 L Diesel – 440,262 L LPG – 53,796 L | Target not met |

5. Our People and Organisation

Strategic Statements:

An organisation that is responsive to the evolving needs of the community.

An organisation that is responsibly governed with a strong emphasis on astute financial and risk management.

An organisation that values and supports the development of its people and strives to be an employer of choice.

| 2009-2010 Strategic Indicator | Performance measure | Performance Target | Outcome | Status |
|--|--|--------------------|---------|----------------|
| Conduct regular Audit committee meetings | Minimum 4 meetings per annum | 4 | 5 | Target met |
| Level of rates levied (rates per assessment) compared with neighbouring municipalities | Current ratio maintained or reduced | 102% | 114% | Target met |
| Community satisfaction with the advocacy performance of Council | Maintain satisfaction | 72 | 71 | Target not met |
| Community satisfaction with Council's interaction and responsiveness in dealing with the public | Maintain satisfaction | 78 | 78 | Target met |
| Number of workforce entry level positions (traineeships, apprenticeships, students and graduates) created annually | Number of positions available annually maintained or increased | 8 | 6 | Target not met |

CERTIFICATION OF PERFORMANCE STATEMENT

In our opinion the accompanying performance statement of the Buloke Shire Council in respect of 2009/2010 financial year, is presented fairly and in accordance with the Local Government Act 1989.

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

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



William Andrew Ryan (B.Bus)
Principal Accounting Officer
Date: 29 September 2010.
Wycheproof



Leo Tellefson
Mayor
Date: 29 September 2010.
Wycheproof



David Pollard
Councillor
Date: 29 September 2010.
Wycheproof



Warwick Heine
Chief Executive Officer
Date: 29 September 2010.
Wycheproof

VAGO

Victorian Auditor-General's Office

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Buloke Shire Council

The Performance Statement

The accompanying performance statement for the year ended 30 June 2010 of Buloke Shire Council which comprises the statement, the related notes and the Certification of Performance Statement has been audited.

The Councillors' Responsibility for the Performance Statement

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

Auditor's Responsibility

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

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

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

Matters Relating to the Electronic Presentation of the Audited Performance Statement

This auditor's report relates to the performance statement published in both the annual report and on the website of Buloke Shire Council for the year ended 30 June 2010. The Councillors are responsible for the integrity of the website. I have not been engaged to report on the integrity of the website. The auditor's report refers only to the statements named above. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited performance statement to confirm the information included in the audited performance statement presented on Buloke Shire Council website.

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Auditing in the Public Interest

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Victorian Auditor-General's Office

Independent Auditor's Report (continued)

Independence

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

Auditor's Opinion

In my opinion, the performance statement of Buloke Shire Council in respect of the 30 June 2010 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

MELBOURNE
29 September 2010


J D R Pearson
Auditor-General

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Auditing in the Public Interest



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