

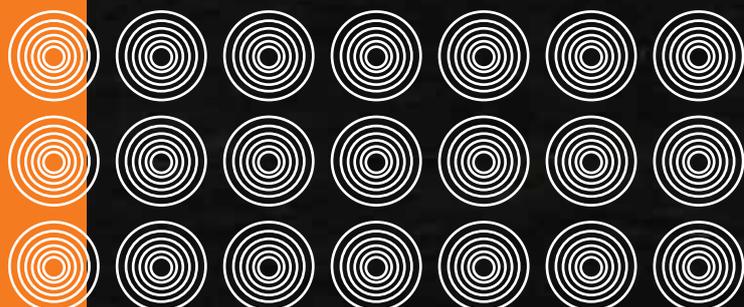
# ANNUAL REPORT

2017-2018

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Cover Photo: Lake Tyrrell, supplied by Rohan Mott.



# INTRODUCTION

## SNAPSHOT OF COUNCIL

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

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

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

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

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

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

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



# OUR VISION

SHAPING OUR FUTURE TOGETHER

# OUR VALUES

COUNCIL ADDRESSES ITS  
KEY VALUES THROUGH:

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



# HIGHLIGHTS FOR THE YEAR



The highlights for the 2017/18 year are presented under the themes of the Council Plan 2017 -2021 and are reflective of the consistent effort and delivery across the whole year as Council achieved the Annual Plan – Year 1.

1

## DELIVER OUR SERVICES IN A FINANCIALLY VIABLE WAY

1

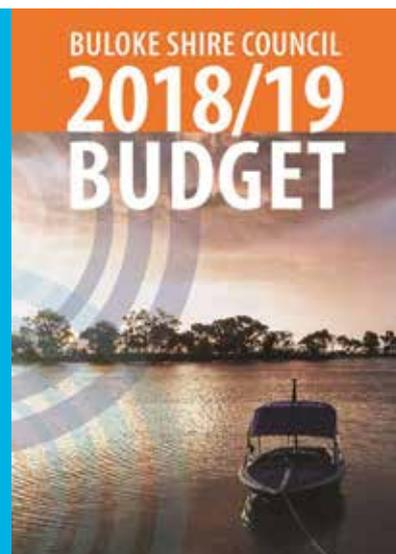
Federal Member for Mallee Andrew Broad MP formally announced funding of \$90,000 for the Building Buloke 2030 project under Round 1 of the Federal Government's Building Better Regions Fund. The project, which continued into the new financial year, saw Council work with communities to update current community plans with a focus on liveability and economic development in the current rural environment. The project was nearing completion at the time of reporting.

2

Buloke Shire Council had its first Officer for the Protection of the Local Environment (OPLE) commence work in October. The OPLE program addresses small-scale pollution reports which are currently not being comprehensively addressed by either by Council or the Environment Protection Authority Victoria.

3

Council adopted its Annual Budget 2018/19 at a Special Meeting of Council held in June. The budget was built around a 2% rate rise, which was below the rate cap of 2.25% set by the Essential Services Commission. Council took into account the submissions from the community and altered the farm rate differential to 88%.



4

## ROAD UPGRADES

### SEALED ROADS

38.4  
KMS

OF RESEALING WORKS

8.5  
KMS

OF SEALED ROAD RECONSTRUCTION

### GRAVEL ROADS

20.9  
KMS

OF GRAVEL ROAD RENEWALS.



5



# BUILD A HEALTHY AND ACTIVE COMMUNITY

5

With funding from the VicHealth Walk to School Local Area Marketing program, Council ran a “Design a Shoe” competition to help spread the ‘get active’ message and create some fun interaction around the benefits of walking to school.

The overwhelming response saw 380 entries received with many school groups jumping on board. Students aged 12 years or below and living or attending school in the Buloke Shire were asked to Design a Shoe using the provided template with a Buloke theme.

The overall winner was Oliver McPhee of Charlton.

6

During NAIDOC Week 2017 Council’s Aged and Disability Services staff found many ways to mark the occasion whilst working with a large number of clients.



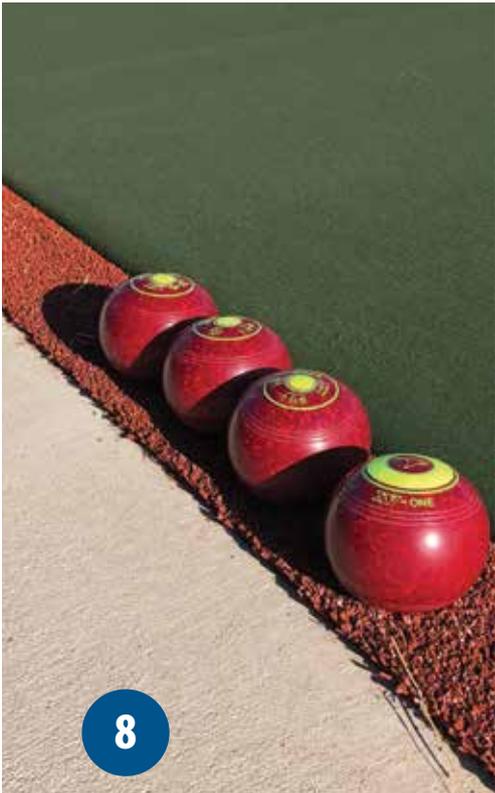


7

The Volunteer Strategy was developed as part of Council's commitment to supporting our volunteers. Over 46% of Buloke residents actively engage in volunteering, that is more than twice the state average! The document outlines Council's commitment to volunteers. Council is involved with volunteers in a range of areas and functions and the strategy underlines Council's commitment to continue and strengthen that support.

8

The Berriwillock Bowling Green Redevelopment project was completed in May. The project saw the installation of a new synthetic bowling green as part of the Berriwillock Community Centre precinct. In addition to that of Council, the project enjoyed support from the Australian Government's Drought Communities Program, the State Government's Sustainable Water Fund and the Berriwillock Bowling Club.



9



9

Member for Mallee Andrew Broad was on hand to officially open the Wycheproof Pool Change Rooms redevelopment. The \$600,000 project was a highly successful partnership between all three levels of government and the community.

The project delivered new unisex change rooms, new accessible family change room, new office/kiosk space, solar heating of the pool, ground irrigation system and improved linkage to the recreation reserve.

10

Council has been working with the North Central Local Learning and Employment Network as part of the Engage! Youth Program to give local young people the opportunity to present to Council each month. This ongoing arrangement has given avenues to young people right across Buloke to work on many skills whilst giving Councillors a great perspective on the lives of our next generation.

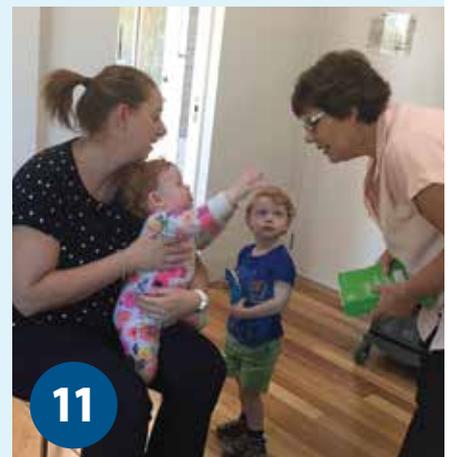
11

Council staff once again achieved a 100% immunisation coverage rate across Buloke Shire.

Council's immunisation nurses work tirelessly to ensure that all children who are eligible to be immunised can receive their vaccinations and are provided with protection against all vaccine preventable diseases.



10



11

12

Home games for Nullawil and Sea Lake Nandaly were the perfect backdrop for the official openings of sporting facility upgrades at each recreation reserve. Mayor, Cr David Pollard, opened both the Nullawil netball change room upgrade and the Sea Lake multipurpose netball courts upgrade to excited competitors, officials and spectators. Both projects were funded with support from Sport and Recreation Victoria and the local communities.

13

Council launched its very own Buloke Library Service in July at the Charlton Hall, over one hundred people attended the event where author Graeme Base and Mayor Pollard cut the ribbon to officially open the new service. Over a year in the planning, delivery the service began in July 2018. Council now boasts over 12,000 items to borrow.

14

The redeveloped Wycheproof tennis courts were officially opened. The project was funded by Sport and Recreation Victoria, Wycheproof and District Lawn Tennis Club, Bendigo Bank and Buloke Shire Council.

The new synthetic courts were also marked for short form hockey and soccer giving the complex great flexibility.





## DIVERSIFY AND ENHANCE OUR LOCAL ECONOMY

15

Council launched its Sustainability Fund at the Coonooer Bridge Wind Farm. A large section of the community turned out to celebrate the fund and hear from guest speaker Stephanie Ziersch from Sustainability Victoria. The grants foster community action that will result in the reduction of greenhouse gas emissions and encourage local adaptation to climate change in our communities.

16

The final piece of the funding puzzle for the Charlton Park 2020 project was placed when Minister for Regional Development Jaala Pulford announced \$1.5 million of State Government funding for the project in Charlton in October.

Charlton Park 2020 Committee has been working since 2006 to develop a multi-purpose facility at Charlton Park. To date over \$1 million has been raised towards the project.

The proposed new facility will replace all the disjointed buildings with one large building catering for football, netball, hockey, cricket, harness racing, gym, Agricultural & Pastoral Society and community activities. Work is set to begin in the second half of 2018.

15



16



17

17

Lake Tyrrell Tourism Infrastructure Project design concepts were finalised.

The \$2.6 million project will drive further tourism to the area and improve visitor experience with enhanced access to the salt crust and a range of amenities. Work is set to begin in the 2018/19 financial year.

## RESPONDING TO AND ENHANCING OUR BUILT AND NATURAL ENVIRONMENT

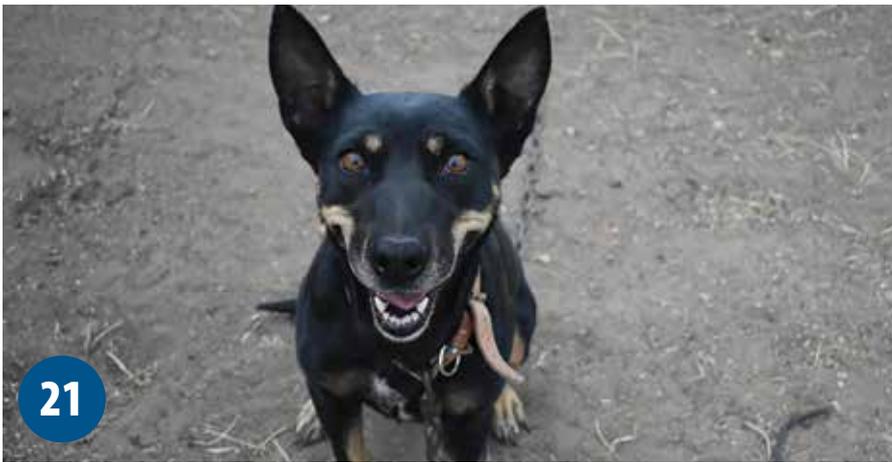
18

The earthworks for the Donald Flood Mitigation Levee Project were completed. This vitally important project for the Donald community will be completed with the finalisation of some temporary flood mitigation solutions for road access gaps in the levee.

19

The Nullawil Drainage Project and the Culgoa Main Street footpath renewal were both completed.





21



21

20

Planting to replace the 40 unsafe sugar gums removed along Broadway, Wycheproof was completed.

The replacement trees are 'corymbia ficifolia' common name 'summer red' eucalyptus.

This red flowering gum grows to between 5 and 8 metres in height and flowers through summer and autumn producing stunning deep red flowers and will provide a beautiful and colourful entrance at the southern end of Wycheproof.

21

Council ran a photography contest to raise awareness of the importance of registering pets. The social media contest was highly successful with the community very keen to share pictures of their best friends. Registration numbers improved significantly in several towns as a result of this campaign and the ongoing work of the statutory services team.

Our overall winners were Diamond and Frosty.



22

# SUPPORT OUR COUNCILLORS, STAFF, VOLUNTEERS AND THE COMMUNITY TO MAKE INFORMED AND TRANSPARENT DECISIONS

22

Cr David Pollard was re-elected as Mayor in November. It is his third term as Mayor having also served a year from November 2011 as well as the most recent mayoral term. Cr Daryl Warren was elected as Deputy Mayor.



**23** Robyn Ferrier (Citizen of the Year), Keniesha Ryan (Young Citizen of the Year) and the Birchip Mallee Bull Pacing Cup 2017 (Event of the Year) were honoured at Australia Day celebrations across Buloke.

**25** A Community Forum Summit was held as part of the consultation process for the Annual Budget. Other items on the agenda were Capital Works Projects, Building Buloke 2030 project, draft Economic Development and Tourism Strategy and the Community Support Policy. These summits have become a vital cog in not just budget consultation but ensuring successful relationships between Council and community leaders are fostered.

**24** A Civic Reception was held for Stuart McLean OAM to celebrate his recognition in the Queen's Birthday Honours. The former Buloke Shire Council Mayor was awarded the MEDAL OF THE ORDER OF AUSTRALIA in the general division for his service to the community and local government.

**26** Council adopted its Domestic Animal Management Plan 2018-2021. The plan guides Council's activities in the management of cats and dogs and was opened for an extensive period of community consultation. The plan addresses a wide range of subjects from registration and microchipping to the training of authorised officers.





27

27

“Give a Little, Change a Lot” was the theme of this year’s National Volunteer Week and it provided the perfect starting point for Council to partner with some local agencies to begin the conversation around supporting, celebrating and encouraging volunteers as set out in Council’s recently adopted Volunteer Strategy.

In conjunction with the East Wimmera Health Service and the Centre for Participation, volunteers gathered at the Donald Community Centre recently to enjoy a chat, a cuppa and the opportunity to update police checks and talk about volunteer opportunities.

Two of the Buloke Shire Council’s Mount Jeffcott Ward councillors Cr Carolyn Stewart and Cr Graeme Milne gave regular Meals on Wheels volunteer Patsy Dunstan the ‘day off’ and undertook the Friday delivery run. Buloke Shire CEO Anthony Judd then delivered afternoon tea to Patsy at her workplace to thank her for her volunteer contribution to the Meals on Wheels program.

28

Staff met to learn more about the impact of family violence through a presentation from Women’s Health Loddon Mallee. The comprehensive and at times confronting presentation was extremely valuable. CEO Lucy Roffey also acknowledged Amy Thiesz’s work on the Listen, Learn and Lead program.

29

Council appointed Anthony Judd as Chief Executive Officer. Anthony has been at Buloke Shire Council since 2006. He spent four years as Recreation Officer then three years as Manager Assets and Infrastructure. He had held his previous position, Director Works and Technical Services since 2013. An outstanding leader in his community, Anthony is also a graduate of the Loddon Murray Community Leadership Program. Anthony replaced the outgoing Lucy Roffey.



28



29



# 2017/18 ELECTRIC, WATER, GAS AND FUEL USAGE

## ELECTRICITY USAGE

**1,079,016**  
KWH

**1,080**  
MWH

## WATER USAGE

**92,207**  
KILO LITRES

**93**  
MEGA LITRES

## LPG USAGE

**1,710**  
LITRES

## FUEL USAGE

**DIESEL**  
**419,438**  
LITRES

**UNLEADED**  
**55,476**  
LITRES



**\$20,074**  
TOTAL  
COMMUNITY  
GRANTS

## 2017/18 COMMUNITY GRANTS

2017 CHARLTON ROTARY ART SHOW	\$500
CHARLTON FORUM - GORDON PARK FENCING	\$2,000
BIRCHIP COMMUNITY FORUM - CHOCOLATE SUNDAYS PROJECT SUPPORT	\$745
CHARLTON CRICKET CLUB - PITCH REPLACEMENT PROJECT	\$2,000
DONALD LEARNING CENTRE- DONALD YOUTH PROJECTS	\$1,000
BIRCHIP COMMUNITY CHRISTMAS PARTY	\$500
DONALD PORTABLE DANCE FLOOR PROJECT- SUPPORT	\$1,050
DONALD PONY CLUB - PROJECT SUPPORT	\$2,000
DONALD GARDEN CLUB - PROJECT SUPPORT	\$2,000
TCHUM LAKE AQUATIC CLUB	\$500
DONALD MEMORIAL PARK COMMITTEE	\$1,184
CHARLTON LIONS CLUB- SMALL EQUIPMENT GRANT	\$1,000
DONALD MENS SHED - PROJECT SUPPORT GRANT	\$825
BIRCHIP P12 -ADVANCED DRIVING L2P	\$500
WYCHEPROOF RESOURCE- SHED TO HOUSE CAR	\$2,000
WATCHEM PROGRESS - FENCE WATCHEM PARK	\$2,000
GOLDEN GRAINS MUSEUM	\$270
<b>TOTAL SPONSORSHIP</b>	<b>\$20,074</b>

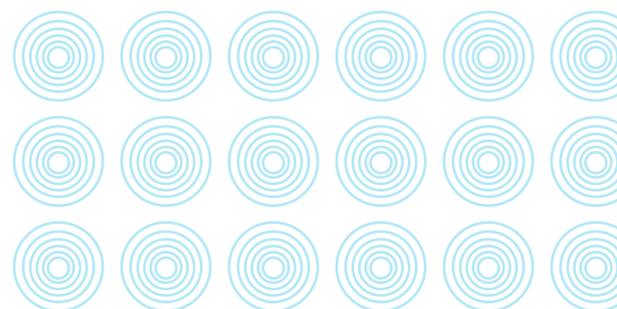
## 2017/18 BULOKE SUSTAINABILITY FUND

SOLAR POWER GORDON PARK	\$7,993
CHARLTON LIONS CLUB- SOLAR INSTALLATION	\$3,993
CHARLTON BOWLING CLUB - SOLAR INSTALLATION	\$4,000
CHARLTON GOLF CLUB- SOLAR INSTALLATION	\$5,000
CHARLTON CLUB - SOLAR INSTILLATION	\$4,000
REX THEATRE - SOLAR INSTALLATION	\$10,000
WYCHEALIVE- LAND MANAGEMENT MT WYCHEPROOF	\$5,000
WATCHEM DEVELOPMENT	\$8,790
<b>TOTAL BULOKE SUSTAINABILITY FUND</b>	<b>\$48,776</b>

## 2017/18 CONTRIBUTIONS AND DONATIONS

BULOKE LODDON L2P VEHICLE	\$5,000
CHARTSEC DRIVER EDUCATION	\$5,000
<b>TOTAL</b>	<b>\$10,000</b>

# CHALLENGES AND FUTURE OUTLOOK



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

## THE KEY CHALLENGES FACING BULOKE ARE:

### AGEING INFRASTRUCTURE

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

### INTERNET ACCESS

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

### QUALITY HOUSING STOCK

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

### FURTHER EDUCATION

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

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

## TRANSPORT ACCESS – FREIGHT AND PUBLIC

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

## CLIMATE CHANGE

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

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

## OTHER CHANGING DEMOGRAPHICS

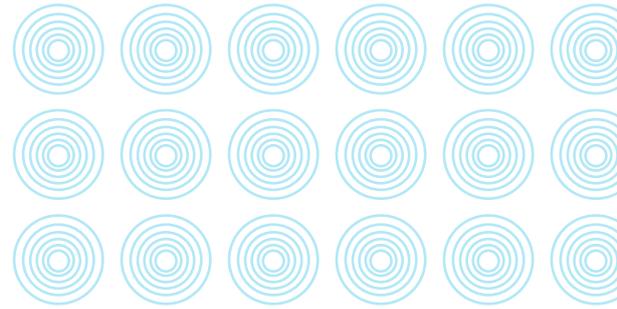
Anecdotal evidence suggests a shift in the demographic landscape in Buloke. Data shows that 100 per cent of dwellings for rent in Buloke are deemed affordable to Centrelink recipients.

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

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

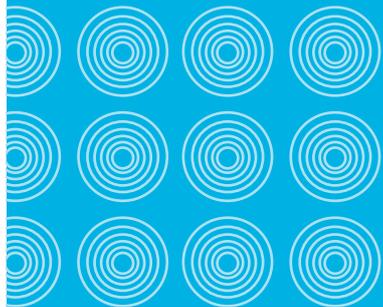
Photo: Errin Leach

# THE YEAR IN REVIEW



## MAYOR'S MESSAGE

MAYOR, CR DAVID  
POLLARD



On behalf of Council it gives me great pleasure to present the Annual Report 2017/18. This report always provides a great opportunity to reflect over the year and celebrate the achievements of Council and community. Buloke is a hard working community and looking back over the year, so much has been delivered.

Council's Year One Annual Plan, which breaks down our Council Plan 2017-2021 priority actions, saw many important projects delivered and commenced. A large number of the items in the Annual Plan were Strategies and Action Plans that will drive the remaining three years of the Council Plan.

Council and community have advocated and fundraised for important infrastructure projects including the Lake Tyrrell Tourism Project, Charlton Park, Green Lake Renewal project and the Donald Recreation Reserve Redevelopment. Council continues to work to complete these projects in cooperation with all levels of government and the communities.

There are many great opportunities for growth in our Shire. During the year Council developed an Economic Development and Tourism Strategy to give our great slice of Victoria everything it needs to grow. It is indeed an exciting time in Buloke.

Rural Councils Victoria is moving forward with the **Rural Living Campaign** and will auspice an inter-governmental working group to oversee the completion of a study into service delivery to small rural Shires, like our own. Buloke championed the Rural Living Campaign and will be active in its advancement.

Council said goodbye to Chief Executive Officer Lucy Roffey in February. Lucy left an indelible mark during her time in Buloke. She was prominent in the community and of great assistance and guidance to Councillors. Lucy also was a great developer of capacity amongst staff. Buloke as an organisation has been a tremendous developer of people and Lucy certainly contributed to the growth of our staff. Council thanks Lucy for her work alongside her executive team.

Lucy's departure saw the appointment of Anthony Judd as Chief Executive Officer, one of the great stories of Buloke Shire Council. A Charlton native, Anthony began with Council in 2006 as a Recreation Officer and has been at the forefront of everything happening at Buloke through his work as Director Works and Technical Services. Council looks forward to delivering the remainder of the Council Plan in partnership with Anthony.

In finishing, I would like to thank my fellow Councillors, Lucy, Anthony and our great staff for their committed work for the Buloke community over the last twelve months. Council looks forward to continuing to progress the Council Plan and keep building a better Buloke.

# CHIEF EXECUTIVE OFFICER'S MESSAGE

ANTHONY JUDD



It has been another highly successful and productive year for Buloke Shire Council. Since my appointment in April, Council has delivered both the Annual Budget and the Year 2 Annual Plan to outline and drive the next phase of delivering your Council Plan.

The Annual Report for 2017/18 is the first opportunity to report against the Council Plan 2017-2021 with many actions already completed or commenced.

Council has worked on and partnered with other organisations over the last year to deliver a range of outcomes. Council assisted in a Community Family Violence Prevention project being delivered by the Southern Mallee Primary Care Partnership and has a draft Recognition and Reconciliation Action Plan with Registered Aboriginal Parties for comment.

Council has worked with Mallee Family Care to develop a Buloke Early Years Network to support our early years practitioners and parents, with three fantastic events held over the last year.

Council finalised arrangements to deliver its own library service and is close to completion of a Customer Service Strategy and Inclusiveness Plan. Council also finalised its Economic Development and Tourism Strategy, Gender Equity Plan, Volunteer Support Strategy, Aquatic Strategy and the Domestic Animal Management Plan.

A feature of 2017/18 has been the significant community engagement work undertaken by staff and Councillors in the development of the ten community plans and the overarching Buloke 2030 Plan. These plans will form the strategic direction of our organisation for many years to come.

Council's adaptability and forward thinking has also led to this year's implementation of an annual Sustainability Fund to encourage and promote a sustainable environment, which was fully expended in year 1.

Council also continues to deliver large scale projects across multiple reporting years such as Lake Tyrrell Tourism Project, Charlton Park, Birchip Early Years Centre, Berriwillock Bowling Green, Recreational Lakes Upgrades and the Donald Recreation Reserve Redevelopment. In addition to the progression of these projects and Council's Annual Capital Works program, in excess of \$10 million of flood road reconstruction work has been awarded and commenced over the last year.

The past year has been one of tremendous organisational development. Two of Council's three directors have been internal appointments and there are many examples of our staff progressing their careers within the organisation. There is room to grow for our employees.

Buloke has also been a fertile patch for Local Government Chief Executive Officers to emerge from. In fact there are currently five CEO's who have worked at Buloke serving in these roles. Most recently Council's Director Community Development Jessie Holmes was appointed as Chief Executive Officer at Yarriambiack Shire Council. I'd like to take this opportunity to thank Jessie for her incredible work here at Buloke Shire Council and wish her all the best in her new role. I'd also like to acknowledge the fantastic work of Lucy Roffey in steering the organisation as CEO for the first half of 2017/18, and leaving the organisation well placed to deliver for our communities.

I would like to take this opportunity to thank Councillors, staff and the Buloke community for their support in my appointment and the previous Chief Executive Officers for their work in building the organisation to the point it is now.

I look forward to working with you all into the future to build a better Buloke.

## DESCRIPTION OF OPERATIONS

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

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

## ECONOMIC FACTORS

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

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

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

## MAJOR ECONOMIC DEVELOPMENT AND TOURISM STRENGTHS

- Land and environment suited to broadacre cropping, coupled with over 150 years of inter-generational expertise in growing grains.
- Industry driven capabilities in innovation and research and development in broadacre farming.
- Land and environment suited to extensive livestock and intensive livestock production. Extensive sheep grazing has a long history in the Shire, with Wycheproof recognised as the largest store sheep selling centre in regional Victoria. Intensive pig production and cattle lot feeding are well established in the Shire, and there has been recent growth in intensive poultry growing (for both meat and table eggs).
- Assets that attract visitors, including Victoria's largest salt lake (Lake Tyrrell), an acclaimed silo art trail (in adjacent Yarriambiack Shire, drawing visitors through Buloke), heritage sites, historic buildings, collections and recreational lakes (Lakes Watchem, Tchum, Wooroonook, Buloke and Green Lake).
- Regular annual events such as the Mallee Rally, Mallee Root RoundUp, Charlton Film Festival and regular race meetings and sporting events, and emerging events such as Cuisine in the Crop and the Esoteric Dance Festival.

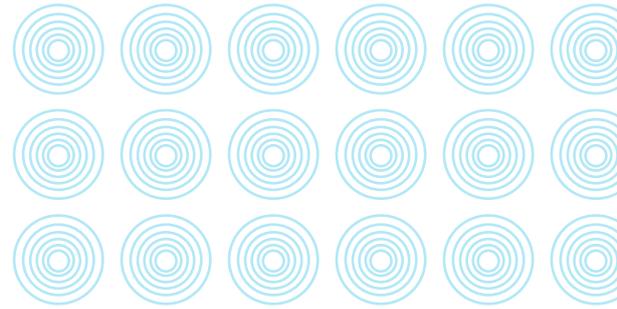
Just as the overall Shire economy is highly dependent on broadacre farming, so are the Shire's towns, where a majority of businesses contribute to agribusiness supply chains and provide services to farming communities. Agricultural activity is dominated by cereals, pulses, oilseeds and sheep for meat and wool. This agricultural focus has been responsible for the many distinctive features in the towns, strong resilience and connected communities, but it has also led to decades long population decline as farms have become bigger and more automated, and the financial returns from agricultural commodities have declined in an increasingly competitive global environment.

The total resident population of Buloke Shire decreased by an annual average of 1% over the 2006- 2016 decade. In 2016, the population was 6,204 (having declined from 6,862 in 2006).

# OUR COUNCIL

Photo: Briony Zagame

# COUNCIL PROFILE



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

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

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

## COUNCIL OFFICES

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

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

**ALL SERVICES CAN BE ACCESSED BY CALLING 1300 520 520.**

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

**FAX: (03) 54937395**

**EMAIL: [buloke@buloke.vic.gov.au](mailto:buloke@buloke.vic.gov.au)**

**WEBSITE: [www.buloke.vic.gov.au](http://www.buloke.vic.gov.au)**

Council also operates Facebook, Twitter and LinkedIn accounts.

# COUNCILLORS

(FROM LEFT TO RIGHT) Cr Graeme Milne, Cr Carolyn Stewart, Cr John Shaw, Cr David Pollard, Cr Daryl Warren, Cr David Vis and Cr Ellen White.



## LOWER AVOCA WARD

**CR DAVID POLLARD (MAYOR)**

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

**CR JOHN SHAW**

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

## MALLEE WARD

**CR DAVID VIS**

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

**CR ELLEN WHITE**

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

## MOUNT JEFFCOTT WARD

**CR GRAEME MILNE**

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

**CR CAROLYN STEWART**

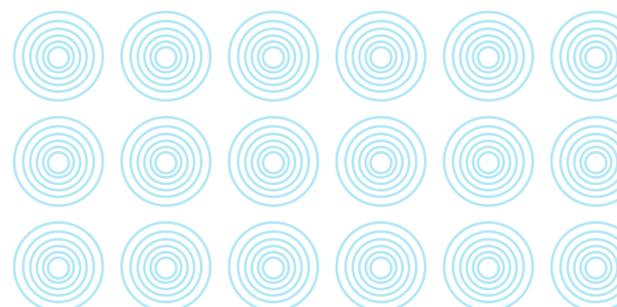
Mobile: 0488 032 063  
Email: crstewart@buloke.vic.gov.au

**CR DARYL WARREN (DEPUTY MAYOR)**

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

# COUNCIL DELEGATES LIST

ADOPTED 8 NOVEMBER 2017



ORGANISATION	CURRENT REPRESENTATIVE	REPRESENTATION STATUS	DATE APPOINTED OR REAPPOINTED
AUDIT ADVISORY COMMITTEE	Cr Pollard and Cr Warren as substitute	Council Delegate	8 November 2017
BULOKE AND NORTHERN GRAMPIANS LANDCARE NETWORK	Cr White	Council Delegate	8 November 2017
CALDER HIGHWAY IMPROVEMENT COMMITTEE	Cr Pollard	Council Delegate	8 November 2017
CENTRAL MURRAY REGIONAL TRANSPORT FORUM	Cr White	Council Delegate	8 November 2017
CHARLTON COMMUNITY THEATRE PTY LTD BOARD	Cr Warren	Council Delegate	8 November 2017
CENTRAL VICTORIAN GREENHOUSE ALLIANCE	Cr Shaw	Council Delegate	8 November 2017
CHARLTON COMMUNITY THEATRE PTY LTD BOARD	Cr Warren	Council Delegate	8 November 2017
CHARLTON PARK COMMITTEE OF MANAGEMENT	Cr Stewart	Council Delegate	8 November 2017
CHARLTON STADIUM COMMITTEE	Cr Pollard	Council Delegate	8 November 2017
COUNTRY FIRE AUTHORITY – MUNICIPAL FIRE MANAGEMENT PLANNING COMMITTEE	Cr Pollard, Cr Vis and Cr Milne	Council Delegate	8 November 2017
DONALD 2000 INC.	Cr Warren	Council Delegate	8 November 2017
LODDON MALLEE WASTE AND RESOURCE RECOVERY GROUP	Cr Warren	Council Delegate	8 November 2017
MUNICIPAL ASSOCIATION OF VICTORIA	Cr Pollard and Cr Warren as substitute	Council Delegate	8 November 2017
MUNICIPAL EMERGENCY MANAGEMENT PLANNING COMMITTEE	Cr Pollard and Cr White	Council Delegate	8 November 2017
MUNICIPAL FLOOD MANAGEMENT COMMITTEE	Cr Warren and Cr Pollard	Council Delegate	8 November 2017
NORTH CENTRAL LOCAL LEARNING EMPLOYMENT NETWORK	Cr Shaw	Council Delegate	8 November 2017
NORTH WEST MUNICIPALITIES ASSOCIATION	Cr Warren	Council Delegate	8 November 2017
RAIL FREIGHT ALLIANCE	Cr Vis and Cr Milne as substitute	Council Delegate	8 November 2017
RECREATIONAL WATER USERS ALLIANCE	Cr Stewart	Council Delegate	8 November 2017
SUNRAYSIA HIGHWAY IMPROVEMENT COMMITTEE	Cr Milne and Cr Vis	Council Delegate	8 November 2017
WATCHEM PROGRESS ASSOCIATION	Cr Milne	Council Delegate	8 November 2017
WIMMERA REGIONAL LIBRARY CORPORATION	Cr Warren	Council Delegate	8 November 2017
WIMMERA SOUTHERN MALLEE TRANSPORT GROUP	Cr Warren	Council Delegate	8 November 2017
WORKSPACE AUSTRALIA	Cr Warren	Council Delegate	8 November 2017
WYCHEPROOF RECREATION RESERVE COMMITTEE OF MANAGEMENT	Cr Shaw	Council Delegate	8 November 2017

## MEETINGS OF COUNCIL

Buloke Shire Council holds three different types of meetings:

- Ordinary Meetings
- Assemblies of Councillors
- Special Meetings

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

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

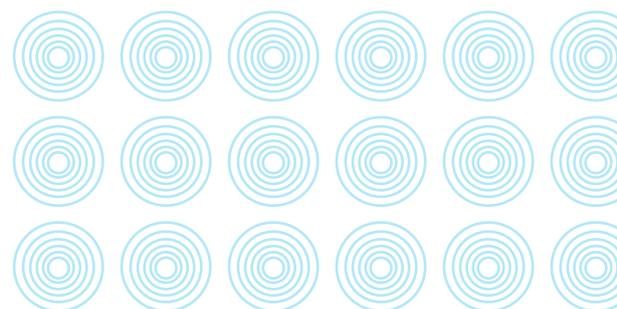
Agendas and minutes for all meetings are available online at Council's website and in hard copy from Council's Wycheproof office.

Photo: Ricky Allan



## TABLE OF ATTENDANCE

2017/18 COUNCILLOR ATTENDANCE	ORDINARY MEETING	SPECIAL MEETING
NUMBER OF MEETINGS HELD	11	2
CR DAVID POLLARD (MAYOR)	11	2
CR GRAEME MILNE	11	2
CR DARYL WARREN	11	2
CR ELLEN WHITE	11	2
CR JOHN SHAW	11	2
CR CAROLYN STEWART	11	2
CR DAVID VIS	10	2



## COUNCILLOR ALLOWANCES

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

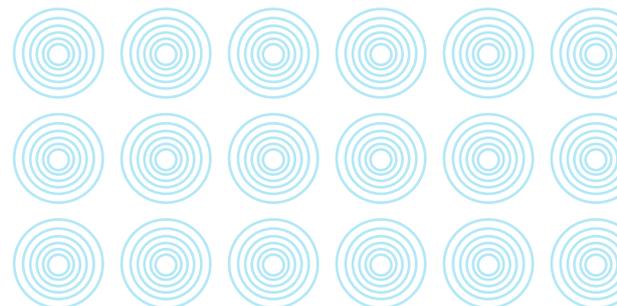
The Mayor has use of a Council-funded mobile phone, a fully maintained vehicle for use on Council business and an iPad with intranet and internet access.

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

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

The following table contains details of current allowances for the Mayor and Councillors during the year.

COUNCILLOR	ACTUALS	SUPERANNUATION	TOTAL
CR POLLARD	\$59,948.21	\$5,695.10	\$65,643.31
CR WHITE	\$20,065.59	\$1,906.23	\$21,971.82
CR MILNE	\$20,065.59	\$1,906.23	\$21,971.82
CR SHAW	\$20,065.59	\$1,906.23	\$21,971.82
CR STEWART	\$20,065.59	\$1,906.23	\$21,971.82
CR WARREN	\$20,065.59	\$1,906.23	\$21,971.82
CR VIS	\$20,065.59	\$1,906.23	\$21,971.82
<b>TOTAL</b>	<b>\$180,341.75</b>	<b>\$17,132.48</b>	<b>\$197,474.23</b>



## COUNCILLOR EXPENSES

COUNCILLOR EXPENDITURE 1 JULY 2018 – 30 JUNE 2018				
COUNCILLOR	PROFESSIONAL DEVELOPMENT	FORUMS AND CONFERENCES	TRAVEL AND ACCOMMODATION	TOTAL
CR POLLARD	552.00	3,548.00	2309.02	\$6,409.02
CR WHITE	1,295.00			\$1,295.00
CR MILNE		471.24		\$471.24
CR SHAW			1001.1	\$1,001.10
CR STEWART	1320.00		633.77	\$1,953.77
CR WARREN		302.80	1382.16	\$1,684.96
CR VIS		820.24	3138.69	\$3,958.93
<b>TOTAL</b>	<b>3,167.00</b>	<b>5,142.28</b>	<b>8,464.74</b>	<b>\$16,774.02</b>

Councillors are entitled to claim out of pocket expenses incurred while performing their civic, statutory and policy making duties as a Councillor. Expenses that can be claimed are outlined in the Councillor Expense policy and include expenses such as professional development, conferences and travel.

It is also worth noting the difficulties for some Councillors in accessing vehicles to perform their duties due to the disadvantage of their geographic residential situations in relation to the garaging of available vehicles at Council Offices.

## SPECIAL COMMITTEES

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

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

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

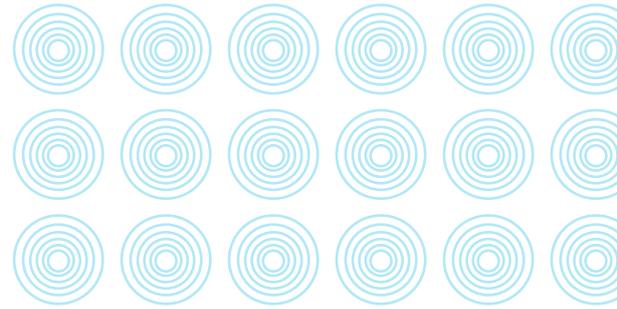
## PRESCRIBED DOCUMENTS AVAILABLE FOR PUBLIC INSPECTION

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

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

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

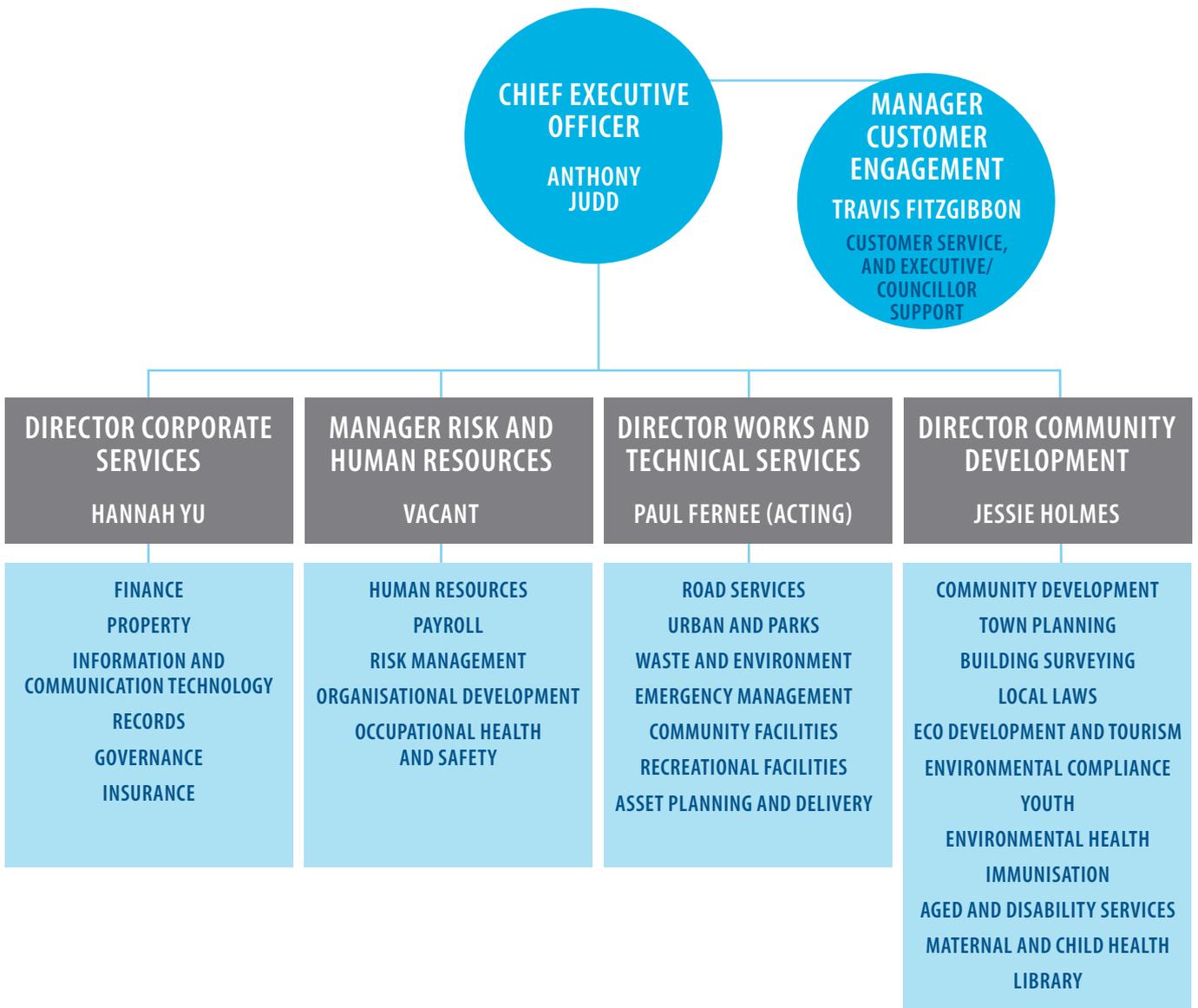
# OUR PEOPLE



## MANAGEMENT TEAM

LEAD. COLLABORATE. CREATE A BETTER BULOKE.

### BULOKE SHIRE COUNCIL ORGANISATIONAL CHART



# COUNCIL STAFF

## EQUAL EMPLOYMENT OPPORTUNITY PROGRAM

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

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

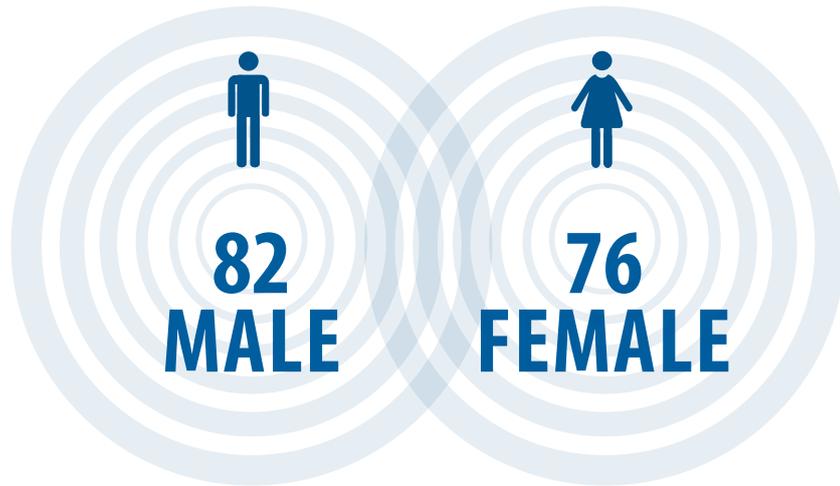
All staff are required to treat colleagues and members of the public with courtesy and sensitivity to their rights, duties and aspirations.

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

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



**TOTAL  
EMPLOYEES**



**EMPLOYEES BY DEPARTMENT**

DEPARTMENT	TOTAL	PART TIME	FULL TIME	CASUAL
EXECUTIVE OFFICE	11	5	2	4
CORPORATE SERVICES	10	4	6	
RISK AND HUMAN RESOURCES	3	2	1	
WORKS AND TECHNICAL SERVICES	84	14	57	13
COMMUNITY DEVELOPMENT	50	32	11	7
<b>TOTALS</b>	<b>158</b>	<b>57</b>	<b>77</b>	<b>24</b>

**WORKPLACE INCIDENTS**

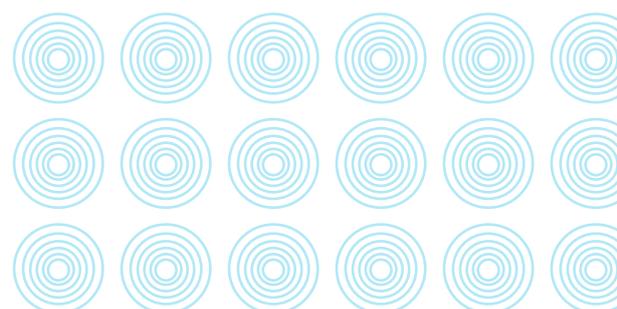
2011-2012	2012-2013	2013-14	2014-2015	2015-2016	2016-2017	2017-2018
51	66	66	53	64	48	57

**EMPLOYEE STATISTICS 2017-2018**

	MALE	FEMALE	TOTAL
FULL TIME	64	13	77
PART TIME	11	46	57
CASUAL	7	17	24
POSITIONS VACANT AS AT 30/06/2018			7

**SERVICE MILESTONES ACHIEVED DURING 2017-2018**

	NUMBER OF STAFF AS AT 30/06/2018
5 YEARS	4
10 YEARS	11
15 YEARS	1
20 YEARS	
<b>TOTAL</b>	<b>16</b>



## GRANTS RECEIVED FROM EXTERNAL SOURCES

FUNDING SOURCE	PROJECT SUMMARY	AMOUNT
DEPARTMENT HEALTH & HUMAN SERVICES	Commonwealth Home Support Program Funding	692,681.29
DEPARTMENT INFRASTRUCTURE & REGIONAL DEVELOPMENT	Roads to Recovery	1,072,171.00
DEPARTMENT INFRASTRUCTURE & REGIONAL DEVELOPMENT & CITIES	Community Plans 2017/18	23,250.00
DEPARTMENT ECONOMIC DEVELOPMENT JOBS, TRANSPORT & RESOURCES	Lakes	6,000.00
DEPARTMENT INFRASTRUCTURE & REGIONAL DEVELOPMENT	Wycheproof Pool Change Room Upgrade	200,000.00
DEPARTMENT INFRASTRUCTURE & REGIONAL DEVELOPMENT & CITIES	Charlton Park 2020 Redesign	400,000.00
DEPARTMENT INFRASTRUCTURE & REGIONAL DEVELOPMENT & CITIES	Berriwillock Bowls Green Redevelopment	200,000.00
DEPARTMENT ECONOMIC DEVELOPMENT JOBS, TRANSPORT & RESOURCES	Fruit Fly Cleanout Project - Wycheproof Alive	3,136.00
DEPARTMENT ECONOMIC DEVELOPMENT JOBS, TRANSPORT & RESOURCES	Roadside Weed and Rabbit Control	125,000.00
DEPARTMENT ECONOMIC DEVELOPMENT JOBS, TRANSPORT & RESOURCES	Sheep EID Transition Project	2,250.00
DEPARTMENT ECONOMIC DEVELOPMENT JOBS, TRANSPORT & RESOURCES	Lake Tyrrell Infrastructure Upgrades	200,000.00
DEPARTMENT ECONOMIC DEVELOPMENT JOBS, TRANSPORT & RESOURCES	Sheep EID Infrastructure	10,000.00
DEPARTMENT ECONOMIC DEVELOPMENT JOBS, TRANSPORT & RESOURCES	Local Roads to Market Program	122,400.00
DEPARTMENT EDUCATION & EARLY CHILDHOOD DEVELOPMENT	Maternal and Child Health	177,175.80
DEPARTMENT EDUCATION & EARLY CHILDHOOD DEVELOPMENT	Supported Playgroup Funding	41,250.00
DEPARTMENT EDUCATION & EARLY CHILDHOOD DEVELOPMENT	Living Libraries Infrastructure	130,695.00
DEPARTMENT ENVIRONMENT LAND WATER & PLANNING	Library Services	117,014.00
DEPARTMENT ENVIRONMENT LAND WATER & PLANNING	Municipal Emergency Management	60,000.00
DEPARTMENT ENVIRONMENT LAND WATER & PLANNING	Victorian Grants Commission	6,084,088.00
DEPARTMENT ENVIRONMENT LAND WATER & PLANNING	Finance - FAST Funding	32,500.00
DEPARTMENT ENVIRONMENT LAND WATER & PLANNING	Victorian Recycling Market Temporary Relief Funding	8,297.00
DEPARTMENT ENVIRONMENT LAND WATER & PLANNING	Charlton Recreation Reserve (Drought Funding)	7,654.19
DEPARTMENT ENVIRONMENT LAND WATER & PLANNING	Donald Recreation Reserve (Drought Funding)	15,000.00
DEPARTMENT ENVIRONMENT LAND WATER & PLANNING	Tyrrell College Drought Proofing	28,219.32

FUNDING SOURCE	PROJECT SUMMARY	AMOUNT
DEPARTMENT ENVIRONMENT LAND WATER & PLANNING	Watchem Recreation Reserve Reuse Pipeline	14,000.00
DEPARTMENT ENVIRONMENT LAND WATER & PLANNING	Berriwillock Bowls Green Redevelopment	30,000.00
DEPARTMENT ENVIRONMENT LAND WATER & PLANNING	Local Roads to Market Program	153,000.00
DEPARTMENT HEALTH & HUMAN SERVICES	Child and Youth	18,334.00
DEPARTMENT HEALTH & HUMAN SERVICES	HACC Program	172,743.68
DEPARTMENT HEALTH & HUMAN SERVICES	Immunisation Services	7,045.20
DEPARTMENT HEALTH & HUMAN SERVICES	Senior Citizens Centre	2,200.00
DEPARTMENT HEALTH & HUMAN SERVICES	Donald Community Precinct Construction	90,000.00
DEPARTMENT HEALTH & HUMAN SERVICES	Country Football and Netball Program	72,000.00
DEPARTMENT INFRASTRUCTURE & REGIONAL DEVELOPMENT	Wycheproof Pool Change Room upgrade	20,000.00
DEPARTMENT TREASURY & FINANCE	National Disaster Funding Sept 2016 Flood Road Restorations	3,780,312.98
GWM WATER	Green Lake Water Security	36,316.22
GWM WATER	Donald Weir Pool Project	47,058.40
MALLEE CATCHMENT MANAGEMENT AUTHORITY	Protecting and Enhancing National Significant Communities	6,363.64
MUNICIPAL ASSOCIATION OF VICTORIA	Tobacco Funding	10,707.53
VIC ROADS	School Crossings	14,923.00
VICHEALTH	Walk To School Program	10,000.00
		<b>\$14,243,786.25</b>

# OUR PERFORMANCE

## COUNCIL PLAN

The Annual Report provides a summary of the achievements against the Buloke Shire Council Plan 2017–2021.

### CENTRAL TO THE COUNCIL PLAN 2017-2021 ARE FIVE STRATEGIC OBJECTIVES:

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

The Council Plan 2017-2021 also incorporates the Strategic Resource Plan and the Municipal Health and Wellbeing Plan.

The Strategic Resource Plan establishes a financial framework over the next four years to ensure our strategic objectives, as expressed in the Council Plan, are achieved.

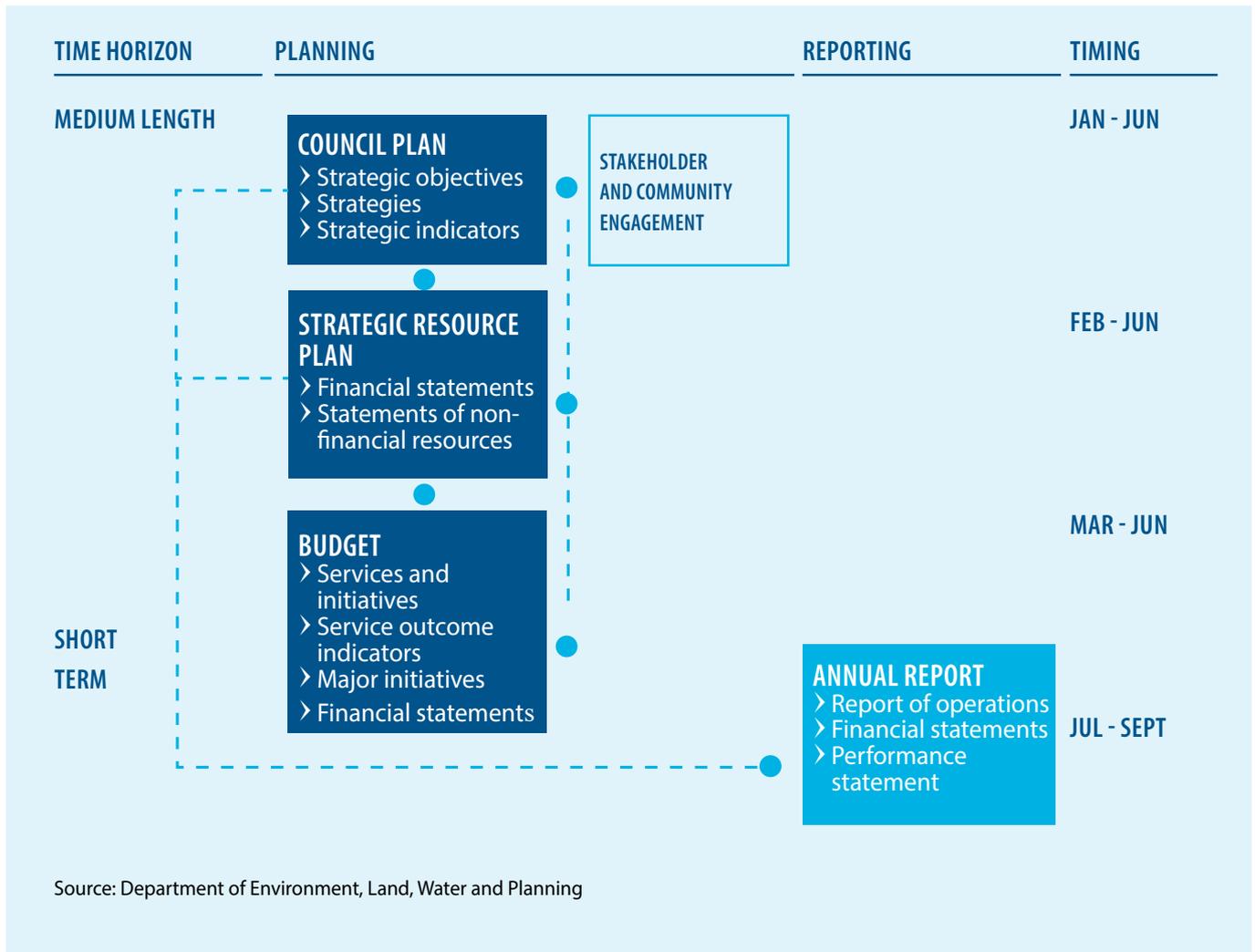
The Municipal Health and Wellbeing Plan outlines how we will work in partnership with our community, local service providers and other levels of government to improve the health and wellbeing of the whole community.

## PERFORMANCE AGAINST THE STRATEGIC OBJECTIVES IN THE COUNCIL PLAN

Council’s performance for the 2017/18 year has been reported against each strategic objective to demonstrate how Council performed in achieving the 2017–2021 Council Plan. Performance has been measured as follows:

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

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



# STRATEGIC OBJECTIVE 1

DELIVER OUR SERVICES IN A FINANCIALLY VIABLE WAY



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

### 1.1

#### IMPROVE OUR FINANCIAL PLANNING AND REPORTING.

##### ACTIONS

- Develop a ten year financial plan to ensure long term responsible financial management.
- Provide clear and concise financial reporting on a monthly basis at Ordinary Council Meetings to monitor and respond to financial risks.
- Maintain accurate property valuation records, including supplementary valuations.

### 1.2

#### CONTINUOUS SERVICE IMPROVEMENT FOR EFFICIENT AND FLEXIBLE SERVICES.

##### ACTIONS

- Undertake an annual program of service reviews to ensure each service is reviewed at least every three years.
- Continue to report on the Local Government Performance Reporting Framework.
- Investigate opportunities for further shared services and resources with neighbouring Councils to leverage economies of scale and scope.

### 1.3

#### ENHANCE OUR INFORMATION COMMUNICATION AND TECHNOLOGY TO IMPROVE PRODUCTIVITY, SERVICE DELIVERY AND COMMUNICATION WITH THE COMMUNITY.

##### ACTIONS

- Invest in the priorities of the Information and Communication Technology Strategy to improve productivity and online service delivery.
- Increase our online communication presence through the website and social media.

### 1.4

#### ADVOCATE FOR IMPROVED FINANCIAL OUTCOMES FOR RURAL COMMUNITIES.

##### ACTIONS

- Support the Rural Living Campaign to ensure equitable access to services provided by all levels of government.
- Work with state and federal governments and industry bodies to highlight the effects of shifting costs on to local government.

## STRATEGIC INDICATORS

- Achieve the financial results set out in the four year Strategic Resource Plan
- Increase the community satisfaction rating with community engagement
- External financial audits of Council reflect compliance with legislation
- Local Government Performance Reporting Framework Results.

## MAJOR INITIATIVES

- Implementation of the Information Communications Technology Strategy.  
**Result: Complete.**
- Investigate further shared service with other Councils and governance bodies.  
**Result: This investigation and sharing of services is ongoing.**
- Develop a ten year financial plan through Department of Environment, Land, Water and Planning (DELWP) Finance and Accounting Support Team (FAST) funding.  
**Result: Development of the plan is ongoing.**



# STRATEGIC OBJECTIVE 2

Build a healthy and active community



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

### 2.1

#### SEEK EFFECTIVE PLACE BASED HEALTH SERVICES AND INITIATIVES FOCUSED ON PREVENTION BASED MEASURES.

##### ACTIONS

- Advocate with our partners for appropriate health funding models that suit our community and location.
- Partner with local groups to advance primary prevention measures within the community.
- Undertake an audit of all current health related services delivering within Buloke to determine levels of service and delivery with our relevant partners.

### 2.2

#### ADVOCATE FOR ACCESSIBLE PUBLIC AND COMMUNITY TRANSPORT FOR ALL BULOKE RESIDENTS.

##### ACTIONS

- Expedite public and community transport access through involvement with the Mallee Local Area Transport Forum.
- Support local community initiated transport options including facilitating knowledge between communities.
- Work with Public Transport Victoria to ensure rural communities are considered in transport planning.

### 2.3

#### PROMOTE AND ENHANCE PASSIVE AND ACTIVE RECREATION.

##### ACTIONS

- Seek investment for multi-use recreation facilities.
- Support local community, arts and cultural events.
- Work with sport assemblies, government and local sporting groups to provide accessible programs.
- Participate in the management of the library service.

### 2.4

#### DEVELOP COMMUNITY PLANS TO ENHANCE THE LIVEABILITY OF ALL BULOKE COMMUNITIES.

##### ACTIONS

- Deliver an integrated community planning process and develop uniform community plans for our ten communities.
- Develop an integrated community plan to guide Council's decision making on township projects.

### 2.5

#### ACTIVELY WORK TO REDUCE COMMUNITY VIOLENCE AND SUPPORT VICTIMS IN PARTNERSHIP WITH KEY AGENCIES.

##### ACTIONS

- Assist lead agencies to pursue primary prevention funding.
- Evaluate our service reviews and grant applications to ensure equitable outcomes are being achieved.
- Contribute to implementation of the Loddon Mallee Regional Action Plan for the Primary Prevention of Violence Against Women.

## 2.6

### DEVELOP A BULOKE INCLUSIVENESS PLAN TO ADDRESS ACCESS AND ENGAGEMENT OF ALL RESIDENTS.

#### ACTIONS

- Work with the local Registered Aboriginal Parties to develop recognition statements and pursue collaborative enterprise.
- Promote Aged and Disability services that allow people to remain in their communities.
- Enhance service planning and delivery relationship with local health service providers through the Southern Mallee Primary Care Partnership.
- Implement an inclusiveness plan to address accessibility and engagement for all within our community.

## 2.8

### IMPLEMENT THE MUNICIPAL EARLY YEARS PLAN AND CHILD AND YOUTH STRATEGY TO ADDRESS THE NEEDS OF YOUNG PEOPLE IN THE SHIRE.

#### ACTIONS

- Provide enhanced Maternal and Child Health services for families at risk.
- Provide support to local Playgroups, early years committees and child care providers.
- Work with Mallee Family Care to develop a Buloke Early Years Network to assist educators, practitioners and parents to access quality early years resources.
- Work with funded partners such as the Local Learning and Employment Networks and community resource centres in the delivery of youth specific programs such as Engage! and FreeZa.

## 2.7

### EXPLORE LOCALISED DELIVERY OF EDUCATION TO ADDRESS SKILL GAPS AND CAPITALISE ON LOCAL EMPLOYMENT OPPORTUNITIES.

#### ACTIONS

- Partner with Local learning and employment networks to support young people in their region by improving their participation, engagement, attainment and transition outcomes.
- Promote educational opportunities with all service delivery options for all ages including local based and further afield institutions.

#### STRATEGIC INDICATORS

- Rates of access and participation in a range of arts, cultural and community events.
- Increased percentage of community members as active library members.
- Increased community satisfaction rating with Council's advocacy and community representation on key local issues.

#### MAJOR INITIATIVES

- Community planning initiative to standardise plans and create an Integrated Buloke Community Plan.

**Result: The Building Buloke 2030 project is well advanced and will be completed in 2018.**

- A Sustainability community grants program funded through revenue from the Coonooer Bridge Wind Farm.

**Result: This grants program has been implemented.**

- Increased planning and design to support shovel-ready funding applications.

**Result: This planning is ongoing.**

- Early Years network and parent support access courses to be implemented.

**Result: This network has been introduced.**

- Develop a Buloke Inclusiveness Plan.

**Result: This plan was at the consultation phase at time of reporting.**

## SERVICE PERFORMANCE INDICATORS

SERVICE/INDICATOR/MEASURE	Results 2015	Results 2016	Results 2017	Results 2018	Material Variations
<b>FOOD SAFETY</b>					
<i>Timeliness</i>					
Time taken to action food complaints	0.00	1.00	1.00	1.00	Council engages proactively with complainants to address complaints received in a timely manner.
[Number of days between receipt and first response action for all food complaints / Number of food complaints]					
<i>Service standard</i>					
Food safety assessments	63.00%	92.19%	100.00%	60.66%	Change to the assessment schedule from financial to calendar year to align with Department of Health and Human Services (DHHS).
[Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x100					
<i>Service cost</i>					
Cost of food safety service	\$238.55	\$227.52	\$212.75	\$225.42	
[Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]					
<i>Health and safety</i>					
Critical and major non-compliance outcome notifications	0.00%	100.00%	100.00%	100.00%	Council engages proactively with businesses to achieve compliance through education.
[Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100					

● OUR PERFORMANCE - STRATEGIC OBJECTIVE 2

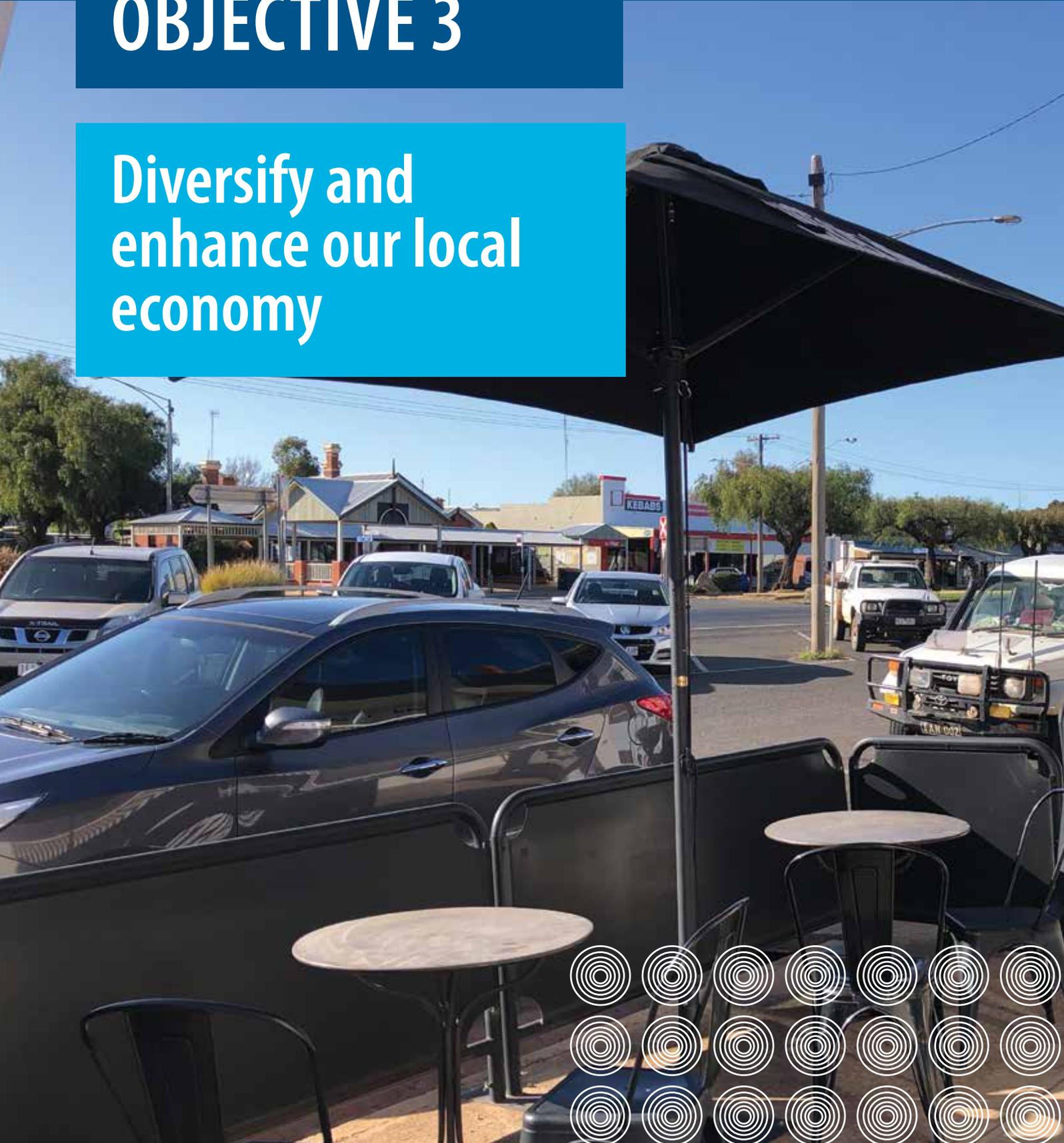
SERVICE/INDICATOR/MEASURE	Results 2015	Results 2016	Results 2017	Results 2018	Material Variations
<b>LIBRARIES</b>					
<i>Utilisation</i>					
Library collection usage	1.11	0.21	0.14	1.66	Continued promotion of library services as passive recreation activity, and reduction in library stock has resulted in variance compared to previous years.
[Number of library collection item loans / Number of library collection items]					
<i>Resource standard</i>					
Standard of library collection	47.00%	36.64%	48.30%	52.85%	Number of older stock items were withdrawn from the regional library services in 2017/18.
[Number of library collection items purchased in the last 5 years / Number of library collection items] x100					
<i>Service cost</i>					
Cost of library service	\$30.06	\$13.38	\$12.42	\$13.61	
[Direct cost of the library service / Number of visits]					
<i>Participation</i>					
Active library members	5.42%	15.19%	11.32%	8.28%	Withdrawal of a regional library service supplier in 16/17 saw a reduction in active library members.
[Number of active library members / Municipal population] x100					
<b>MATERNAL AND CHILD HEALTH (MCH)</b>					
<i>Satisfaction</i>					
Participation in first MCH home visit	98.00%	97.10%	98.18%	108.93%	Babies born late June 2017 received a first home visit in 2017/18. All newborns in the shire have received a first home visit.
[Number of first MCH home visits / Number of birth notifications received] x100					

SERVICE/INDICATOR/MEASURE	Results 2015	Results 2016	Results 2017	Results 2018	Material Variations
<b>MATERNAL AND CHILD HEALTH (MCH)</b>					
<i>Service standard</i>					
Infant enrolments in the MCH service	95.00%	95.65%	100.00%	100.00%	
[Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100					
<i>Service cost</i>					
Cost of the MCH service	\$0.00	\$74.85	\$66.28	\$78.94	
[Cost of the MCH service / Hours worked by MCH nurses]					
<i>Participation</i>					
Participation in the MCH service	85.00%	80.00%	76.95%	77.14%	
[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100					
<i>Participation</i>					
Participation in the MCH service by Aboriginal children	100.00%	142.86%	75.00%	66.67%	Variation reflects small number of Aboriginal people within the Shire. Participation in key ages and stages visits is a priority of the Mallee Regional early years compact.
[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100					

SERVICE/INDICATOR/MEASURE	Results 2015	Results 2016	Results 2017	Results 2018	Material Variations
<b>AQUATIC FACILITIES</b>					
<i>Service standard</i>					
Health inspections of aquatic facilities	1.00	1.00	1.00	1.14	Each pool receives at least 1 inspection per year. An additional inspection was undertaken at one of Councils' pools in 2018.
[Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]					
<i>Health and Safety</i>					
Reportable safety incidents at aquatic facilities	0.00	0.00	0.00	0.00	No reportable safety incidents have occurred.
[Number of WorkSafe reportable aquatic facility safety incidents]					
<i>Service cost</i>					
Cost of indoor aquatic facilities	\$0.00	\$0.00	\$0.00	\$0.00	Council has no indoor aquatic facilities
[Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities]					
<i>Service Cost</i>					
Cost of outdoor aquatic facilities	\$8.59	\$7.83	\$9.37	\$9.10	
[Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities]					
<i>Utilisation</i>					
Utilisation of aquatic facilities	6.60	7.07	5.86	6.36	Summer temperatures impact pool attendances. Admission to Council pools is free and facilities are well utilised.
[Number of visits to aquatic facilities / Municipal population]					

# STRATEGIC OBJECTIVE 3

Diversify and enhance our local economy



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

### 3.1

#### STRENGTHEN AGRIBUSINESS DIVERSIFICATION.

##### ACTIONS

- Undertake a Rural Land Use review to ensure our planning scheme reflects agricultural opportunities including rural dependent enterprises.
- Develop a promotional plan for Buloke products and services.
- Review the Economic Development strategy to incorporate agricultural diversification that capitalises on water supply and intensive animal husbandry.

### 3.2

#### CAPITALISE ON TOURISM OPPORTUNITIES.

##### ACTIONS

- Ensure that tourism is incorporated in to the review of the economic development strategy to intensify opportunities.
- Ensure appealing tourism facilities that meet visitor needs such as rest stops and signage.

### 3.3

#### ADVOCATE AND FACILITATE IMPROVED AND EQUITABLE CONNECTIVITY TO PROMOTE LIVEABILITY.

##### ACTIONS

- Advocate for equitable access to NBN multiplatform technology for all areas of the Shire.
- Advocate through iLoddon Mallee for blackspot funding.

### 3.4

#### ENCOURAGE AND PROMOTE RENEWABLE ENERGY OPTIONS AS A DRIVER OF ECONOMIC GROWTH AND A SUSTAINABLE ENVIRONMENT.

##### ACTIONS

- Actively participate to improve on our partnership with Central Victoria Greenhouse Alliance.
- Review our Municipal Strategic Statement to ensure our land use strategies attract renewable opportunities.
- Promote our new sustainability fund to communities.

### 3.5

#### SEEK FUNDING FOR REGIONAL SUPPLY CHAIN STRATEGIES (ROAD AND RAIL) TO SECURE VIABLE MARKET ACCESS FOR BULOKE PRODUCTS.

##### ACTIONS

- Seek funding to upgrade key freight routes and reduce first/last mile blockages.
- Provide business with information on and access to business support services including navigating export markets.
- As part of the Rail Freight Alliance, campaign for improved rail freight and infrastructure.

## 3.6

### PROMOTE THE LIFESTYLE AND ECONOMICS OF LIVING IN BULOKE.

#### ACTIONS

- Attract Arts, Community and Culture specific funding.
- Maintain and enhance our relationship with Hobsons Bay City Council.
- Provide local small business with information on and access to business support services.
- Explore opportunities to attract people in to our communities.

#### STRATEGIC INDICATORS

- Local employment rates.
- Buloke Shire visitor rates.
- Increased local business participation in business development activities.
- Number of planned Buloke Shire Council business development activities
- Increased community satisfaction rating with the appearance and cleanliness of public places.

## 3.7

### ENHANCE COMMUNITY COHESION AND ATTRACTIVENESS WITH WELL-MAINTAINED FUNCTIONAL STREETSCAPES.

#### ACTIONS

- Support community celebrations of important national events and days in public places.
- Actively seek funding to develop Streetscape Plans for each of the townships.

#### MAJOR INITIATIVES

- The development of an Economic Development Strategy and Tourism Strategy.

**Result: This strategy has been adopted by Council.**

- Review of saleyards operations and transition to electronic tagging.

**Result: Complete.**

## SERVICE PERFORMANCE INDICATORS

SERVICE/INDICATOR/MEASURE	Results 2015	Results 2016	Results 2017	Results 2018	Material Variations
<i>Health and safety</i>					
Animal management prosecutions	2.00	2.00	4.00	5.00	Increase in prosecutions is a result of more proactive strategies to ensure community safety.
[Number of successful animal management prosecutions]					

### ANIMAL MANAGEMENT

#### *Timeliness*

Time taken to action animal management requests	0.00	1.00	1.00	1.00
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[Number of days between receipt and first response action for all animal management requests / Number of animal management requests]

#### *Service standard*

Animals reclaimed	20.00%	66.67%	57.14%	57.14%
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[Number of animals reclaimed / Number of animals collected] x100

#### *Service cost*

Cost of animal management service	\$58.87	\$69.39	\$62.47	\$69.82
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[Direct cost of the animal management service / Number of registered animals]

Declining numbers of registered animals since 15/16 and lower cost in 16/17 resulting from staff vacancy for part of the year. Council is taking steps to educate owners on responsibilities for pet ownership.

### STATUTORY PLANNING

#### *Timeliness*

Time taken to decide planning applications	32.00	52.00	28.00	37.00
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[The median number of days between receipt of a planning application and a decision on the application]

Council engages proactively with applicants to ensure all documentation is provided at the application stage.

SERVICE/INDICATOR/MEASURE	Results 2015	Results 2016	Results 2017	Results 2018	Material Variations
<i>Service standard</i>					
Planning applications decided within required time frames	92.00%	79.17%	83.33%	91.89%	There were 40 planning application decisions made of which 37 were decided within timeframes.
[(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] x100					
<i>Service cost</i>					
Cost of Statutory Planning Service	\$1,492.34	\$1,442.79	\$1,696.51	\$2,248.93	Change to service resourcing has resulted cost variation.
[Direct cost of the statutory planning service / Number of planning applications received]					

# STRATEGIC OBJECTIVE 4

Responding to and enhancing our built and natural environment.



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

### 4.1

#### REDUCE THE ASSET RENEWAL GAP.

##### ACTIONS

- Develop and implement a ten year capital works plan.
- Prioritise Council's investment into asset renewal projects.
- Continue the review of Council's asset inventory to identify surplus assets.

### 4.2

#### PARTNER WITH COMMUNITIES TO DEVELOP FIT FOR PURPOSE MULTI USE HUBS.

##### ACTIONS

- Construct key multi-use projects such as the Charlton Park 2020 project and the Donald Community Precinct upgrade.
- Proactively engage with community groups to establish plans for consolidation of ageing or excess building assets as part of a broader community planning exercise.

### 4.3

#### BUILD COMMUNITY PREPAREDNESS AND RESILIENCE TO THE EFFECTS OF EXTREME WEATHER EVENTS.

##### ACTIONS

- Conduct a review of Council's suite of emergency management plans.
- Partner with key agencies such as Victorian SES and CFA to improve community education to prepare for natural disasters.

### 4.4

#### ENHANCE THE STRATEGIC DELIVERY OF COUNCIL ASSETS.

##### ACTIONS

- Undertake a review of existing asset management plans.
- Implement an Asset Management software system to improve infrastructure planning and delivery.
- Participate in regional transport and road groups to improve network planning across the region.
- Develop a major projects advocacy document to present to potential funding partners including a strategic masterplan for the main park in each township.

### 4.5

#### ENSURE THE ONGOING PRACTICAL MANAGEMENT AND PROTECTION OF THE SHIRE'S NATIVE VEGETATION.

##### ACTIONS

- Review the Roadside Vegetation Management Plan to better balance community needs with statutory requirements.
- Enhance the promotion of Council's natural environment and assets through regional tourism boards to be a key driver for tourism development.

## 4.6

### SUPPORT COMMUNITIES' ACCESS TO RECREATIONAL WATER BY ENHANCING OUR AQUATIC FEATURES.

#### ACTIONS

- Continue to implement the Buloke Aquatic Strategy and invest in key projects such as the Wycheproof Swimming Pool Change Facility Upgrade.
- Lobby state and federal government to complete water security works at Green Lake.
- Work with state government to rejuvenate the amenity blocks and tourism facilities at Council's recreational lakes.
- Review options for opportunities for increased pool access.

## 4.8

### IMPROVE WASTE MANAGEMENT PRACTICES AND REDUCE WASTE TO LANDFILL FOR IMPROVED ENVIRONMENTAL OUTCOMES.

#### ACTIONS

- Implement restoration program for Council utilised gravel pits and former landfill sites.
- Work with Loddon Mallee Waste and Resource Recovery Group to implement best practice.
- Explore and promote resource recovery opportunities throughout the Shire.
- Review bin provision in key public spaces in conjunction with other state authorities where relevant such as main street areas, recreation reserves, roadside stops and parklands to improve resource recovery and deter littering.

## 4.7

### BECOME A CHAMPION OF ENVIRONMENTAL SUSTAINABILITY THROUGH DESIGN AND PRACTICE.

#### ACTIONS

- In partnership with the Central Victorian Greenhouse Alliance, retrofit key community facilities with environmentally sustainable design features.
- Benchmark sustainability performance against other municipalities and develop a plan to reduce Council's carbon footprint.

#### STRATEGIC INDICATORS

- Improve community satisfaction rating for overall performance of waste management.
- Environmentally Sustainable Design principles are incorporated in the construction of new facilities and major upgrades.
- Community satisfaction rating for overall performance in local roads and footpaths.
- Asset condition of Buloke Shire Council roads, and footpaths.
- Reduce the waste to landfill ratio.

#### MAJOR INITIATIVES

- Develop a ten year capital works plan.

**Result: The development of this plan is ongoing.**

- Redevelop and prioritise Major Projects Pipeline document.

**Result: Complete.**

- Implementation of key infrastructure projects:
  - Wycheproof Pool Change Facilities. Completed.
  - Charlton Park 2020 Project. This project is fully funded and will begin construction in 2018.
  - Birchip Early Years Centre. Under construction at time of reporting.
  - Berrwillock Bowls Synthetic Surface. Completed.
  - Streetscape master plan implementation.

**Result: This project is ongoing.**

## SERVICE PERFORMANCE INDICATORS

SERVICE/INDICATOR/MEASURE	Results 2015	Results 2016	Results 2017	Results 2018	Material Variations
<b>ROADS</b>					
<i>Satisfaction of use</i>					
Sealed local road requests	5.26	3.58	5.37	5.67	
[Number of sealed local road requests / Kilometres of sealed local roads ] x100					
<i>Condition</i>					
Sealed local roads maintained to condition standards	78.00%	96.41%	89.45%	92.84%	
[Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100					
<i>Service cost</i>					
Cost of sealed local road reconstruction	\$0.00	\$39.44	\$49.86	\$42.65	Costs of roads is variable due to volatility of resource prices and availability of contractors.
[Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]					
<i>Service Cost</i>					
Cost of sealed local road resealing	\$3.86	\$4.00	\$4.70	\$4.72	
[Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]					
<i>Satisfaction</i>					
Satisfaction with sealed local roads	44.00	39.00	36.00	39.00	Council is actively increasing road renewal expenditure in line with its strategic resource plan (SRP).
[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]					

● OUR PERFORMANCE - STRATEGIC OBJECTIVE 4

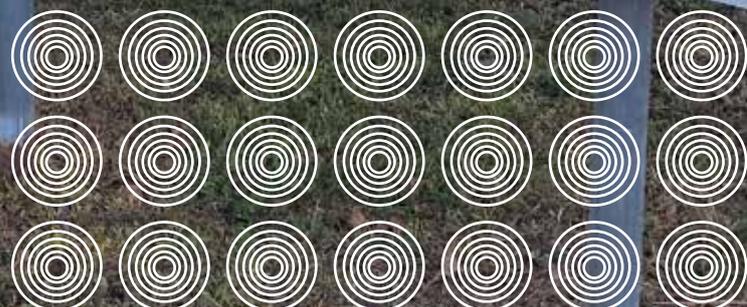
SERVICE/INDICATOR/MEASURE	Results 2015	Results 2016	Results 2017	Results 2018	Material Variations
<b>WASTE COLLECTION</b>					
<i>Satisfaction</i>					
<b>Kerbside bin collection requests</b>	8.07	10.41	18.43	50.07	Bins are nearing the end of asset life, resulting in higher number of requests for repairs or replacements of damaged bins.
[Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1000					
<i>Service standard</i>					
<b>Kerbside collection bins missed</b>	7.86	2.47	2.53	2.18	Council has maintained good collection service with minimal bins missed during kerbside collection.
[Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000					
<i>Service cost</i>					
<b>Cost of kerbside garbage bin collection service</b>	\$61.57	\$60.60	\$60.42	\$60.14	Service is contracted and costs have remained consistent.
[Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]					
<i>Service Cost</i>					
<b>Cost of kerbside recyclables collection service</b>	\$41.93	\$41.64	\$34.17	\$40.00	Variance reflects increase in cost associated with recycling and is consistent with state-wide increases.
[Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]					
<i>Waste diversion</i>					
<b>Kerbside collection waste diverted from landfill</b>	27.00%	24.29%	23.49%	23.27%	
[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100					

# STRATEGIC OBJECTIVE 5

Support our Councillors, staff, volunteers and the community to make informed and transparent decisions.



ELLIOTT GARDENS



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

### 5.1

**IMPLEMENT A ROBUST COMPLIANCE AND RISK FRAMEWORK TO ENSURE STATUTORY OBLIGATIONS ARE FULFILLED.**

#### ACTIONS

- Maintain and review the risk framework.
- Implement the internal audit plan.

### 5.2

**ENSURE THE BULOKE ORGANISATIONAL DEVELOPMENT STRATEGY SUPPORTS OUR CULTURE.**

#### ACTION

- Establish and implement regular reporting against the organisational development strategy.

### 5.3

**ENSURE OUR COUNCILLORS HAVE SUPPORT IN PERFORMING THEIR ROLES AND RESPONSIBILITIES.**

#### ACTIONS

- Develop and implement a Councillor Development program.
- Promote professional development opportunities for Councillors.

### 5.4

**REVIEW AND MONITOR PARTNERSHIP ARRANGEMENTS TO MAXIMISE SERVICES FOR BULOKE.**

#### ACTIONS

- Secure representation on the relevant Federal, state, regional and local bodies.
- Review our partnerships to ensure that there are clear outcomes to measure our staff and Councillor investments.

### 5.5

**INCREASE OUR COMMUNICATION AND INVOLVEMENT WITH THE COMMUNITY IN DECISION MAKING.**

#### ACTIONS

- Provide high quality customer service and manage requests effectively through a Customer Service Charter.
- Provide targeted communication aligned to requirements and expectations of residents and stakeholders such as businesses and forums.
- Improve Council's website functionality and accessibility.

### 5.6

**RECOGNISE OUR VOLUNTEERS AND SUPPORT THEIR SIGNIFICANT CONTRIBUTIONS.**

#### ACTION

- Develop and implement a Volunteer Action Strategy that incorporates promotional material to encourage and retain volunteers.

### STRATEGIC INDICATORS

- Achieve the financial results set out in the four year Strategic Resource Plan.
- Improve community satisfaction survey rating for customer service.

### MAJOR INITIATIVES

- Develop a Volunteer Strategy.  
**Result: This strategy has been implemented.**
- Development of a Councillor Development Program.  
**Result: The implementation of this program is ongoing.**

## SERVICE PERFORMANCE INDICATORS

SERVICE/INDICATOR/MEASURE	Results 2015	Results 2016	Results 2017	Results 2018	Material Variations
<i>Decision making</i>					
Council planning decisions upheld at VCAT	0.00%	100.00%	0.00%	0.00%	Council has had no planning matters referred to VCAT.
[Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100					

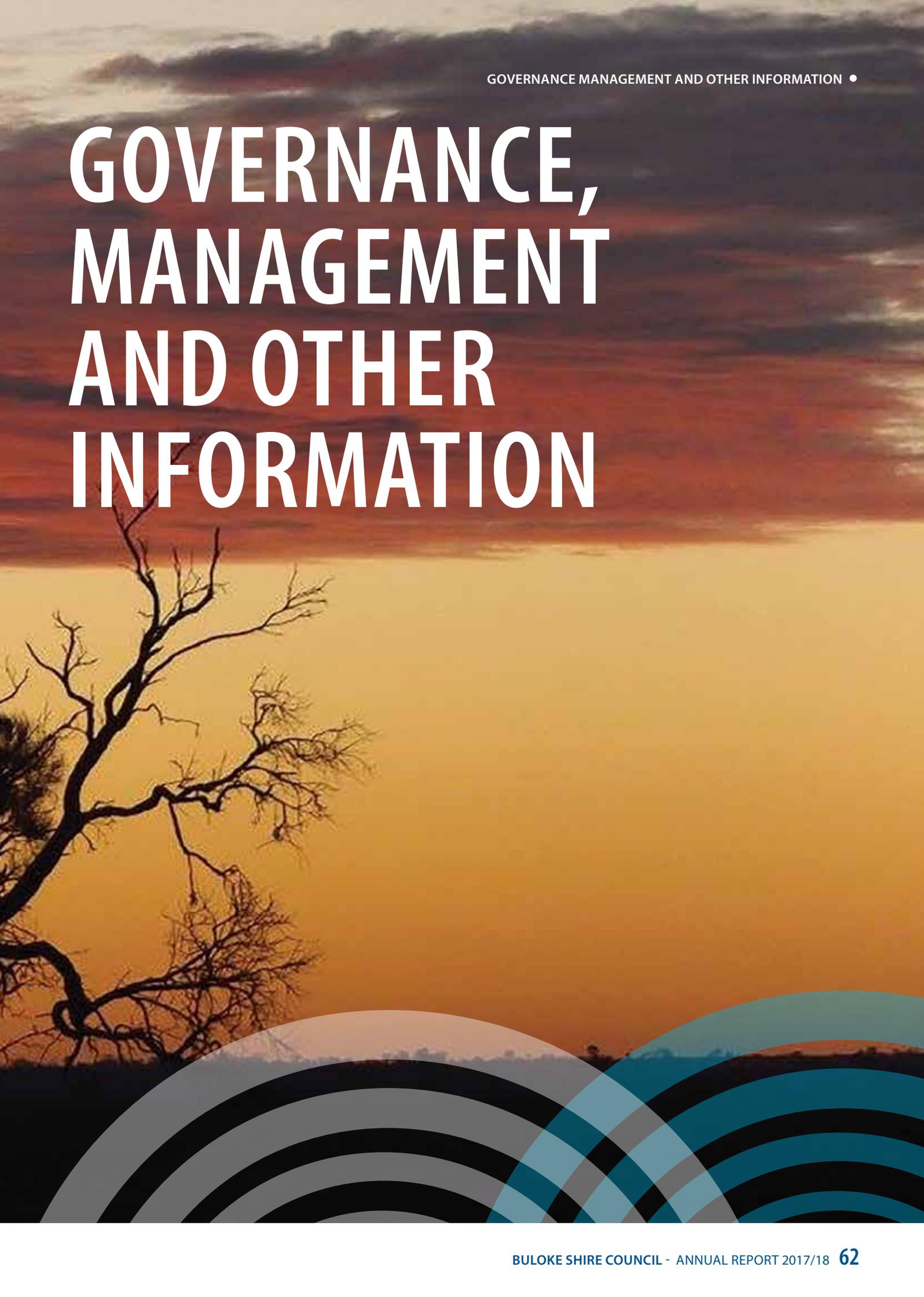
### GOVERNANCE

<i>Transparency</i>					
Council decisions made at meetings closed to the public	1.00%	4.59%	2.09%	9.09%	Increase in annual capital works program resulting in a higher number of contract commercial-in-confidence decisions made in meetings closed to the public.
[Number of Council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of Councillors, closed to the public / Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors ] x100					

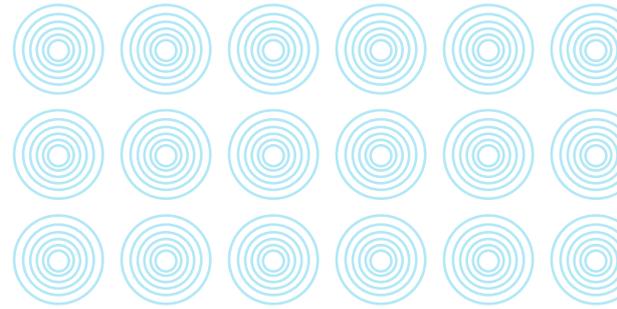
• OUR PERFORMANCE - STRATEGIC OBJECTIVE 5

SERVICE/INDICATOR/MEASURE	Results 2015	Results 2016	Results 2017	Results 2018	Material Variations
<i>Consultation and engagement</i>					
Satisfaction with community consultation and engagement	51.00	46.00	51.00	53.00	Council is actively improving community engagement activities, including increased use of social media, and community forum summits.
[Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]					
<i>Attendance</i>					
Councillor attendance at council meetings	93.00%	89.92%	91.43%	98.90%	Councillors are active in their communities and conscientious in attending to their Councillor responsibilities.
[The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special Council meetings) × (Number of Councillors elected at the last Council general election)] x100					
<i>Service cost</i>					
Cost of governance	\$30,814.00	\$33,020.57	\$34,852.27	\$35,607.71	
[Direct cost of the governance service / Number of Councillors elected at the last Council general election]					
<i>Satisfaction</i>					
Satisfaction with council decisions	50.00	45.00	49.00	50.00	Performance identifies positive trend as a result of initiatives in community engagement, including through increased use of media, stakeholder engagement initiatives and community forum summits.
[Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]					

# GOVERNANCE, MANAGEMENT AND OTHER INFORMATION



# GOVERNANCE



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

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

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

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

## GOVERNANCE AND MANAGEMENT CHECKLIST

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

GOVERNANCE AND MANAGEMENT ITEM	ASSESSMENT
<b>COMMUNITY ENGAGEMENT</b> (policy outlining Council's commitment to engaging with the community on matters of public interest)	Community Engagement Policy and Guidelines is incorporated into the Community Engagement Strategy. Adopted 11 February 2015.
<b>COMMUNITY ENGAGEMENT GUIDELINES</b> (guidelines to assist staff to determine when and how to engage with the community)	Community Engagement Policy and Guidelines is incorporated into the Community Engagement Strategy. Adopted 11 February 2015.
<b>STRATEGIC RESOURCE PLAN</b> (plan under Section 126 of the Act outlining the financial and non-financial resources required for at least the next 4 financial years)	Plan adopted in accordance with Section 126 of the Act on 21 June 2016.
<b>ANNUAL BUDGET</b> (plan under Section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Budget adopted in accordance with Section 130 of the Act on 20 June 2017.
<b>ASSET MANAGEMENT PLANS</b> (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Asset Management Strategy was adopted on 9 December 2015. Road Management Plan was adopted on 14 June 2017.
<b>RATING STRATEGY</b> (strategy setting out the rating structure of Council to levy rates and charges)	Rating strategy is incorporated into the Annual Budget and the Strategic Resource plan adopted 20 June 2017.
<b>RISK POLICY</b> (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Current policy in operation. Adopted 14 June 2016.
<b>FRAUD POLICY</b> (policy outlining Council's commitment and approach to minimising the risk of fraud)	Current policy in operation. Adopted 10 February 2016.
<b>MUNICIPAL EMERGENCY MANAGEMENT PLAN</b> (plan under Section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery)	Prepared and maintained in accordance with Section 20 of the <i>Emergency Management Act 1986</i> . Adopted 8 November 2017.
<b>PROCUREMENT POLICY</b> (policy under Section 186A of the <i>Local Government Act 1989</i> outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	Prepared and approved in accordance with Section 186A of the <i>Local Government Act 1989</i> . Adopted 11 April 2018.

GOVERNANCE AND MANAGEMENT ITEM	ASSESSMENT
<p><b>BUSINESS CONTINUITY PLAN</b> (plan setting out the actions that will be taken to ensure that key services continue to operate in the event of a disaster)</p>	<p>Current plan in operation. Adopted 8 November 2017. Policy and Framework in operation, plans are under development.</p>
<p><b>DISASTER RECOVERY PLAN</b> (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)</p>	<p>Current plan in operation. Adopted 11 September 2013.</p>
<p><b>RISK MANAGEMENT FRAMEWORK</b> (framework outlining Council's approach to managing risks to the Council's operations)</p>	<p>Current framework in operation. Adopted 14 June 2017.</p>
<p><b>AUDIT COMMITTEE</b> (advisory committee of Council under Section 139 of the Act whose role is to oversee the integrity of a Council's financial reporting, processes to manage risks to the Council's operations and for compliance with applicable legal, ethical, and regulatory requirements)</p>	<p>Committee established in accordance with Section 139 of the Act. Established 28 October 2004. Current Charter adopted 8 November 2017.</p>
<p><b>INTERNAL AUDIT</b> (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)</p>	<p>Internal auditor engaged on 8 March 2017.</p>
<p><b>PERFORMANCE REPORTING FRAMEWORK</b> (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in Section 131 of the Act)</p>	<p>Current framework in operation. 1 July 2014.</p>
<p><b>COUNCIL PLAN REPORTING</b> (report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)</p>	<p>Reported against on 9 September 2017 and 13 June 2018.</p>
<p><b>FINANCIAL REPORTING</b> (quarterly statements to Council under Section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)</p>	<p>Quarterly statements presented to Council in accordance with Section 138(1) of the Act.</p>
<p><b>RISK REPORTING</b> (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)</p>	<p>Reports prepared and presented. Policy and Framework in place, report format is under review.</p>
<p><b>PERFORMANCE REPORTING</b> (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in Section 131 of the Act)</p>	<p>Reports prepared and presented.</p>

GOVERNANCE AND MANAGEMENT ITEM	ASSESSMENT
<p><b>ANNUAL REPORT</b> (annual report under Sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial performance statements)</p>	<p>Annual report considered at a meeting of Council on 11 October 2017 in accordance with Section 134 of the Act.</p>
<p><b>COUNCILLOR CODE OF CONDUCT</b> (Code under Section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors)</p>	<p>Code of conduct reviewed in accordance with Section 76C of the Act on 8 February 2017.</p>
<p><b>DELEGATIONS</b> (a document setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff)</p>	<p>Delegations reviewed in accordance with Section 98(6) of the Act. Council to CEO on 14 March 2018. Council to Staff on 11 October 2017. CEO to Staff on 1 March 2018.</p>
<p><b>MEETING PROCEDURES</b> (a local law governing the conduct of meetings of Council and Special Committees)</p>	<p>Meetings Procedure and Common Seal Local Law made in accordance with Section 91(1) of the Act. Adopted 12 August 2015.</p>

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

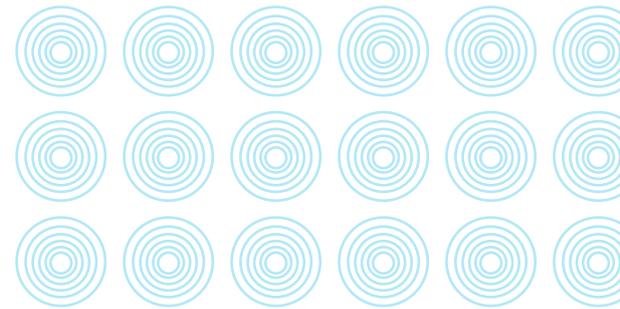


Anthony Judd  
Chief Executive Officer



Cr David Pollard  
Mayor

# STATUTORY INFORMATION



## FREEDOM OF INFORMATION

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

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

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

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

Further information on regarding FOI can be found at [www.foi.vic.gov.au](http://www.foi.vic.gov.au) and on the Buloke Shire Council website.

	2014-15	2015-16	2016-17	2017-18
<b>TOTAL NUMBER OF REQUESTS IN THE PERIOD</b>	1	1	1	1
<b>ACCESS GRANTED IN FULL</b>	0	0	0	0
<b>ACCESS GRANTED IN PART</b>	1	1	1	1
<b>OUTCOMES OF REQUESTS OUTSTANDING FROM PREVIOUS REPORTING PERIOD</b>	1	0	0	1
<b>ACCESS GRANTED IN FULL</b>	0	0	0	0
<b>ACCESS GRANTED IN PART</b>	1	0	0	1
<b>OTHER</b>				
<b>ACCESS DENIED IN FULL</b>	0	1	0	0
<b>REQUESTS STILL UNDER CONSIDERATION</b>	0	0	0	1
<b>NUMBER OF INTERNAL REVIEWS SOUGHT</b>	0	0	0	0
<b>REQUESTS REFERRED TO ANOTHER GOVERNMENT AGENCY</b>	0	0	1	0
<b>NUMBER OF VICTORIAN CIVIL AND ADMINISTRATIVE TRIBUNAL (VCAT) APPEALS LODGED</b>	1	2	0	0
<b>OUTCOME OF VCAT DECISIONS APPEALED IN THE PERIOD</b>				
<b>WITHDRAWN</b>	1	0	0	0
<b>SUCCESSFUL</b>	0	1	0	0
<b>STILL TO BE HEARD</b>	0	1	0	0
<b>TOTAL CHARGES COLLECTED</b>	\$26.50	\$27.50	\$27.90	\$28.40

## BEST VALUE

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

## SERVICES REVIEWED AS AT 30 JUNE 2018 WERE:

2015/16	2016/17	2017/18
Media and Communications	School Crossing	Community Development
Payroll	Planning	Urban and Parks
Swimming Pool	Building	Risk Management
Information Technology	Environmental Compliance	Governance
Economic Development	Insurance	Brokered Care
Waste Services	Rates	Home Care
Building Services	Payroll	Meals on Wheels
Local Laws	Governance	Records Management
	Immunisation	Public/Environmental Health
	Recreation Service	Finance
	Saleyard and Truck Wash	

## DISABILITY ACTION PLAN

In accordance with Section 38 of the *Disability Act 2006*, Council has prepared a Disability Action Plan it must report on the implementation of the Disability Action Plan in its annual report.

Council has prepared a Disability Action Plan and taken the following actions:

- Delivered Community Care services to eligible members of the community by providing adequate and equitable access to services.
- Developed cross sector partnership opportunities to capitalise on existing resources and services
- Increased opportunities for people with a disability to participate in community events
- Regularly promoted all services available to people with a disability or mental illness and their carers

Council undertook consultation for the development of an Inclusiveness Plan during the 2017/18 year. The plan is scheduled for adoption in the 2018/19 year and will address Council's obligations under the *Disability Act 2006*.

## CONTRACTS

During the 2017-18 year Council entered into no contracts with a value of \$150,000 or more for goods and services or \$200,000 or more for works without engaging in a competitive process.

## DOMESTIC ANIMAL MANAGEMENT PLAN

All Victorian Councils are required by the *Domestic Animals Act 1994* (the Act) to prepare and implement a four year Domestic Animal Management Plan (DAMP) to guide decision making in relation to animal management for dogs and cats. The scope of the DAMP does not include activities for the management of wildlife, horses, livestock, or pest animals.

The four year plan builds on the 2013-2017 DAMP and provides the framework for the planning, development, and evaluation of animal management services and programs delivered by Buloke Shire Council and complies with the requirements of the Act.

Council's Domestic Animal Management Plan was adopted on 14 March 2018 and is available on Council's website.

## FOOD ACT MINISTERIAL DIRECTIONS

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

No such ministerial directions were received by Buloke Shire Council during the 2017-18 year.

## PROTECTED DISCLOSURE PROCEDURES

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

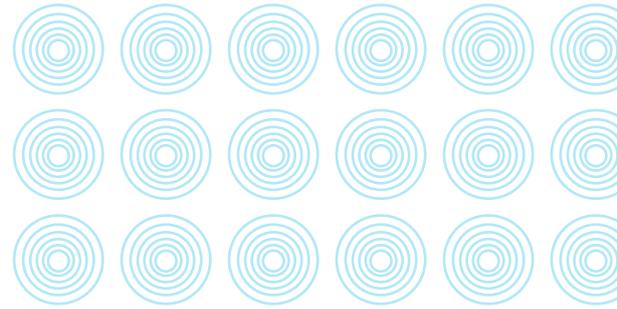
The *Protected Disclosure Act 2012* (Vic) aims to ensure openness and accountability in government by encouraging people to disclose improper conduct within the public sector and provide protection for people who make disclosures. Procedures on how to make a disclosure are publicly available on Council's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

During the 2017-18 year one disclosure was notified to Council officers appointed to receive disclosures, or to IBAC.

## ROAD MANAGEMENT ACT MINISTERIAL DIRECTION

In accordance with Section 22 of the *Road Management Act 2004*, a Council must publish a copy or a summary of any Ministerial direction in its annual report. No such Ministerial Directions were received by Council during the 2017-18 year.

# EXPLANATION OF FINANCIAL STATEMENTS



## INTRODUCTION

The Financial Report is a key report of the Buloke Shire Council. It shows how Council performed financially during the 2017/2018 financial year and the overall position at the end of the financial year (30 June 2018).

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

Council is committed to accountability. It is in this context that the plain English Guide has been developed to assist readers understanding and analysis of the financial report.

## WHAT IS CONTAINED IN THE ANNUAL FINANCIAL REPORT?

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

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

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

## COMPREHENSIVE INCOME STATEMENT

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

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

## BALANCE SHEET

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

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

1

## CURRENT & NON-CURRENT ASSETS

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

2

**CURRENT AND NON-CURRENT LIABILITIES**

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

3

**NET ASSETS**

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

4

**EQUITY**

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

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

**STATEMENT OF CHANGES IN EQUITY**

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

The main reasons for a change in equity stem from:

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

**STATEMENT OF CASH FLOWS**

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

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

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

**CASH FLOWS FROM OPERATING ACTIVITIES**

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

**CASH FLOWS FROM INVESTING ACTIVITIES**

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

**CASH FLOWS FROM FINANCING ACTIVITIES**

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

**CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR**

- Takes into account all cash and cash equivalents from operating, investing and financing activities, including total cash at the beginning of the year, and demonstrates the capacity of Council to meet its debts and other liabilities as they become due and payable

## STATEMENT OF CAPITAL WORKS

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

## NOTES TO THE FINANCIAL REPORT

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

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

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

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

## CERTIFICATION OF THE FINANCIAL STATEMENTS

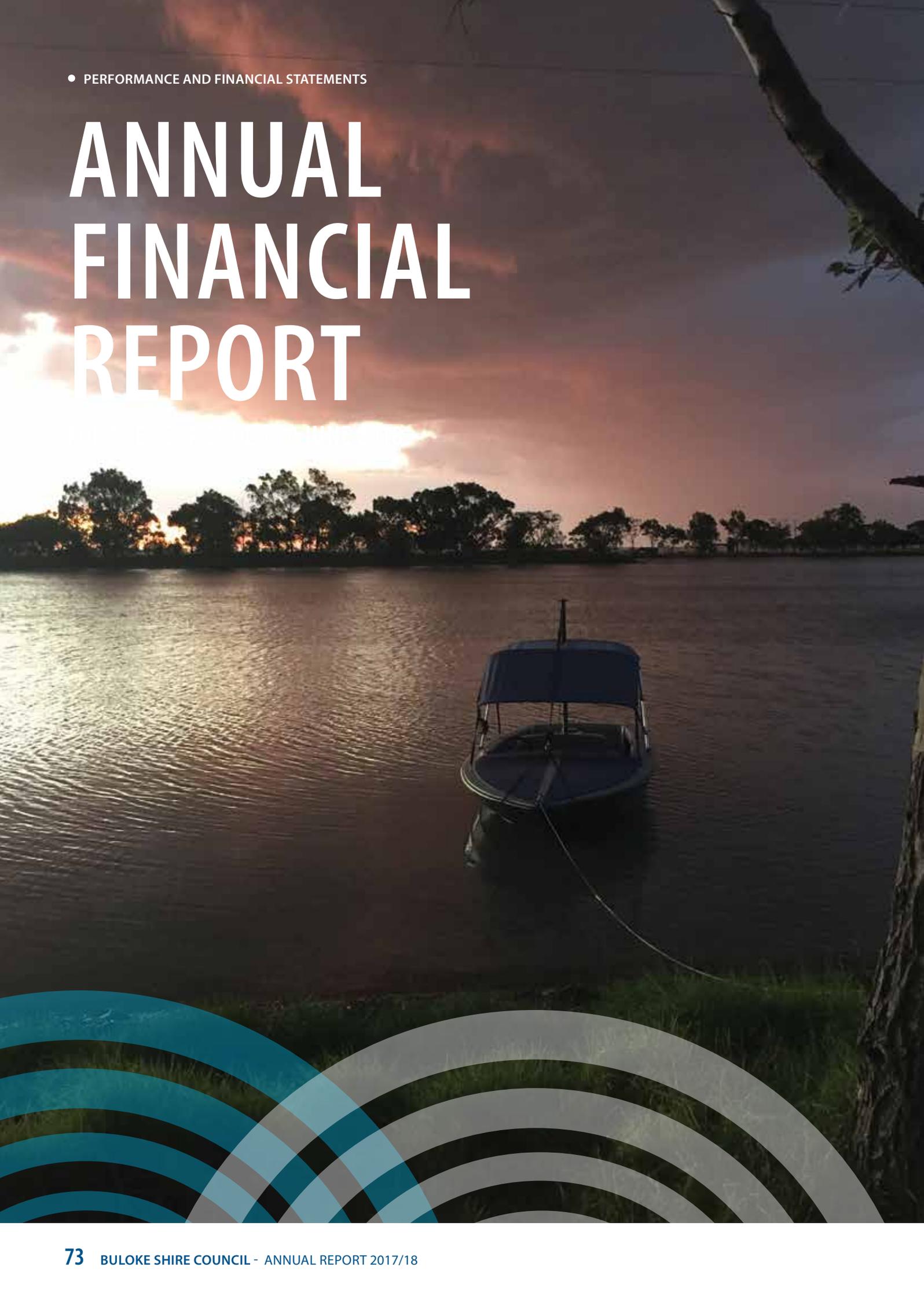
The certification of the Principal Accounting Officer is made by the person responsible for the financial management of Council that, in her/his opinion, the financial statements have met all the statutory and professional reporting requirements.

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

## AUDITOR-GENERAL'S REPORT

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

# ANNUAL FINANCIAL REPORT



# BULOKE SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

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## BULOKE SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

### Certification of the Financial Statements

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

  
\_\_\_\_\_  
Hannah Yu  
Principal Accounting Officer  
Date : 12 September 2018  
Wycheproof

In our opinion the accompanying financial statements present fairly the financial transactions of the Buloke Shire Council for the year ended 30 June 2018 and the financial position of the Council as at that date.

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

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

  
\_\_\_\_\_  
Cr David Pollard (Mayor)  
Councillor  
Date : 12 September 2018  
Wycheproof

  
\_\_\_\_\_  
Cr Daryl Warren (Deputy Mayor)  
Councillor  
Date : 12 September 2018  
Wycheproof

  
\_\_\_\_\_  
Anthony Judd  
Chief Executive Officer  
Date : 12 September 2018  
Wycheproof

# BULOKE SHIRE COUNCIL 2017/2018 FINANCIAL REPORT



## Independent Auditor's Report

### To the Councillors of Buloke Shire Council

<b>Opinion</b>	<p>I have audited the financial report of Buloke Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> <li>• balance sheet as at 30 June 2018</li> <li>• comprehensive income statement for the year then ended</li> <li>• statement of changes in equity for the year then ended</li> <li>• statement of cash flows for the year then ended</li> <li>• notes to the financial statements, including significant accounting policies</li> <li>• certification of the financial statements.</li> </ul>
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In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2018 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the *Local Government Act 1989* and applicable Australian Accounting Standards.

<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p>
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My independence is established by the *Constitution Act 1975*. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

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

<b>Councillors' responsibilities for the financial report</b>	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p>
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In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

## BULOKE SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

**Auditor's responsibilities for the audit of the financial report**

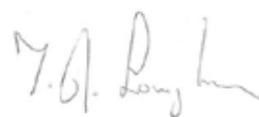
As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and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

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

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

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

MELBOURNE  
13 September 2018



Tim Loughnan  
*as delegate for the Auditor-General of Victoria*

# BULOKE SHIRE COUNCIL

## 2017/2018 FINANCIAL REPORT

### Comprehensive Income Statement For the Year Ended 30 June 2018

	Note	2018 \$'000	2017 \$'000
<b>Income</b>			
Rates and charges	2.1	13,014	12,702
Statutory fees and fines	2.2	74	249
User fees	2.3	761	773
Grants - operating	2.4	11,432	10,882
Grants - capital	2.4	2,812	4,511
Contributions - monetary	2.5	345	346
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	2.6	25	42
Net gain (or loss) on settlement for equity share in WRLC	2.6	(78)	-
Share of net profits (or loss) of associates and joint ventures	5.2	(28)	2
Other income	2.7	472	377
<b>Total income</b>		<b>28,829</b>	<b>29,884</b>
<b>Expenses</b>			
Employee costs	3.1	9,285	8,588
Materials and services	3.2	7,583	6,163
Depreciation and amortisation	3.3	7,136	6,829
Bad and doubtful debts	3.4	114	106
Borrowing costs	3.5	298	297
Other expenses	3.6	678	770
<b>Total expenses</b>		<b>25,094</b>	<b>22,753</b>
<b>Surplus/(deficit) for the year</b>		<b>3,735</b>	<b>7,131</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to surplus or deficit in future periods</b>			
Net asset revaluation increment/(decrement)	5.1	15,617	9,600
<b>Total comprehensive result</b>		<b>19,352</b>	<b>16,731</b>

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

## BULOKE SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

### Balance Sheet As at 30 June 2018

	Note	2018 \$'000	2017 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	4.1	6,190	8,903
Trade and other receivables	4.1	1,754	1,491
Other financial assets	4.1	14,080	5,504
Inventories	4.2	63	119
Other assets	4.2	321	544
<b>Total current assets</b>		<b>22,408</b>	<b>16,561</b>
<b>Non-current assets</b>			
Investments in associates, joint arrangements and subsidiaries	5.2	-	224
Property, infrastructure, plant and equipment	5.1	196,659	181,297
<b>Total non-current assets</b>		<b>196,659</b>	<b>181,521</b>
<b>Total assets</b>		<b>219,067</b>	<b>198,082</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	4.3	3,102	1,471
Trust funds and deposits	4.3	144	114
Provisions	4.5	2,158	1,945
<b>Total current liabilities</b>		<b>5,404</b>	<b>3,530</b>
<b>Non-current liabilities</b>			
Provisions	4.5	836	1,077
Interest-bearing liabilities	4.4	7,000	7,000
<b>Total non-current liabilities</b>		<b>7,836</b>	<b>8,077</b>
<b>Total liabilities</b>		<b>13,240</b>	<b>11,607</b>
<b>Net assets</b>		<b>205,827</b>	<b>186,475</b>
<b>Equity</b>			
Accumulated surplus		99,221	95,486
Reserves	8.1	106,606	90,989
<b>Total Equity</b>		<b>205,827</b>	<b>186,475</b>

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

# BULOKE SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

### Statement of Changes in Equity For the Year Ended 30 June 2018

2018	Note	Total	Accumulated	Revaluation	Other
		\$'000	Surplus	Reserve	Reserves
		\$'000	\$'000	\$'000	\$'000
Balance at beginning of the financial year		186,475	95,486	90,989	-
Surplus/(deficit) for the year		3,735	3,735	-	-
Net asset revaluation increment/(decrement)		15,617	-	15,617	-
<b>Balance at end of the financial year</b>		<b>205,827</b>	<b>99,221</b>	<b>106,606</b>	<b>-</b>

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

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

# BULOKE SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

### Statement of Cash Flows For the Year Ended 30 June 2018

	Note	2018 Inflows/ (Outflows) \$'000	2017 Inflows/ (Outflows) \$'000
<b>Cash flows from operating activities</b>			
Rates and charges		12,978	12,741
Statutory fees and fines		127	146
User fees		765	747
Grants - operating		11,432	10,203
Grants - capital		2,812	4,961
Contributions - monetary		345	346
Interest received		558	142
Other receipts		104	188
Net GST refund/payment		1,115	992
Employee costs		(9,308)	(8,626)
Materials and services		(6,998)	(7,015)
Trust funds and deposits repaid		-	(4)
Other payments		(678)	(743)
<b>Net cash provided by/(used in) operating activities</b>		<b>13,252</b>	<b>14,078</b>
<b>Cash flows from investing activities</b>			
Payments for property, infrastructure, plant and equipment	5.1 (a)	(7,171)	(6,280)
Proceeds from sale of property, infrastructure, plant and equipment		72	101
Payments for investments		(35,771)	(20,069)
Proceeds from sale of investments		27,196	17,564
<b>Net cash provided by/(used in) investing activities</b>		<b>(15,674)</b>	<b>(8,684)</b>
<b>Cash flows from financing activities</b>			
Finance costs		(298)	(297)
Trust funds and deposits taken		7	-
<b>Net cash provided by/(used in) financing activities</b>		<b>(291)</b>	<b>(297)</b>
Net increase (decrease) in cash and cash equivalents		(2,713)	5,097
Cash and cash equivalents at the beginning of the financial year		8,903	3,806
<b>Cash and cash equivalents at the end of the financial year</b>		<b>6,190</b>	<b>8,903</b>
Financing arrangements	4.6		
Restrictions on cash assets	4.1		

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

# BULOKE SHIRE COUNCIL

## 2017/2018 FINANCIAL REPORT

### NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

#### Statement of Capital Works For the Year Ended 30 June 2018

	Note	2018 \$'000	2017 \$'000
<b>Property</b>			
Buildings		1,948	552
<b>Total buildings</b>		<u>1,948</u>	<u>552</u>
<b>Total property</b>		<u>1,948</u>	<u>552</u>
<b>Plant and equipment</b>			
Plant, machinery and equipment		689	682
Computers and telecommunications		350	247
Library books		161	-
<b>Total plant and equipment</b>		<u>1,200</u>	<u>929</u>
<b>Infrastructure</b>			
Roads		2,173	3,510
Footpaths and cycleways		65	72
Drainage		90	308
Recreational, leisure and community facilities		598	250
Waste management		56	480
Parks, open space and streetscapes		29	49
Other infrastructure		769	80
<b>Total infrastructure</b>		<u>3,780</u>	<u>4,749</u>
<b>Total capital works expenditure</b>		<u>6,928</u>	<u>6,230</u>
<b>Represented by:</b>			
New asset expenditure		1,885	165
Asset renewal expenditure		4,132	4,961
Asset upgrade expenditure		911	1,104
<b>Total capital works expenditure</b>		<u>6,928</u>	<u>6,230</u>

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

# BULOKE SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

### OVERVIEW

#### Introduction

The Buloke Shire Council was established by an Order of the Governor in Council on 20 January 1995 and is a body corporate.

The Council's main office is located at 367 Broadway, Wycheproof, Victoria 3527.

The purpose of the Council is to:

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

#### Additional Information

External Auditor - Auditor-General of Victoria

Internal Auditors during 2017/18 -

\* RSD Chartered Accountants - Bendigo

Solicitors - Maddocks

- Karen Lee Probst Solicitors

- MCC Legal - for debt collection

- MCL Legal - for sale of properties

- John R. Buman & Co

Bankers - Commonwealth Bank of Australia

- National Australia Bank

- Bendigo and Adelaide Bank

Website address [www.buloke.vic.gov.au](http://www.buloke.vic.gov.au)

#### Statement of compliance

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

#### Significant accounting policies

##### (a) Basis of accounting

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 5.1)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 5.1)
- the determination of employee provisions (refer to Note 4.5)
- the determination of landfill provisions (refer to Note 4.5)
- other areas requiring judgments

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

# BULOKE SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

### Note 1 Performance against budget

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

The budget figures detailed below are those adopted by Council on 21st June 2017. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for income and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

#### 1.1 Income and expenditure

	Budget 2018 \$'000	Actual 2018 \$'000	Variance 2018 \$'000	Ref
<b>Income</b>				
Rates and charges	12,888	13,014	126	
Statutory fees and fines	132	74	(58)	1
User fees	762	761	(1)	
Grants - operating	7,321	11,432	4,111	2
Grants - capital	4,948	2,812	(2,136)	3
Contributions - monetary	766	345	(421)	4
Net Gain/(Loss) on disposal of property, infrastructure, plant and equipment	10	25	15	5
Net Gain/(Loss) on settlement for equity share in WRLC	-	(78)	-	
Share of net profits/(losses) of associates and joint ventures	-	(28)	(28)	
Other income	327	472	145	6
<b>Total income</b>	<b>27,154</b>	<b>28,829</b>	<b>1,753</b>	
<b>Expenses</b>				
Employee costs	9,265	9,285	(20)	
Materials and services	5,947	7,583	(1,636)	7
Depreciation and amortisation	6,600	7,136	(536)	8
Bad and doubtful debts	5	114	(109)	9
Borrowing costs	297	298	(1)	
Other expenses	837	678	159	10
<b>Total expenses</b>	<b>22,951</b>	<b>25,094</b>	<b>(2,143)</b>	
<b>Surplus/(deficit) for the year</b>	<b>4,203</b>	<b>3,735</b>	<b>(390)</b>	

# BULOKE SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

### (i) Explanation of material variations

Variance Ref	Item	Explanation
1	Statutory fees and fines	The negative variance occurs as a result of the issuing of a lower than anticipated number of fire infringement notices.
2	Grants - operating	The positive variance occurs as a result of Council receiving Natural Disaster Flood Recover Grant of \$3.8M. The level of flood damage was not known at budget time.
3	Grants - capital	The negative variance occurs as a result of the following- (i) Council being unsuccessful in its application for \$500,000 of grant funding for the Lake Amenities Development Project in 2017/18. (ii) The delay in the payment of part of the Lake Tyrell Development Project funding of \$900,000. (iii) Council also budgeted for \$1.7M grant funding for the Charlton Park Project to be received during 2017/18. Delays in this project have resulted in these funds not being received in 2017/18 financial year. It is anticipated that these fund will now be received in 2018/19.
4	Contributions - Monetary	The negative variance occurs as a result of delays in the Charlton Park Project. Delays in this project have resulted in contributions of \$550,000 not being received in the 2017/18 financial year. It is anticipated that these funds will now be received in 2018/19.
5	Net gain/(loss) on disposal of property, infrastructure, plant and equipment	Council budgeted for a position on the disposal of property, infrastructure, plant and equipment of a gain of \$10,000 and the actual result was a loss of \$52,000. This loss arose predominantly from the payout from the Wimmera Mallee Regional Library Corporation being less than the written down replacement value of the Council's library assets.
6	Other income	Other income is above budget as a result of interest on investment income for the year being \$248,100 higher than the original budget. This occurred as a result of improved cash flow from the delay in some capital works projects and the early receipt of various government grants.
7	Materials and services	Council materials and services costs are above budget as a result of Council completing Natural Disaster Flood Recovery works of \$1.5M. The level of flood damage was not known at budget time and it was not possible to include it in the original budget.
8	Bad and doubtful debts	Council, at year end has increased its provision for doubtful debts in relation to fire infringement debtors. The collection of some of these fines has been slower than anticipated. Council has considered it prudent to increase the doubtful debt provision in this area.

# BULOKE SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

- |    |                               |  |
|----|-------------------------------|--|
| 9  | Depreciation and amortisation | Building assets were revalued at the end of the 2016/17 financial year. This revaluation resulted in an increase in the annual depreciation charges of Council's building assets. The valuation was not returned until June 2017. Therefore it was not possible to include the updated depreciation figure in the 2017/18 budget document. |
| 10 | Other expenses                | Council's legal expenses were \$41,000 below the original budget.  |

# BULOKE SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

### Note 1 Performance against budget (cont'd)

#### 1.2 Capital works

	Budget 2018 \$'000	Actual 2018 \$'000	Variance 2018 \$'000	Ref
<b>Property</b>				
Buildings	3,370	1,948	(1,422)	1
<b>Total Buildings</b>	<u>3,370</u>	<u>1,948</u>	<u>(1,422)</u>	
<b>Plant and Equipment</b>				
Plant, machinery and equipment	620	689	69	
Computers and telecommunications	612	350	(262)	2
Library books	100	161	61	3
<b>Total Plant and Equipment</b>	<u>1,332</u>	<u>1,200</u>	<u>(132)</u>	
<b>Infrastructure</b>				
Roads	1,939	2,173	234	4
Footpaths and cycleways	69	65	(4)	
Drainage	100	90	(10)	
Recreational, leisure and community facilities	340	598	258	5
Waste management	85	56	(29)	
Parks, open space and streetscapes	125	29	(96)	
Other infrastructure	1,966	769	(1,197)	6
<b>Total Infrastructure</b>	<u>4,624</u>	<u>3,780</u>	<u>(844)</u>	
<b>Total Capital Works Expenditure</b>	<u>9,326</u>	<u>6,928</u>	<u>(2,398)</u>	
<b>Represented by:</b>				
New asset expenditure	1,862	1,885	23	
Asset renewal expenditure	4,252	4,132	(120)	
Asset upgrade expenditure	3,212	911	(2,301)	
<b>Total Capital Works Expenditure</b>	<u>9,326</u>	<u>6,928</u>	<u>(2,398)</u>	

# BULOKE SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

### (i) Explanation of material variations

Variance Ref	Item	Explanation
1	Buildings	Expenditure in this area is below budget as a result of delays in the Charlton Park Redesign Project. Budgeted expenditure for this project was \$2.1M. Actual expenditure for the year was \$138,000. This project will be carried forward and completed in the 2018/19 financial year.
2	Computers and telecommunications	Expenditure in this area is below budget as a result of delays in the IT System Replacement Project. Budgeted expenditure for this project was \$350,000. Actual expenditure for the year was \$21,000. This project will be carried forward and completed in the 2018/19 financial year.
3	Library books	Expenditure in this area is higher than budget as a result of Council being successful in obtaining additional grant funding for the establishment of a new model for the delivery of library services.
4	Roads	Actual expenditure on roads for the year is \$234,000 higher than budget. This occurred as a result of the carry forward from 2016/17 of some resealing works and the resheeting of Coles Roads Wycheproof that was not included in the original budget.
5	Recreation, leisure and community facilities	Delays in construction of the Wycheproof Pool change rooms upgrade have resulted in the carry forward of expenditure from the 2016/17 financial year. Contracts for this project were let in June 2017. The original budget for this project was included in the 2016-17 Budget.
6	Other infrastructure	Council budgeted for expenditure of \$1.1M on the Lake Tyrrell Infrastructure Project in 2017/18. This project was delayed while Council obtained matching government grant funding. This project is now scheduled to be completed in 2018/19.

# BULOKE SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

2018  
\$'000

2017  
\$'000

### Note 2 Funding for the delivery of our services

#### 2.1 Rates and charges

Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV is the value of the land and all its improvements.

The valuation base used to calculate general rates for 2017/18 was \$1.380 billion (2016/17 \$1.378 billion). The 2017/18 rate in the CIV dollar was a General Rate of 0.007899 cents (2016/17, 0.007743 cents) and a Farm Rate of 0.007741 cents (2016/17, 0.007588 cents).

Rates - Residential	2,519	2,444
Rates - Commercial	634	620
Rates - Rural	7,660	7,481
Windfarm electricity generation charge	77	75
Municipal Charge	736	722
Garbage Charges	1,308	1,283
Interest on Rates and Charges	81	79
Buloke Bucks	(1)	(2)
<b>Total rates and charges</b>	<b>13,014</b>	<b>12,702</b>

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2018, and the valuation will be first applied in the rating year commencing 1st July 2018.

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

#### 2.2 Statutory fees and fines

Compliance	16	193
Governance	5	8
Planning Permits & Certificates	43	36
Revenue Collection	7	8
Building Regulations and Inspections	3	4
<b>Total statutory fees and fines</b>	<b>74</b>	<b>249</b>

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

#### 2.3 User fees

Pound fees and animal registrations	60	53
Home and Community Care	189	179
Brokered Programs Charges	150	113
Public Health and Wellbeing Charges	29	36
Building Services charges	68	84
Caravan Parks & Halls	33	61
Waste and Environment	92	88
Saleyards / Truck Wash	137	148
Other	3	11
<b>Total user fees</b>	<b>761</b>	<b>773</b>

User fees are recognised as revenue when the service has been provided or council has otherwise earned the income.

# BULOKE SHIRE COUNCIL

## 2017/2018 FINANCIAL REPORT

### NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$'000	2017 \$'000
<b>2.4 Funding from other levels of government</b>		
Grants were received in respect of the following :		
<b>Summary of grants</b>		
Commonwealth funded grants	8,678	12,762
State funded grants	5,566	2,631
<b>Total grants received</b>	<b>14,244</b>	<b>15,393</b>
<b>(a) Operating Grants</b>		
<b>Recurrent - Commonwealth Government</b>		
Financial Assistance Grants	6,084	8,598
General home care	693	670
<b>Recurrent - State Government</b>		
General home care	145	143
School crossing supervisors	15	19
Libraries	158	116
Maternal and child health	177	167
Community safety	60	30
Health and immunisation	18	12
Youth	18	54
Other	29	65
<b>Total recurrent operating grants</b>	<b>7,397</b>	<b>9,874</b>
<b>Non-recurrent - Commonwealth Government</b>		
Other	29	-
<b>Non-recurrent - State Government</b>		
Environmental management	125	88
Natural disaster - flood damage	3,780	220
Climate change	6	10
Green Lake water security	36	50
Other	59	30
Community Safety	-	30
Planning and economic development	-	40
Rex Theatre - climate control	-	90
Charlton - St Arnaud Rd floodway construction	-	450
<b>Total non-recurrent operating grants</b>	<b>4,035</b>	<b>1,008</b>
<b>Total operating grants</b>	<b>11,432</b>	<b>10,882</b>
<b>(b) Capital Grants</b>		
<b>Recurrent - Commonwealth Government</b>		
Roads to recovery	1,072	3,494
<b>Total recurrent capital grants</b>	<b>1,072</b>	<b>3,494</b>
<b>Non-recurrent - Commonwealth Government</b>		
Wycheproof Pool change rooms	200	-
Charlton Park 2020 redesign	400	-
Berrwillock Bowls Green Redevelopment	200	-
<b>Non-recurrent - State Government</b>		
Recreation	286	659
Tyrrell College drought proofing	28	120
Lake Tyrrell infrastructure upgrades	200	-
Wycheproof Pool change rooms	20	-
Library Project	131	-
Road rehabilitation - Yuengroon Road stage 1	275	-
Charlton flood study-levee design	-	68
Charlton transfer station development (Year 1)	-	140
Tourism and cultural heritage signs	-	30
<b>Total non-recurrent capital grants</b>	<b>1,740</b>	<b>1,017</b>
<b>Total capital grants</b>	<b>2,812</b>	<b>4,511</b>

# BULOKE SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$'000	2017 \$'000
<b>(c) Unspent grants received on condition that they be spent in a specific manner</b>		
Balance at start of year	4,100	930
Received during the financial year and remained unspent at balance date	2,635	3,456
Received in prior years and spent during the financial year	(4,100)	(286)
Balance at year end	<u>2,635</u>	<u>4,100</u>

Grant income is recognised when Council obtains control of the contribution. Control is normally obtained upon receipt (or acquittal) or upon earlier notification that a grant has been secured.

### 2.5 Contributions

#### Monetary

Revenue Collection Contributions	46	38
Youth Development Contributions	29	29
Other Community Service Contributions	1	17
Capital Works Contributions	177	115
Reimbursements	92	55
Valuation contributions	-	82
Economic Development Projects Contributions	-	10
<b>Total contributions</b>	<u>345</u>	<u>346</u>

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

### 2.6 Net gain/(loss) on disposal of property, infrastructure, plant and equipment and equity share

#### Proceeds of sale/disposal

Land	12	53
Library - Settlement for equity share in WRLC	118	-
Buildings	-	21
Plant and Equipment	60	27
	<u>190</u>	<u>101</u>

#### Written down value of assets disposed

Land	(40)	(44)
Library - Equity share in WRLC	(196)	-
Buildings	-	(9)
Plant and Equipment	(7)	(6)
	<u>(243)</u>	<u>(59)</u>

#### Total net gain/loss on disposal of property, infrastructure, plant and equipment and equity share

	<u>(53)</u>	<u>42</u>
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The profit or loss on sale of an asset is determined when control of the asset has passed to the buyer.

# BULOKE SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$'000	2017 \$'000
<b>2.7 Other income</b>		
Interest on investments	368	189
Rent Council properties	13	9
Shared services charge	56	56
Sundry external works	32	68
Other income	3	55
<b>Total other income</b>	<b>472</b>	<b>377</b>

Interest is recognised as it is earned.

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

### Note 3 The cost of delivering services

#### 3.1 Employee costs

Wages and salaries	8,049	7,446
Allowances	210	242
Worksafe	207	168
Superannuation	819	732
<b>Total employee costs</b>	<b>9,285</b>	<b>8,588</b>

#### (b) Superannuation

Council made contributions to the following funds:

##### Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	16	58
Employer contributions - other funds	-	-
	<b>16</b>	<b>58</b>
Employer contributions payable at reporting date.	-	-

##### Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	419	373
Employer contributions - other funds	384	301
	<b>803</b>	<b>674</b>

Employer contributions payable at reporting date.	62	52
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Refer to note 8.3 for further information relating to Council's superannuation obligations.

#### 3.2 Materials and services

Advertising	89	77
Consultants Fees	480	351
Garbage	94	93
Information Technology	436	380
Insurance	302	279
Operational Contracts and Services	3,224	2,122
Operational Materials	727	659
Other	360	368
Promotion/Public Education	23	64
Subscriptions/Memberships/Publications	100	83
Telephone	61	55
Utilities	381	355
Vehicle and Plant Costs	1,018	980
Vehicle Lease Costs	288	297
<b>Total materials and services</b>	<b>7,583</b>	<b>6,163</b>

# BULOKE SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$'000	2017 \$'000
<b>3.3 Depreciation</b>		
Property	1,431	1,026
Plant and equipment	758	651
Infrastructure	4,947	5,152
<b>Total depreciation</b>	<b>7,136</b>	<b>6,829</b>

*Refer to note 5.1 for a more detailed breakdown of depreciation and accounting policy.*

<b>3.4 Bad and doubtful debts</b>		
Other debtors	114	106
<b>Total bad and doubtful debts</b>	<b>114</b>	<b>106</b>

#### **Movement in provisions for doubtful debts**

Balance at the beginning of the year	123	21
New Provisions recognised during the year	114	106
Amounts already provided for and written off as uncollectible	(67)	(4)
Amounts provided for but recovered during the year	-	-
<b>Balance at end of year</b>	<b>170</b>	<b>123</b>

Provision for doubtful debt is recognised when there is objective evidence that an impairment loss has occurred. Bad debts are written off when identified.

#### **3.5 Borrowing costs**

Interest - Borrowings	298	297
<b>Total borrowing costs</b>	<b>298</b>	<b>297</b>

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.

#### **3.6 Other expenses**

Auditors' remuneration - VAGO - audit	40	38
Internal Auditors' remuneration and Internal Audit Committee allowances	47	31
Councillors' allowances	180	159
Council Contributions and Donations	303	311
Council meeting expenses	10	15
Others	42	64
Election expenses	5	88
Legal Expenses	51	64
<b>Total other expenses</b>	<b>678</b>	<b>770</b>

# BULOKE SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$'000	2017 \$'000
<b>Note 4 Our financial position</b>		
<b>4.1 Financial assets</b>		
<b>(a) Cash and cash equivalents</b>		
Cash on hand	1	1
Cash at bank	3,100	1,359
Term deposits	3,089	7,543
<b>Total cash and cash equivalents</b>	<u>6,190</u>	<u>8,903</u>
<b>(b) Other financial assets</b>		
Term deposits - current	14,080	5,504
<b>Total other financial assets</b>	<u>14,080</u>	<u>5,504</u>
<b>Total financial assets</b>	<u>20,270</u>	<u>14,407</u>

Councils cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:

- Trust funds and deposits (Note 4.3)	144	114
Total restricted funds	<u>144</u>	<u>114</u>
Total unrestricted cash and cash equivalents	<u>6,046</u>	<u>8,789</u>

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

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

## BULOKE SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

### NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$'000	2017 \$'000
<b>(c) Trade and other receivables</b>		
<b>Current</b>		
<i>Statutory receivables</i>		
Rates debtors	997	941
Infringement debtors	258	312
Provision for doubtful debts - infringements	(170)	(123)
GST receivable	338	147
<i>Non statutory receivables</i>		
Grant debtors	-	19
Other debtors		
Other debtors	331	195
Total current trade and other receivables	<u>1,754</u>	<u>1,491</u>
<b>Total trade and other receivables</b>	<u><b>1,754</b></u>	<u><b>1,491</b></u>

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

#### (a) Ageing of Receivables

The ageing of the Council's trade & other receivables (excluding statutory receivables) that are not impaired was:

Current (not yet due)	214	87
Past due by up to 30 days	5	54
Past due between 31 and 180 days	49	15
Past due between 181 and 365 days	23	18
Past due by more than 1 year	40	40
Total trade & other receivables	<u>331</u>	<u>214</u>

# BULOKE SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$'000	2017 \$'000
<b>4.2 Non-financial assets</b>		
<b>(a) Inventories</b>		
Inventories held for distribution	63	119
<b>Total inventories</b>	<b>63</b>	<b>119</b>

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

### (b) Other assets

Prepayments	218	251
Accrued income	96	286
Other	7	7
<b>Total other assets</b>	<b>321</b>	<b>544</b>

	2018 \$'000	2017 \$'000
<b>4.3 Payables</b>		
<b>(a) Trade and other payables</b>		
Trade payables	2,500	1,186
Net GST payable	7	10
Accrued expenses	595	275
<b>Total trade and other payables</b>	<b>3,102</b>	<b>1,471</b>

### (b) Trust funds and deposits

Funds held on behalf of community groups and third parties	17	16
Overpaid rates and charges	111	91
Fire Services Levy	1	3
Other refundable deposits	15	4
<b>Total trust funds and deposits</b>	<b>144</b>	<b>114</b>

Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited. Trust funds that are forfeited, resulting in council gaining control of the funds, are to be recognised as revenue at the time of forfeit.

#### *Purpose and nature of items*

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

Overpaid rates and charges - This amount represents the amount of rate payments made by rate payers in advance at 30 June 2018.

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

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

## BULOKE SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

### NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

4.4 Interest-bearing liabilities	2018 \$'000	2017 \$'000
<b>Non-current</b>		
Borrowings - secured	7,000	7,000
<b>Total</b>	<b>7,000</b>	<b>7,000</b>

Borrowings are secured by a charge over the future rate income of Council.

(a) The maturity profile for Council's borrowings is:

Not later than one year	-	-
Later than one year and not later than five years	7,000	7,000
Later than five years	-	-
	<b>7,000</b>	<b>7,000</b>

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

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

# BULOKE SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

### 4.5 Provisions

	Employee	Landfill	Other	Total
	\$ '000	restoration \$ '000	\$ '000	\$ '000
<b>2018</b>				
Balance at beginning of the financial year	2,157	324	541	3,022
Additional provisions	752	-	-	752
Amounts used	(730)	-	(45)	(775)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	7	(3)	(9)	(5)
Balance at the end of the financial year	<b>2,186</b>	<b>321</b>	<b>487</b>	<b>2,994</b>
<b>2017</b>				
Balance at beginning of the financial year	2,215	289	557	3,061
Additional provisions	728	24	6	758
Amounts used	(746)	(24)	(41)	(811)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(40)	35	19	14
Balance at the end of the financial year	<b>2,157</b>	<b>324</b>	<b>541</b>	<b>3,022</b>

	2018	2017
	\$'000	\$'000
<b>(a) Employee provisions</b>		
<b>Current provisions expected to be wholly settled within 12 months</b>		
Annual leave	511	438
Long service leave	219	129
Rostered days off	15	21
	<b>745</b>	<b>588</b>
<b>Current provisions expected to be wholly settled after 12 months</b>		
Annual leave	128	235
Long service leave	1,150	1,122
	<b>1,278</b>	<b>1,357</b>
Total current employee provisions	<b>2,023</b>	<b>1,945</b>
<b>Non-current</b>		
Long service leave	163	212
Annual leave	-	-
Total non-current employee provisions	<b>163</b>	<b>212</b>
Aggregate carrying amount of employee provisions:		
Current	2,023	1,945
Non-current	163	212
<b>Total aggregate carrying amount of employee provisions</b>	<b>2,186</b>	<b>2,157</b>

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

#### *Wages and salaries and annual leave*

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

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

# BULOKE SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

### Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits. LSL is measured at present value. Unconditional LSL is disclosed as a current liability. Conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non-current liability.

	2018	2017
Key assumptions:		
- discount rate	2.65%	1.61%
- wage inflation rate	3.88%	3.81%
<b>(b) Landfill restoration</b>	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Current	85	-
Non-current	236	324
	<u>321</u>	<u>324</u>

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

	2018	2017
Key assumptions:		
- discount rate	2.65%	2.53%
- inflation rate	1.90%	2.50%
<b>(c) Gravel pit restoration -</b>	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Current	50	-
Non-current	437	541
	<u>487</u>	<u>541</u>
Key assumptions:		
- discount rate	2.65%	2.53%
- inflation rate	1.90%	2.50%

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

# BULOKE SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

### 4.6 Financing arrangements

The Council has the following funding arrangements in place as at 30 June 2018.

	2018 \$'000	2017 \$'000
Other facilities - Bank Guarantee	150	150
Total facilities	150	150
Used facilities - Bank Guarantee	100	68
Unused facilities	50	82

Council has no overdraft facility at 30 June 2018.

### 4.7 Commitments

The Council has entered into the following commitments. Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value and presented inclusive of the GST payable.

	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
<b>2018</b>					
<b>Operating</b>					
Recycling	91	-	-	-	91
Garbage collection	255	-	-	-	255
IT systems and technology	182	8	23	4	217
Office equipment	51	37	-	-	88
Waste transfer stations	55	-	-	-	55
Flood reconstruction	5,085	-	-	-	5,085
Total	5,719	45	23	4	5,791
<b>Capital</b>					
Buildings	5,656	-	-	-	5,656
Total	5,656	-	-	-	5,656
Total	11,375	45	23	4	11,447
<b>2017</b>					
<b>Operating</b>					
Recycling	88	91	-	-	179
Garbage collection	247	255	-	-	502
Provision of library services	247	-	-	-	247
Vehicle leases	297	99	32	-	428
Information systems and technology	197	144	23	11	375
Photocopier management agreement	48	48	36	-	132
Office Equipment	6	-	-	-	6
Waste transfer station	55	55	-	-	110
Provision of building services	141	107	-	-	248
Total	1,326	799	91	11	2,227
<b>Capital</b>					
Infrastructure	569	-	-	-	569
Total	569	-	-	-	569
Total	1,895	799	91	11	2,796

## BULOKE SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

### NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$'000	2017 \$'000
<b>Operating lease commitments</b>		
<p>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):</p>		
Not later than one year	315	94
Later than one year and not later than five years	537	100
Later than five years	-	-
	852	194

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.

# BULOKE SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

Note 5 Assets We Manage  
5.1 Property, infrastructure, plant and equipment  
Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2017	Additions	Impairment losses	Revaluation	Depreciation	Disposal	Transfers	At Fair Value 30 June 2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property	43,900	1,565	-	22,307	(1,431)	(40)	70	66,371
Plant and equipment	4,290	1,179	-	-	(758)	(7)	-	4,704
Infrastructure	132,160	3,025	(6,690)	-	(4,947)	-	409	123,957
Work in progress	947	1,159	-	-	-	-	(479)	1,627
	181,297	6,928	(6,690)	22,307	(7,136)	(47)	-	196,659

### Summary of Work in Progress

	Opening WIP	Additions	Transfers	Closing WIP
	\$'000	\$'000	\$'000	\$'000
Property	100	383	(77)	406
Plant and equipment	-	21	-	21
Infrastructure	847	755	(402)	1,200
Total	947	1,159	(479)	1,627

# BULOKE SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

*Asset recognition thresholds and depreciation periods*

- Land & land improvements
  - land
  - land under roads
- Buildings
  - buildings
- Plant and Equipment
  - plant, machinery and equipment
  - fixtures, fittings and furniture
  - computers and telecommunications equipment
- Infrastructure
  - road formation
  - sealed road pavements
  - unsealed road pavements
  - sealed road surfaces
  - bridges
  - footpaths and cycleways
  - drainage
- recreational, leisure and community facilities
  - waste management
  - parks, open space and streetscapes

# BULOKE SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

**(a) Property**

	Land - specialised	Land - non specialised	Land under roads	Total Land & Land Improvements	Buildings - non specialised	Total Buildings	Work In Progress	Total Property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2017	3,773	97	5	3,875	83,012	83,012	100	86,987
Accumulated depreciation at 1 July 2017	-	-	-	-	(42,987)	(42,987)	-	(42,987)
	3,773	97	5	3,875	40,025	40,025	100	44,000
<b>Movements in fair value</b>								
Additions	-	-	-	-	1,565	1,565	383	1,948
Revaluation	-	-	22,307	22,307	-	-	-	22,307
Disposal	-	(40)	-	(40)	-	-	-	(40)
Transfers	-	-	-	-	70	70	(77)	(7)
	-	(40)	22,307	22,267	1,635	1,635	306	24,208
<b>Movements in accumulated depreciation</b>								
Depreciation and amortisation	-	-	-	-	(1,431)	(1,431)	-	(1,431)
	-	-	-	-	(1,431)	(1,431)	-	(1,431)
At fair value 30 June 2018	3,773	57	22,312	26,142	84,647	84,647	406	111,195
Accumulated depreciation at 30 June 2018	-	-	-	-	(44,418)	(44,418)	-	(44,418)
	3,773	57	22,312	26,142	40,229	40,229	406	66,777

# BULOKE SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

### (b) Plant and Equipment

	Library	Plant machinery and equipment	Fixtures fittings and furniture	Computers and telecomms	Work in Progress	Total plant and equipment
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2017	-	9,031	420	1,339	-	10,790
Accumulated depreciation at 1 July 2017	-	(5,483)	(404)	(613)	-	(6,500)
	-	3,548	16	726	-	4,290
<b>Movements in fair value</b>						
Additions	161	668	-	350	21	1,200
Disposal	-	(150)	-	-	-	(150)
	161	518	-	350	21	1,050
<b>Movements in accumulated depreciation</b>						
Depreciation and amortisation	(2)	(484)	(6)	(266)	-	(758)
Accumulated depreciation of disposals	-	143	-	-	-	143
	(2)	(341)	(6)	(266)	-	(615)
	161	9,549	420	1,689	21	11,840
	(2)	(5,824)	(410)	(879)	-	(7,115)
	<b>159</b>	<b>3,725</b>	<b>10</b>	<b>810</b>	<b>21</b>	<b>4,725</b>

# BULOKE SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

### (c) Infrastructure

	Roads	Bridges	Footpaths and cyceways	Drainage	Recreational, leisure and community	Parks open spaces and streetscapes	Landfill sites	Other Infrastructure	Work in Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2017	239,631	9,737	8,238	7,727	282	148	733	1,835	847	269,178
Accumulated depreciation at 1 July 2017	(121,310)	(4,545)	(3,887)	(4,149)	(27)	(94)	(693)	(1,466)	-	(136,171)
	118,321	5,192	4,351	3,578	255	54	40	369	847	133,007
<b>Movements in fair value</b>										
Additions	2,173	-	64	90	-	-	-	698	755	3,780
Transfers	402	-	-	-	-	-	-	7	(402)	7
Impairment losses recognised against asset revaluation reserve	(6,690)	-	-	-	-	-	-	-	-	(6,690)
	(4,115)	-	64	90	-	-	-	705	353	(2,903)
<b>Movements in accumulated depreciation</b>										
Depreciation and amortisation	(4,473)	(89)	(155)	(64)	(14)	(7)	(6)	(139)	-	(4,947)
	(4,473)	(89)	(155)	(64)	(14)	(7)	(6)	(139)	-	(4,947)
At fair value 30 June 2018	235,516	9,737	8,302	7,817	282	148	733	2,540	1,200	266,275
Accumulated depreciation at 30 June 2018	(125,783)	(4,634)	(4,042)	(4,213)	(41)	(101)	(699)	(1,605)	-	(141,118)
	109,733	5,103	4,260	3,604	241	47	34	935	1,200	125,157

# BULOKE SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

### *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 price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date.

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

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

### *Land under roads*

Council has recognised land under roads it controls at fair value for the first time in 2017/18. This has resulted in an increase in value of Council's land under roads assets of \$22.3M. There has been a corresponding increase of \$22.3M in the land under roads asset revaluation reserve.

### *Depreciation and amortisation*

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

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

Road earthworks are not depreciated on the basis that they are assessed as not having a limited useful life.

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

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

### *Repairs and maintenance*

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.

### **Valuation of land and buildings**

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

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

### **Valuation of land under roads**

This valuation is based on guidelines published by State Governments within Australia and the average market value of land within the municipality. The average market value is adjusted to recognise the englobo nature of land under roads and allowance for access & carriage way rights. Council considers that a reduction of 90% of the average market value is appropriate to reflect fair value in use. Although the valuation is based on underlying market values the broad range of assumptions used mean that the inputs are considered to be level 3. - Results: The fair value of land under roads was initially recognised by Buloke shire at 30 June 2018 was \$22.35M.

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

Valuation of land under roads has been determined in accordance with a valuation undertaken by Council's Chief Executive Officer, Anthony Judd, BMgt, MBA.

# BULOKE SHIRE COUNCIL

## 2017/2018 FINANCIAL REPORT

### NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2018 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation
Land - Non specialised	-	57	-	Jun-17
Land - Specialised	-	-	3,773	Jun-17
Land under roads	-	-	22,312	Jun-17
Buildings - Non Specialised	-	-	40,229	Jun-17
Total	-	57	66,314	

#### Valuation of infrastructure

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

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

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

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

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2018 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation
Roads	-	-	109,733	Jun-16
Bridges	-	-	5,103	Jun-16
Footpaths and cycleways	-	-	4,260	Jun-16
Drainage	-	-	3,604	Jun-17
Recreational, leisure and community facilities	-	-	241	Jun-17
Parks, open space and streetscapes	-	-	47	Jun-17
Landfill sites	-	-	34	Jun-15
Other Infrastructure	-	-	935	Jun-17
Total	-	-	123,957	

#### Description of significant unobservable inputs into level 3 valuations

**Specialised land and land under roads** is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values of 90%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$1.40 and \$1.50 per square metre.

**Infrastructure assets** are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 10 years to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

	2018 \$'000	2017 \$'000
<b>Reconciliation of specialised land</b>		
Land under roads	22,312	5
Community facilities	3,773	3,773
<b>Total specialised land</b>	<b>26,085</b>	<b>3,778</b>

# BULOKE SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$'000	2017 \$'000
<b>5.2 Investments in associates, joint arrangements and subsidiaries</b>		
<b>(a) Investments in associates</b>		
Investments in associates accounted for by the equity method are:		
- Wimmera Regional Library Corporation	-	224
<b>Fair value of Council's investment in Wimmera Regional Library Corporation</b>	<u>-</u>	<u>224</u>
<b>Council's share of accumulated surplus/(deficit)</b>		
Council's share of accumulated surplus/(deficit) at start of year	92	99
Reported surplus/(deficit) for year	(29)	(7)
Transfers (to) from reserves	(63)	-
Distributions for the year	-	-
Council's share of accumulated surplus/(deficit) at end of year	<u>-</u>	<u>92</u>
<b>Council's share of reserves</b>		
Council's share of reserves at start of year	132	123
Transfers (to) from reserves	-	-
Variation - Change in Equity	(132)	9
Council's share of reserves at end of year	<u>-</u>	<u>132</u>
<b>Movement in carrying value of specific investment</b>		
Carrying value of investment at start of year	224	222
Share of surplus/(deficit) for year	(28)	2
Share of asset revaluation	-	-
Cost of Council withdrawing from Wimmera Regional Library Corporation at 30.6.2018	(78)	-
Distributions received - Repayment of Council Equity in WRLC at 30.6.2018	(118)	-
Carrying value of investment at end of year	<u>-</u>	<u>224</u>
<b>Council's share of expenditure commitments</b>		
Operating commitments	-	-
Capital commitments	-	-
Council's share of expenditure commitments	<u>-</u>	<u>-</u>
<b>Council's share of contingent liabilities and contingent assets</b>		
Nil	<u>-</u>	<u>-</u>

Associates are all entities over which Council has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

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

For joint operations, Council recognises its direct right to, and its share of jointly held assets, liabilities, revenues and expenses of joint operations.

Interests in joint ventures are accounted for using the equity method. Under this method, the interests are initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise Council's share of the post-acquisition profits or losses and movements in other comprehensive income in profit or loss and other comprehensive income respectively.

### Significant change in the structure of Council's library services

Council decided during the 2017/18 financial year to withdraw from the Wimmera Regional Library Corporation. Council's withdrawal being effective from 30.6.2018. Council is now managing its library services in house. The \$118,000 amount listed above is the cash proceeds to be received by Council for its share in the equity of the library at this date. Council has written off \$78,000 of its equity in the library at 30.6.2018. This represents the cost to the library group of having to restructure its operations after Council withdrew from the Corporation.

# BULOKE SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

### **Principles of consolidation**

The consolidated financial statements of Council incorporate all entities controlled by Council as at 30 June 2018, and their income and expenses for that part of the reporting period in which control existed.

Subsidiaries are all entities over which Council has control. Council controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Council. They are deconsolidated from the date that control ceases.

Where dissimilar accounting policies are adopted by entities and their effect is considered material, adjustments are made to ensure consistent policies are adopted in these financial statements.

Entities consolidated into Council include:

- Wimmera Regional Library Corporation

### **Committees of management**

All entities controlled by Council that have material revenues, expenses, assets or liabilities, such as committees of management, have been included in this financial report. Any transactions between these entities and Council have been eliminated in full.

# BULOKE SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

### Note 6 People and relationships

#### 6.1 Council and key management remuneration

##### (a) Related Parties

###### Parent entity

Buloke Shire Council

###### Subsidiaries and Associates

Wimmera Regional Library Corporation

##### (b) Key Management Personnel

Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are:

###### Councillors

Councillor David Pollard Mayor

Councillor Graeme Milne

Councillor Ellen White

Councillor John Shaw

Councillor Carolyn Stewart

Councillor David Vis

Councillor Daryl Warren

	2018 No.	2017 No.
<b>Total Number of Councillors</b>	7	11
<b>Chief Executive Officer and other Key Management Personnel</b>	4	6
Anthony Judd Chief Executive Officer (23 April 2018 to 30 June 2018).		
Lucy Roffey Chief Executive Officer (1 July 2017 to 2nd March 2018)		
Jessie Holmes Acting Chief Executive Officer (3 March 2018 to 30 March 2018).		
Anthony Judd Acting Chief Executive Officer (30 March to 22 April 2018).		
Anthony Judd Director Works and Technical Services (1 July 2017 to 21 April 2018)		
Hannah Yu Director Corporate Services		
Jessie Holmes Director Community Development		
<b>Total Key Management Personnel</b>	11	17

##### (c) Remuneration of Key Management Personnel

Total remuneration of key management personnel was as follows:

Short-term benefits	887	818
Post employment benefits	64	68
Long-term benefits	28	14
Termination benefits	-	-
<b>Total</b>	979	900

The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:

\$1 - \$9,999	-	3
\$10,000 - \$19,999	-	7
\$20,000 - \$29,999	6	1
\$50,000 - \$59,999	1	1
\$90,000 - \$99,999	-	1
\$110,000 - \$119,999	1	1
\$120,000 - \$129,999	-	1
\$140,000 - \$149,999	2	-
\$160,000 - \$169,999	-	1
\$180,000 - \$189,999	1	1
	11	17

# BULOKE SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

### (d) Senior Officer Remuneration

A Senior Officer is an officer of Council, other than Key Management Personnel, who:

- a) has management responsibilities and reports directly to the Chief Executive; or
- b) whose total annual remuneration exceeds \$145,000

The number of Senior Officers are shown below in their relevant income bands:

Income Range:	2018 No.	2017 No.
<\$145,000	2	3
	2	3

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

190	257
-----	-----

### 6.2 Related party disclosure

#### (a) Transactions with related parties

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

*Nil*

#### (b) Outstanding balances with related parties

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

*Nil*

#### (c) Loans to/from related parties

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

*Nil*

#### (d) Commitments to/from related parties

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

*Nil*

# BULOKE SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

### Note 7 Managing uncertainties

#### 7.1 Contingent assets and liabilities

##### (a) Contingent assets

###### Natural Disaster Financial Assistance Grant Funding

A significant flood event occurred in the Buloke Shire in September 2016. As a consequence of this flood event Council's infrastructure assets, in particular its road assets were damaged. Council has taken up an impairment charge of \$10,451M against these assets at 30 June 2018. Council is currently making a claim under Victoria's Natural Disaster Financial Assistance (DNFA) Scheme in respect of this natural disaster event. Council anticipates receiving the remaining grant funding of \$8.3M for asset restoration works during 2018-19.

##### (b) Contingent liabilities

###### Superannuation

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation are outlined below. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists.

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

##### (c) Guarantees for loans to other entities

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

	2018 \$'000	2017 \$'000
Bank Guarantee	150	150
<b>TOTAL</b>	<b>150</b>	<b>150</b>

Financial guarantee contracts are not recognised as a liability in the balance sheet unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probable that the right will be exercised.

#### 7.2 Change in accounting standards

The following new AAS's have been issued that are not mandatory for the 30 June 2018 reporting period. Council has assessed these pending standards and has identified the following potential impacts will flow from the application of these standards in future reporting periods.

##### *Financial Instruments - Disclosures (AASB 7) (applies 2018/19)*

This Standard requires entities to provide disclosures in their financial statements that enable users to evaluate: (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed.

##### *Financial Instruments (AASB 9) (applies 2018/19)*

The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.

##### *Revenue from contracts with customers (AASB 15) (applies 2019/20 for LG sector)*

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

##### *Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities (AASB 2016-7) (applies 2019/20)*

This Standard defers the mandatory effective date of AASB 15 for not-for-profit entities from 1 January 2018 to 1 January 2019.

##### *Leases (AASB 16) (applies 2019/20)*

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

##### *Income of Not-for-Profit Entities (AASB 1058) (applies 2019/20)*

This standard replaces AASB 1004 Contributions and establishes revenue recognition principles for transactions where the consideration to acquire an asset is significantly less than fair value to enable the not-for-profit entity to further its objectives.

# BULOKE SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

### 7.3 Financial instruments

#### (a) Objectives and policies

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

#### (b) Market risk

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

#### Interest rate risk

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

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

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

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

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

#### (c) Credit risk

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

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

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

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

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when Council provide a guarantee for another party. Details of our contingent liabilities are disclosed in Note 7.1(b).

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

# BULOKE SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

### (d) Liquidity risk

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

To help reduce these risks Council:

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

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 7.1(c), and is deemed insignificant based on prior periods' data and current assessment of risk.

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

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 4.4.

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

### (e) Sensitivity disclosure analysis

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

- A parallel shift of + 1% and -1% in market interest rates (AUD) from year-end rates of 2.7%.

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

## 7.4 Fair value measurement

### *Fair value hierarchy*

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

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

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

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

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

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

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

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

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

# BULOKE SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

### *Revaluation*

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 3 to 5 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.

### *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 of disposal 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.

### **7.5 Events occurring after balance date**

No matters have occurred after balance date that require disclosure in the financial report

# BULOKE SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

### Note 8 Other matters

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Share of increment (decrement) on revaluation of asset class by an associate \$'000	Balance at end of reporting period \$'000
<b>8.1 Reserves</b>				
<b>(a) Asset revaluation reserves</b>				
<b>2018</b>				
<b>Property</b>				
Land & land improvements	1,595	-	-	1,595
Land under roads	-	22,307	-	22,307
Buildings	20,826	-	-	20,826
	<u>22,421</u>	<u>22,307</u>	<u>-</u>	<u>44,728</u>
<b>Infrastructure</b>				
Roads	56,863	(6,690)	-	50,173
Bridges	1,511	-	-	1,511
Footpaths and cycleways	4,194	-	-	4,194
Drainage	1,777	-	-	1,777
Kerb & Channel	3,860	-	-	3,860
Other infrastructure	363	-	-	363
	<u>68,568</u>	<u>(6,690)</u>	<u>-</u>	<u>61,878</u>
<b>Total asset revaluation reserves</b>	<b>90,989</b>	<b>15,617</b>	<b>-</b>	<b>106,606</b>
<b>2017</b>				
<b>Property</b>				
Land & land improvements	1,490	105	-	1,595
Buildings	6,832	13,994	-	20,826
	<u>8,322</u>	<u>14,099</u>	<u>-</u>	<u>22,421</u>
<b>Infrastructure</b>				
Roads	60,624	(3,761)	-	56,863
Bridges	1,511	-	-	1,511
Footpaths and cycleways	4,194	-	-	4,194
Drainage	2,515	(738)	-	1,777
Kerb & Channel	3,860	-	-	3,860
Other infrastructure	363	-	-	363
	<u>73,067</u>	<u>(4,499)</u>	<u>-</u>	<u>68,568</u>
<b>Total asset revaluation reserves</b>	<b>81,389</b>	<b>9,600</b>	<b>-</b>	<b>90,989</b>

The asset revaluation reserve is used to record the increased (net) value of Council's assets over time.

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
<b>(b) Other reserves</b>				
<b>2018</b>				
Nil	-	-	-	-
<b>Total Other reserves</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2017</b>				
General reserve	5	-	(5)	-
<b>Total Other reserves</b>	<b>5</b>	<b>-</b>	<b>(5)</b>	<b>-</b>

# BULOKE SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$'000	\$'000
<b>8.2 Reconciliation of cash flows from operating activities to surplus/(deficit)</b>		
<b>Surplus/(deficit) for the year</b>	3,735	7,131
Depreciation/amortisation	7,136	6,829
Net Gain/(Loss) on disposal of property, infrastructure, plant and equipment	(25)	(42)
Net Gain/(Loss) on settlement for equity share in WRLC	78	
Movement in share of net (profit)/loss in associated entities	28	(2)
Finance costs	298	297
<b>Change in assets and liabilities:</b>		
(Increase)/decrease in trade and other receivables	(130)	(11)
(Increase)/Decrease in prepayments	33	(36)
Increase/(decrease) in accrued income	190	(267)
Increase/(decrease) in trade and other payables	1,874	168
(Decrease)/increase in trust funds and other liabilities	7	(4)
(Increase)/decrease in inventories	56	53
Increase/(Decrease) in provisions	(57)	20
Increase/(Decrease) in employee benefits	29	(58)
Net cash provided by/(used in) operating activities	<b>13,252</b>	<b>14,078</b>

### 8.3 Superannuation

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

#### Accumulation

The Fund's accumulation categories, Vision MySuper/Vision Super Saver, receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2018, this was 9.5% as required under Superannuation Guarantee legislation).

#### Defined Benefit

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

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

#### Funding arrangements

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary.

As at 30 June 2017, a full triennial actuarial investigation was completed. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 103.1%. To determine the VBI, the Fund Actuary used the following long-term assumptions:

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

Vision Super has advised that the estimated VBI at 30 June 2018 was 106.0%.

The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2017 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

## BULOKE SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

### ***Employer contributions***

#### ***Regular contributions***

On the basis of the results of the 2017 triennial actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2018, this rate was 9.5% of members' salaries (9.5% in 2016/2017). This rate will increase in line with any increases in the SG contribution rate. In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

#### ***Funding calls***

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

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Council) are required to make an employer contribution to cover the shortfall. Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up. If there is a surplus in the Fund, the surplus cannot be returned to the participating employers. In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

### **2017 triennial actuarial investigation surplus amounts**

The Fund's triennial investigation as at 30 June 2017 identified the following in the defined benefit category of which Council is a contributing employer:

- A VBI surplus of \$69.8 million
- A total service liability surplus of \$193.5 million.
- A discounted accrued benefits surplus of \$228.8 million.

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2017. Council was notified of the 30 June 2017 VBI during August 2017.

### **2018 interim actuarial investigation**

An interim actuarial investigation will be conducted for the Fund's position as at 30 June 2018. It is anticipated that this actuarial investigation will be completed in December 2018.

# PERFORMANCE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2018

# PERFORMANCE STATEMENT

## FOR THE YEAR ENDED 30 JUNE 2018

### DESCRIPTION OF BULOKE

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

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

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

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

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

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

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



## SUSTAINABLE CAPACITY INDICATORS FOR THE YEAR ENDED 30 JUNE 2018

INDICATOR/MEASURE	2015	2016	2017	2018	COMMENTS
<b>POPULATION</b> Expenses per head of municipal population <i>[Total expenses / Municipal population]</i>	\$3,748	\$3,611	\$3,669	\$4,079	Council has a small population and a large area for population dispersal. This impacts the costs of supplying services to the communities.
<b>INFRASTRUCTURE PER HEAD OF MUNICIPAL POPULATION</b> <i>[Value of infrastructure / Municipal population]</i>	\$28,603	\$28,317	\$29,661	\$31,351	Council has a small population and an extensive road network.
<b>POPULATION DENSITY PER LENGTH OF ROAD</b> <i>[Municipal population / Kilometres of local roads]</i>	1.14	1.12	1.17	1.16	Decreasing population results in a reduction in population density per km of roads.
<b>OWN-SOURCE REVENUE</b> Own-source revenue per head of municipal population <i>[Own-source revenue / Municipal population]</i>	\$2,101	\$2,219	\$2,280	\$2,315	Councils own source revenue is relatively high compared to other councils mainly due to the Shires small population, its rural location and a reliance on rates as the main income source.
<b>RECURRENT GRANTS</b> Recurrent grants per head of municipal population <i>[Recurrent grants / Municipal population]</i>	\$1,770	\$1,221	\$2,169	\$1,376	Early payment of grants in the 2016/17 financial year inflating the 2016/17 amount, impacting on the value received in 2017/18.
<b>DISADVANTAGE</b> Relative Socio-Economic Disadvantage <i>[Index of Relative Socio-Economic Disadvantage by decile]</i>	3.0	3.0	3.0	3.0	Council is ranked in the lower end of the SEIFA index, suggesting high levels of disadvantage within the municipality.

## SUSTAINABLE CAPACITY INDICATORS FOR THE YEAR ENDED 30 JUNE 2018

### DEFINITIONS

**“Adjusted underlying revenue”** means total income other than:

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

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

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

**“Population”** means the resident population estimated by council

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

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

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

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

## SERVICE PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2018

SERVICE INDICATOR/MEASURE	2015	2016	2017	2018	COMMENTS
<b>AQUATIC FACILITIES</b> <b>Utilisation</b> Utilisation of aquatic facilities <i>[Number of visits to aquatic facilities / Municipal population]</i>	6.6	7.1	5.9	6.4	Summer temperatures impact pool attendances. Admission to Council pools is free and facilities are well utilised.
<b>ANIMAL MANAGEMENT</b> <b>Health and safety</b> Animal management prosecutions <i>[Number of successful animal management prosecutions]</i>	2	2	4	5	Increase in prosecutions is a result of more proactive strategies to ensure community safety.
<b>FOOD SAFETY</b> <b>Health and safety</b> Critical and major non-compliance outcome notifications <i>[Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100</i>	100%	100%	100%	100%	Council engages proactively with businesses to achieve compliance through education.
<b>GOVERNANCE</b> <b>Satisfaction</b> Satisfaction with council decisions <i>[Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]</i>	50%	45%	49%	50%	Performance identifies positive trend as a result of initiatives in community engagement, including through increased use of media, stakeholder engagement initiatives and community forum summits.
<b>HOME AND COMMUNITY CARE (HACC)</b> <b>Participation</b> Participation in HACC service <i>[Number of people that received a HACC service / Municipal target population for HACC services] x100</i>	44%	34%	Not Applicable	Not Applicable	Reporting on HACC Services ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs.

## SERVICE PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2018

SERVICE INDICATOR/MEASURE	2015	2016	2017	2018	COMMENTS
<b>Participation</b> Participation in HACC service by CALD people <i>[Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100</i>	27%	19%	Not Applicable	Not Applicable	
<b>LIBRARIES</b> <b>Participation</b> Active library members <i>[Number of active library members / Municipal population] x100</i>	5.42%	15.19%	11.32%	8.28%	Withdrawal of a regional library service provider in 2016/17 saw a reduction in active library members.
<b>MATERNAL AND CHILD HEALTH (MCH)</b> <b>Participation</b> Participation in the MCH service <i>[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100</i>	85%	80%	77%	77%	There are a relatively low number of enrolments that results in high variances in year-to-year results.
<b>Participation</b> Participation in the MCH service by Aboriginal children <i>[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100</i>	100%	143%	75%	67%	Variation reflects small number of Aboriginal people within the Shire. Participation in key ages and stages visits is a key priority of the Mallee Regional early years compact.
<b>ROADS</b> <b>Satisfaction</b> Satisfaction with sealed local roads <i>[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]</i>	44%	39%	36%	39%	Council is actively increasing road renewal expenditure in line with its strategic resource plan (SRP).
<b>STATUTORY PLANNING</b> <b>Decision Making</b> Council planning decisions upheld at VCAT <i>[Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100</i>	0%	100%	0%	0%	Council has had no planning matters referred to VCAT in 2016/17 and 2017/18.

## SERVICE PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2018

SERVICE INDICATOR/MEASURE	2015	2016	2017	2018	COMMENTS
<b>WASTE COLLECTION</b>	27%	24%	23%	23%	The volume of recyclables collected and diverted from landfill has been consistent. Council does not collect green organics using roadside waste collection services.
<b>Waste diversion</b> Kerbside collection waste diverted from landfill <i>[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100</i>					

## DEFINITIONS

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

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

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

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

**“CALD”** means culturally and linguistically diverse and refers to persons born outside Australia in a country whose national language is not English.

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

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

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

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

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

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

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

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

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

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

**“Population”** means the resident population estimated by council

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

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

## FINANCIAL PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2018

DIMENSION/INDICATOR/ MEASURE	2015	2016	2017	2018	2019	2020	2021	2022	COMMENTS
<b>EFFICIENCY</b>	\$806	\$863	\$814	\$1,406	\$1,416	\$1,426	\$1,433	\$1,448	In 2017/18 Municipal Charge and Garbage Charge has been included in the calculation. This was omitted in previous years.
<b>Revenue level</b>									
Average residential rate per residential property assessment <i>[Residential rate revenue / Number of residential property assessments]</i>									
<b>Expenditure level</b>	\$3,687	\$3,477	\$3,792	\$4,036	\$5,743	\$3,848	\$3,809	\$3,948	Movements in forecasted years are consistent with prior years.
Expenses per property assessment <i>[Total expenses / Number of property assessments]</i>									
<b>Workforce turnover</b>	15%	13%	5%	16%	12%	5%	5%	5%	Increase in staff turnover has been driven by an increase in the level of staff retirements when compared to 2016/17. Council has committed to an organisational development strategy to attract and retain staff.
Resignations and terminations compared to average staff <i>[Number of permanent staff Resignations and terminations / Average number of permanent staff for the financial year] x100</i>									
<b>LIQUIDITY</b>	151%	249%	469%	415%	153%	245%	241%	239%	Council is increasing its level of cash reserves (current assets) in order to have the resources to retire \$7M of debt in November 2019.
<b>Working capital</b>									
Current assets compared to current liabilities <i>[Current assets / Current liabilities] x100</i>									
<b>Unrestricted cash</b>	32%	170%	252%	375%	132%	185%	180%	178%	Council is increasing its level of cash reserves (current assets) in order to have the resources to retire \$7M debt in November 2019.
Unrestricted cash compared to current liabilities <i>[Unrestricted cash / Current liabilities] x100</i>									

## FINANCIAL PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2018

DIMENSION/INDICATOR/ MEASURE	2015	2016	2017	2018	2019	2020	2021	2022	COMMENTS
<b>OBLIGATIONS</b>	59%	72%	73%	58%	115%	83%	82%	80%	In 2018 there was a significantly higher contribution to New Asset expenditure relative to Asset Renewals. Nonetheless forecasts for renewals for 2019 to 2022 will to be maintained.
<b>Asset renewal</b> Asset renewal compared to depreciation <i>[Asset renewal expense / Asset depreciation] x100</i>									
<b>Loans and borrowings</b> Loans and borrowings compared to rates <i>[Interest bearing loans and borrowings / Rate revenue] x100</i>	63%	58%	55%	54%	0%	0%	0%	0%	
<b>Loans and borrowings repayments compared to rates</b> Interest and principal repayments on interest bearing loans and borrowings / <i>Rate revenue] x100</i>	10%	4.1%	2.3%	2.3%	2.3%	52.4%	0%	0%	Council is increasing its level of cash reserves (current assets) in order to have the resources to retire \$7M debt in November 2019. This has an impact on the forecasted indicator for loan repayments in 2020.
<b>Indebtedness</b> Non-current liabilities compared to own source revenue <i>[Non-current liabilities / Own source revenue] x100</i>	59%	60%	57%	55%	7%	7%	7%	7%	A \$7M debt will become a current liability in 2018/19 as it will be retired in November 2019.
<b>OPERATING POSITION</b>	5.4%	-3.7%	7.4%	6.8%	-20.2%	3.0%	5.3%	3.1%	Flood rehabilitation capital grant (non-recurrent) of \$7m is budgeted in 2018/2019 (abnormal). Forecasts reflect more modest amounts of \$3M.
<b>Adjusted underlying result</b> Adjusted underlying surplus (or deficit) <i>[Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100</i>									
<b>STABILITY</b>	47%	59%	52%	48%	48.1%	54.5%	54.6%	54.7%	Whilst rates revenue was higher in 2018 this was more than offset by a reduction in Adjusted Underlying Revenue due to higher Non-Recurrent Capital Grants.
<b>Rates concentration</b> Rates compared to adjusted underlying Revenue <i>[Rate revenue / Adjusted underlying revenue] x100</i>									

## FINANCIAL PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2018

DIMENSION/INDICATOR/ MEASURE	2015	2016	2017	2018	2019	2020	2021	2022	COMMENTS
<b>Rates effort</b> Rates compared to property values <i>[Rate revenue / Capital improved value of rateable properties in the municipality] x100</i>	1.0%	0.96%	0.92%	0.94%	0.85%	0.86%	0.87%	0.88%	Rates compared to property values have remained comparatively consistent with prior years.

### DEFINITIONS

“Adjusted underlying revenue” means total income other than:

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

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

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

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

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

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

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

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

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

“Population” means the resident population estimated by council

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

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

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

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

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

# FINANCIAL PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2018

## 1. BASIS OF PREPARATION

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

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

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

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

### Certification of the Performance Statement

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



Hannah Yu  
Principal Accounting Officer

Dated: 12 September 2018

In our opinion, the accompanying Performance Statement of the Buloke Shire for the year ended 30 June 2018 presents fairly the results of Council's performance in the accordance with the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

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

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

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



Cr David Pollard (Mayor)

Councillor

Dated: 12-9-2018



Cr Daryl Warren (Deputy Mayor)

Councillor

Dated: 12/9/2018



Anthony Judd

Chief Executive Officer

Dated: 12/9/18



## Independent Auditor’s Report

### To the Councillors of Buloke Shire Council

<p><b>Opinion</b></p>	<p>I have audited the accompanying performance statement of Buloke Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> <li>• description of buloke for the year ended 30 June 2018</li> <li>• sustainable capacity indicators for the year ended 30 June 2018</li> <li>• service performance indicators for the year ended 30 June 2018</li> <li>• financial performance indicators for the year ended 30 June 2018</li> <li>• other information and</li> <li>• the certification of the performance statement.</li> </ul> <p>In my opinion, the performance statement of Buloke Shire Council in respect of the year ended 30 June 2018 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
<p><b>Basis for Opinion</b></p>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor’s Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<p><b>Councillors’ responsibilities for the performance statement</b></p>	<p>The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p>
<p><b>Auditor’s responsibilities for the audit of the performance statement</b></p>	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes my opinion.</p> <p>Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists.</p>

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Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement.

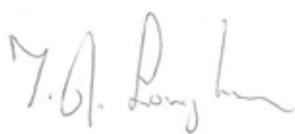
As part of an audit in accordance with the Australian Standards on Assurance Engagements, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

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

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

---

MELBOURNE  
13 September 2018

  
Tim Loughnan  
as delegate for the Auditor-General of Victoria





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   Buloke Shire Council