



**Notice is given that an Ordinary Meeting of Council will be held on:**

**Date: Tuesday, 28 August 2018**  
**Time: 3pm**  
**Location: Council Chambers, Serpentine**

# **AGENDA**

**Ordinary Council Meeting**

**28 August 2018**

## Order Of Business

<b>1</b>	<b>OPENING PRAYER .....</b>	<b>5</b>
<b>2</b>	<b>ACKNOWLEDGEMENT OF COUNTRY.....</b>	<b>5</b>
<b>3</b>	<b>APOLOGIES .....</b>	<b>5</b>
<b>4</b>	<b>DECLARATIONS OF CONFLICT OF INTEREST .....</b>	<b>5</b>
<b>5</b>	<b>PREVIOUS MINUTES .....</b>	<b>6</b>
	5.1 CONFIRMATION OF MINUTES.....	6
<b>6</b>	<b>REVIEW OF ACTION SHEET .....</b>	<b>7</b>
	6.1 REVIEW OF ACTIONS .....	7
<b>7</b>	<b>MAYORAL REPORT.....</b>	<b>17</b>
	7.1 MAYORAL REPORT.....	17
<b>8</b>	<b>COUNCILLORS' REPORT.....</b>	<b>18</b>
	8.1 COUNCILLORS' REPORTS .....	18
<b>9</b>	<b>DECISION REPORTS .....</b>	<b>19</b>
	9.1 2017/18 FINANCIAL AND PERFORMANCE STATEMENTS IN PRINCIPLE REPORT .....	19
	9.2 AUGUST 2018 AUDIT COMMITTEE MEETING OVERVIEW .....	93
	9.3 REVIEW OF PROCUREMENT POLICY .....	190
	9.4 FINANCE REPORT FOR THE PERIOD ENDING 31 JULY 2018 .....	197
	9.5 PROVISION OF REGIONAL ASBESTOS AND HAZARDOUS MATERIALS AUDIT SERVICES .....	212
	9.6 MAV STATE COUNCIL MEETING.....	216
<b>10</b>	<b>INFORMATION REPORTS .....</b>	<b>249</b>
	10.1 LOCAL LAWS AND PLANNING COMPLIANCE ACTIVITY REPORT.....	249
	10.2 PUBLIC HEALTH ACTIVITY REPORT .....	253
	10.3 ROAD MANAGEMENT PLAN DEFECT RECTIFICATION COMPLIANCE REPORT .....	257
	10.4 PLANNING PERMIT ACTIVITY REPORT .....	260
	10.5 UPDATE ON THE ANNUAL INFRASTRUCTURE PROGRAM 2017-2018, FLOOD RESTORATION PROGRAM AND OTHER PROJECTS .....	265
	10.6 BUILDING SERVICES ACTIVITY .....	274
	10.7 STRATEGIC PLANNING ACTIVITY REPORT.....	278
	10.8 INWARDS CORRESPONDENCE .....	282
<b>11</b>	<b>COMPLIANCE REPORTS.....</b>	<b>286</b>
	Nil	
<b>12</b>	<b>GENERAL BUSINESS .....</b>	<b>286</b>
<b>13</b>	<b>CONFIDENTIAL ITEMS .....</b>	<b>287</b>
	13.1 REVIEW OF CONFIDENTIAL ACTIONS .....	287
	13.2 PROVISION OF REGIONAL ASBESTOS AND HAZARDOUS MATERIALS REMOVAL SERVICES.....	287

13.3 SALE OF ARNOLD CHURCH..... 287



**1 OPENING PRAYER**

“Almighty God, we humbly ask you to bless this Council, direct and prosper its deliberations towards the true welfare of your people of the Shire of Loddon.”

**2 ACKNOWLEDGEMENT OF COUNTRY**

“The Loddon Shire Council acknowledges the Traditional Custodians of the land on which we are gathered and pays its respects to their Elders both past and present.”

**3 APOLOGIES**

**4 DECLARATIONS OF CONFLICT OF INTEREST**

**5 PREVIOUS MINUTES**

**5.1 CONFIRMATION OF MINUTES**

**File Number:** 02/01/001

**Author:** Lynne Habner, Manager Executive and Commercial Services

**Authoriser:** Phil Pinyon, Chief Executive Officer

**Attachments:** Nil

**RECOMMENDATION**

That Council confirm:

1. The minutes of the Council Briefing of 24 July 2018
2. The minutes of the Ordinary Council Meeting of 24 July 2018

**REPORT**

Seeking approval of the unconfirmed minutes of the previous meetings.

**6 REVIEW OF ACTION SHEET**

**6.1 REVIEW OF ACTIONS**

**File Number:** 02/01/002  
**Author:** Lynne Habner, Manager Executive and Commercial Services  
**Authoriser:** Phil Pinyon, Chief Executive Officer  
**Attachments:** 1. Action sheet

**RECOMMENDATION**

That Council receive and note the action sheet.

**REPORT**

Refer attachment.

Finalised	Division: Committee: Officer:	Council	Date From: Date To:	Printed: Thursday, 16 August 2018 11:07:10 AM
Action Sheets Report				

**Outstanding actions from previous meetings**

ACTION NUMBER	COUNCIL MEETING	REF	DIRECTORATE	OFFICER
9	28/5/12	9.2	Operations	Manager Technical Services

**ACTION**

That Council:

1. Develop a process for the identification and prioritisation of minor community infrastructure projects which will allow for a structured approach in providing in-principle or financial support for external funding applications.

**COMMENTS**

**12/11/14:** Action item has been amended following completion of the BRIC gymnasium development project utilising "Putting Local's First" funding. Elements of this action have been simplified to exclude those relating to the BRIC project and focusing now on the remaining action element being the development of operational guidelines for receiving, prioritising and applying for external funding in respect to minor community infrastructure projects.

**11/6/2015:** Manager Infrastructure has commenced development of a draft project identification template and scoping document along with associated prioritisation criteria and explanatory notes.

**11/09/2015:** Progress on development of assessment and prioritisation criteria for minor community Infrastructure projects has been delayed due to competing operational priorities. Delivery of this action item shall be raised with the Manager of Infrastructure as a matter of urgency.

**11/02/2016:** Matter has been raised with the responsible officer however no further progress has been made on development of the required process and guideline.

**12/05/2016:** Development of minor community infrastructure project assessment and prioritisation guidelines has been incorporated into the 2016/17 performance objectives of the new Manager Technical Services.

**10/6/2016:** No progress to date - will be considered with review of building assets

**11/08/2016:** Review of methodology for identification and prioritisation of community infrastructure projects has commenced. Consideration is currently being given to frameworks which have been adopted by other LGA's (i.e. City of Greater Bendigo Capital Investment Assessment Framework).

**20/02/2017:** Progress on developing community infrastructure project prioritisation guideline has been delayed due to competing priorities and resource constraints. Project is being handed over to the recently appointed Project/Contract Officer for further progression.

**19/04/2017:** The Manager Technical Services and Project/Contract Officer are working together to progress the establishment of an Assessment Framework based upon the 2017/18 projects.

**13/07/2017:** No further action has been taken due to staff resource constraints.

**02/08/2017:** No further action. Benchmarking with other neighbouring Councils will be undertaken subject to successful recruitment of Assets and Buildings Coordinator.

**11/09/2017:** New Assets and Building Co-ordinator has commenced and will prioritise as matter of urgency.

**17/10/2017:** Process for evaluation and prioritising of minor community projects is being developed and a draft is planned to be reported early in 2018.



Finalised	Division: Committee: Officer:	Council	Date From: Date To:	Printed: Thursday, 16 August 2018 11:07:10 AM
Action Sheets Report				

**14/11/2017:** Work has commenced and is continuing in developing this process.

**06/12/2017:** Manager Technical Services is developing project identification and prioritisation process.

**10/01/2018:** No further progress has been made since the last update due to competing priorities. Officers are currently working towards the development of Annual Infrastructure Program and the action will resume upon completion of Annual Infrastructure Program.

**09/02/2018:** Project identification and assessment flowchart is being developed and will be progressed as a priority following the development of the 2018 – 2019 Annual Infrastructure Program.

**19/03/2018:** Due to a recent staff departure, this action will be delayed.

**03/05/2018:** Recruitment of the Assets and Buildings Coordinator is in progress and the action will be progressed as a priority following the adoption of 2018-2019 Annual Infrastructure Program.

**04/06/2018:** Assets and Buildings Coordinator recruitment process is now complete and expected to start on 10 July 2018. This action will be addressed as a priority.

**09/07/2018:** Assets and Buildings Coordinator recruitment process is now complete and with the officer commencing on 10 July 2018. This action will be addressed as a priority.

**03/08/2018:** A workshop session has been scheduled for 13 August 2018 to engage Loddon Leaders and MEG in the process. The session will lay the foundation towards the development of the procedure.

ACTION NUMBER	COUNCIL MEETING	REF	DIRECTORATE	OFFICER
66	25/2/14	7.4	Operations	Manager Technical Services

**ACTION**  
That Council look at the future needs of buildings under Council control but 'not currently covered by the Building Asset Management Plan and report to Council.

**COMMENTS**

**8/4/14:** All buildings identified within the shire are currently covered in the BAMP. Council have requested that the BAMP be reviewed in relation to the buildings that receive no financial support. A review of the BAMP is scheduled to be undertaken later this calendar year. At this time a review of all provisions will be undertaken with a subsequent report provided for Council consideration.

**11/11/14:** Review of the BAMP has been rescheduled to later this financial year due to commitments of staff in preparing the Road Asset Management and Stormwater Asset management Plans as a matter of priority. Preliminary discussions and consideration on service levels for various building categories has commenced however e.g. public toilets.

**11/6/15:** Review of the BAMP has been rescheduled following completion of the annual asset valuation data. It is expected that commencement of the BAMP review will occur following the completion of the Stormwater Asset Management Plan in September 2015.

**11/09/15:** Manager Policy & Strategy is finalising both the Urban Drainage Asset Management and Road Asset Management Plans. Following completion of these strategies focus shall be placed upon the revision of the Building Asset management Plan. Due to delays in progress with the development of the UDAMP and RAMP, work on the BAMP is now scheduled to commence in November 2015.

Finalised	Division: Committee: Officer:	Council	Date From: Date To:
Action Sheets Report			Printed: Thursday, 16 August 2018 11:07:10 AM

**11/02/16:** Draft RAMP and UDAMP have been prepared. Final review of draft documents is occurring in preparation for discussion with Council in March. Enquiries are being made with appropriately qualified consultants to gather necessary building asset data in preparation of commencement on the BAMP review later this year.

**10/6/2016:** Consultants are currently being interviewed regarding building asset system and data capture. Consultant should be engaged July/August with data capture due by end of 2016.

**5/7/2016:** Consultants from Assetic has been engaged to perform condition assessment of all the Council owned/managed buildings. Additionally, Assetic system has been purchased as a new corporate asset management system for building assets with future inclusion of roads and drainage assets.

**11/08/2016:** Register of buildings for inspection has been finalised and consultants will be commencing on site inspections and data capture by the end of August. It is expected that the data capture process could take up to 60 days after which time processing and analysis will commence to inform investment scenario modelling within the revised BAMP

**31/08/2016:** Building audits have now commenced. A total of 178 Council buildings have been identified for audit. In addition to data capture on structure details, inspections will also identify immediate works required where building element conditions are below service level intervention standards. These works will then form the basis of future building capital works programs and inform preparation of the future investment demand for the LTFP and BAMP.

**4/10/16:** Building audits are approximately 80% complete. It is anticipated that full audit details and population of the Asset Management System which has been procured, will be complete by the end of October 2016. Data modelling within the Asset Management package will then be used to inform development of the new draft Asset Management Plan.

**10/11/16:** Audit of Council buildings has been completed. Condition profiles for building stock are now being compiled to inform preparation of draft BAMP. It is anticipated that presentation of initial audit results to Council will occur in either December or January.

**20/2/17:** Post audit processing of building data has been slightly delayed due to resource constraints. Officers are in the process of finalising to produce renewal gap modelling prior to presentation of audit findings to Council. Outputs from audit process are also being utilised in the preparation of a building component of the 2017-2017 Annual Infrastructure Program.

**20/03/2017:** Preliminary modelling of long term investment requirements across the portfolio of Council buildings has now been completed. Summary report for Council is being prepared to convey initial findings however detailed analysis and adjustment is still required to take into consideration the current policies contained within the BAMP as well as preparation of various scenarios if service levels are changed. Scenario models will be presented to Council as part of developing the revised BAMP.

**19/04/2017:** First Draft of BAMP is expected in the first quarter of 2017/18.

**13/07/2017:** Due to delay in successful recruitment to the vacant position of Assets and Buildings Coordinator, it is very likely that the first draft of BAMP will be delayed.

**02/08/2017:** No further action.

**11/09/2017:** New Assets and Building Co-ordinator has commenced and will prioritise as matter of urgency.

**17/10/2017:** A draft of the Building Asset Management Plan is planned to be presented to Council December meeting.

**14/11/2017:** With the successful recruitment of Assets and Buildings Coordinator, revision of Council's Building Asset Management Plan is underway as per the recommendation of review undertaken in 2016/17. Financial information on Council owned buildings has been finalised and officers are currently working on the level of service for building assets. Once finalised, the data will be uploaded into the Asset Management system to identify Council's annual liability and renewal need and as such the draft BAMP will then be presented to Loddon Leaders and MEG for endorsement before presenting to Council for public comments.

Finalised	Division: Committee: Officer:	Council	Date From: Date To:
Action Sheets Report			Printed: Thursday, 16 August 2018 11:07:10 AM

**06/12/2017:** Draft preparation in progress.

**10/01/2018:** Preparation of draft BAMP is in progress.

**09/02/2018:** Council's Assets and Buildings Coordinator is currently working on the draft Building Asset Management Plan and Manager Technical Services and Director Operations will subsequently review the plan and then forward it to Loddon Leaders, MEG and with the intention of presenting it to Council at the May 2018 Forum .

19/03/2018: Due to a recent staff departure, this action will be delayed.

**03/05/2018:** Recruitment of the Assets and Buildings Coordinator is in progress and the action will be progressed as a priority.

**04/06/2018:** An update on progress of BAMP is being presented at the June 2018 Council forum.

**09/07/2018:** An update on the progress of BAMP was presented at the June 2018 Council forum. With the finalisation of recruitment of Assets and Buildings Coordinator, this action will be progressed as a priority.

**03/08/2018:** Newly recruited Assets and Buildings Coordinator has already started working on the draft BAMP and has engaged with the consultant to explore a number of different financial modelling. The project has been tasked to the Assets and Buildings Coordinator as a top priority.

Meeting	Officer/Director	Section	Subject
Council 22/05/2018	Gladman, Wendy Gladman, Wendy	Decision Reports	LEASE AGREEMENT - STATE EMERGENCY SERVICE
<b>RESOLUTION 2018/53</b>			
Moved: Cr Colleen Condliffe			
Seconded: Cr Gavan Holt			
That Council:			
<ol style="list-style-type: none"> <li>1. enter into a long term lease agreement of 40 years with the Wedderburn VICSES unit for Lot 2 Nardoo Court, Wedderburn, at a rental cost per annum of \$1.00 plus GST.</li> <li>2. align the entering of this agreement with the removal of the subsidy provided to the Wedderburn SES Unit (currently \$2,500) from the 2018/19 budget and beyond</li> <li>3. pass on all related costs stipulated in the lease agreement to the Wedderburn SES Unit</li> <li>4. authorise the Chief Executive Officer to sign and affix the common seal of Loddon Shire Council on the lease agreement.</li> </ol>			
<b>CARRIED</b>			
5/06/2018 8:08:00 AM - Wendy Gladman			

Finalised	Division: Committee: Officer:	Council	Date From: Date To:	Printed: Thursday, 16 August 2018 11:07:10 AM
Action Sheets Report				

This action has not yet been finalised, still awaiting contact with SES to initiate timing of lease agreement.  
 3/07/2018 11:11:18 PM - Wendy Gladman  
 Some internal work to detail the terms and conditions outlined in the lease is being undertaken. It is then expected that initial meeting with SES to discuss these terms and conditions and how they will be implemented will be held prior to end of July.  
 14/08/2018 12:13:26 PM - Wendy Gladman  
 Other commitments have meant that the meeting with the SES has not yet occurred. An initial meeting with the SES will be held prior to end August 2018

Meeting	Officer/Director	Section	Subject
Council 22/05/2018	Dhakal, Indivar Phillips, Steven	New Item	KORONG VALE GUTTER AND FOOTPATH
<b>RESOLUTION 2018/64</b>			
Moved: Cr Neil Beattie Seconded: Cr Colleen Condliffe			
Noting that the Korong Vale gutter infrastructure on the east side of Allen Street adjacent to Borella Park is the responsibility of VicRoads, and considering the protracted time in having the required work undertaken by VicRoads, that staff assess the kerb repairs/rehabilitation and provide a cost for rectification via a report to Council with a view to Council undertaking this work.			
<b>CARRIED</b>			
6/06/2018 10:31:12 PM - Indivar Dhakal Council Officers are undertaking a preliminary investigation to identify key details of the proposed works. Once complete, Officers will report to Council potentially during July 2018 Council meeting. A meeting has been scheduled with VicRoads on 2 July 2018 and this matter will also be raised in that forum.			
5/07/2018 1:48:32 PM - Indivar Dhakal Council officers are investigating and a forum paper will be presented at the September 2018 Council forum. The issue was flagged with VicRoads during VicRoads' municipal visit.			
3/08/2018 8:35:30 AM - Indivar Dhakal Council officers have undertaken a preliminary assessment and cost estimate for the project with a number of different options. A forum paper is being prepared to be presented at September 2018 Council Forum.			

Meeting	Officer/Director	Section	Subject
Council 24/07/2018	Gladman, Wendy Gladman, Wendy	Decision Reports	North Central Goldfields Regional Library Agreement 2019 - 2023
<b>RESOLUTION 2018/99</b>			
Moved: Cr Colleen Condliffe			

Finalised	Division: Committee: Officer:	Council	Date From: Date To:
Action Sheets Report			Printed: Thursday, 16 August 2018 11:07:10 AM

Seconded: Cr Gavan Holt

That noting the amendments to clauses 9.1 and 9.2 of the Library Agreement and clause 4 of the Service and Funding Agreement, Council resolve to advertise its intention to approve the Regional Library Agreement for the North Central Goldfields Regional Library Corporation 2019 – 2023 in accordance with Section 223 of the Local Government Act 1989.

**CARRIED**

*14/08/2018 12:14:41 PM - Wendy Gladman*  
It is expected that the library agreement will be placed on public display by end of August

**Actions completed since last meeting**

Meeting	Officer/Director	Section	Subject
Council 27/03/2018	Stephenson, Carolyn Phillips, Steven	Decision Reports	Serpentine Industrial Estate - Rezoning
<b>RESOLUTION 2018/9</b>			
Moved: Cr Geoff Curnow			
Seconded: Cr Colleen Condliffe			
That Council			
1. Request authorisation from the Minister for Planning to prepare an amendment to the Loddon Planning Scheme to rezone Lots 1, 2, 3, PS 608853 (Treloar St, Serpentine) to Industrial 3 Zone;			
2. Should authorisation be provided, prepare the amendment and place the amendment on exhibition.			
<b>CARRIED</b>			
<i>10/04/2018 12:24:00 PM - Carolyn Stephenson</i>			
Draft submission submitted to DELWP for consideration			
<i>7/05/2018 11:56:00 AM - Carolyn Stephenson</i>			
Draft documents being amended following DELWP feedback			
<i>14/05/2018 2:16:00 PM - Carolyn Stephenson</i>			
Amendment submitted to Minister for authorisation to exhibit			
<i>4/06/2018 11:15:00 AM - Carolyn Stephenson</i>			

Finalised	<b>Division:</b> <b>Committee:</b> Council <b>Officer:</b>	<b>Date From:</b> <b>Date To:</b>  <b>Printed: Thursday, 16 August 2018 11:07:10 AM</b>
<b>Action Sheets Report</b>		

Still waiting on Minister / DELWP for advice re authorisation  
 9/07/2018 2:08:05 PM - *Christine Coombes*  
 The Amendment documents for C40 –Serpentine Industrial Estate have been uploaded onto the New DELWP Amendment Tracking System (ATS) with request for consent for exhibition. It is proposed that the exhibition will commence mid-July.  
 13/08/2018 11:18:49 AM - *Carolyn Stephenson*  
 Amendment C40 is currently on exhibition. Exhibition closes on 27 August 2018.  
 16/08/2018 10:18:20 AM - *Carolyn Stephenson*  
 Action completed by: Coombes, Christine  
 Action complete.

Meeting	Officer/Director	Section	Subject
Council 24/07/2018	Stobaus, Allan Gladman, Wendy	Decision Reports	Loddon Shire Community Grants Scheme 2018 -2019
<b>RESOLUTION 2018/95</b>			
Moved: Cr Neil Beattie Seconded: Cr Gavan Holt			
That Council:			
<ol style="list-style-type: none"> <li>1. allocate \$138,476 in grants under the 2018/19 Loddon Shire Council Community Grants Scheme as outlined in the attachment provided with this report, with an additional allocation of \$440 for the About Boort Newsletter and \$3,000 for the Wedderburn Golf Club for their practice nets project.</li> <li>2. hold the surplus funds in reserve for suitable community projects that arise throughout the year</li> <li>3. carry over any surplus funds remaining at the end of the 2018/19 financial year to supplement the 2019/20 Community Grants scheme.</li> </ol>			
<b>CARRIED</b>			
15/08/2018 1:38:47 PM - <i>Allan Stobaus</i> Applicants advised 15/08/2018 1:39:42 PM - <i>Allan Stobaus</i> Action completed by: Stobaus, Allan complete			

Meeting	Officer/Director	Section	Subject
Council 24/07/2018	Caserta, Deanne Morrison, Sharon	Decision Reports	Surrender of Land Policy v2
<b>RESOLUTION 2018/96</b>			
Moved: Cr Geoff Curnow			

Finalised	<b>Division:</b> <b>Committee:</b> <b>Officer:</b>	Council	<b>Date From:</b> <b>Date To:</b>
<b>Action Sheets Report</b>			<b>Printed:</b> Thursday, 16 August 2018 11:07:10 AM

Seconded: Cr Neil Beattie  
That Council adopts the Surrender of Land Policy v2

**CARRIED**

*13/08/2018 11:25:26 AM - Deanne Caserta*  
Action completed by: Caserta, Deanne  
Finalised and sent to executive for publishing to the website

Meeting	Officer/Director	Section	Subject
Council 24/07/2018	Caserta, Deanne Morrison, Sharon	Decision Reports	Provision for Doubtful Debts and Writing Off Bad Debts Policy v3
<b>RESOLUTION 2018/97</b>			
Moved: Cr Colleen Condliffe Seconded: Cr Neil Beattie			
That Council adopts the Provision for Doubtful Debts and Writing Off Bad Debts Policy v3			
<b>CARRIED</b>			
<i>13/08/2018 11:25:31 AM - Deanne Caserta</i> Action completed by: Caserta, Deanne Finalised and sent to executive for publishing to the website			

Meeting	Officer/Director	Section	Subject
Council 24/07/2018	Dhakal, Indivar Phillips, Steven	Decision Reports	Annual Infrastructure Program 2018 - 2019
<b>RESOLUTION 2018/98</b>			
Moved: Cr Geoff Curnow Seconded: Cr Neil Beattie			
That Council resolve to adopt the Annual Infrastructure Program 2018 – 2019.			

Finalised	Division: Committee: Officer:	Council	Date From: Date To:
Action Sheets Report			Printed: Thursday, 16 August 2018 11:07:10 AM

**CARRIED**

3/08/2018 8:35:14 AM - Indivar Dhakal  
 Action completed by: Dhakal, Indivar  
 The program has been forwarded to Finance to set up ledger numbers and a meeting is scheduled for 6 August between Technical Services and Works to finalise action plan.

Meeting	Officer/Director	Section	Subject
Council 24/07/2018	Pinyon, Phil Pinyon, Phil	Decision Reports	MURRAY DARLING ASSOCIATION - COUNCIL MEMBERSHIP
<b>RESOLUTION 2018/100</b>			
Moved: Cr Neil Beattie Seconded: Cr Geoff Curnow			
That Council continue its membership of the Murray Darling Association for a further year.			
<b>CARRIED</b>			
9/08/2018 11:01:02 AM - Phil Pinyon Action completed by: Habner, Lynne Completed. Letter sent to MDA renewing membership for 2018/19 on 10 August 2018.			



**7 MAYORAL REPORT**

**7.1 MAYORAL REPORT**

**File Number:** 02/01/001

**Author:** Lynne Habner, Manager Executive and Commercial Services

**Authoriser:** Phil Pinyon, Chief Executive Officer

**Attachments:** Nil

**RECOMMENDATION**

That Council receive and note the Mayoral Report

**REPORT**

The Mayor will present a report at the meeting.

**8 COUNCILLORS' REPORT**

**8.1 COUNCILLORS' REPORTS**

**File Number:** 02/01/001

**Author:** Lynne Habner, Manager Executive and Commercial Services

**Authoriser:** Phil Pinyon, Chief Executive Officer

**Attachments:** Nil

**RECOMMENDATION**

That Council receive and note the Councillors' reports

**REPORT**

Each Councillor will present a report at the meeting.

**9 DECISION REPORTS****9.1 2017/18 FINANCIAL AND PERFORMANCE STATEMENTS IN PRINCIPLE REPORT**

**File Number:** 06/01/001  
**Author:** Deanne Caserta, Manager Financial Services  
**Authoriser:** Sharon Morrison, Director Corporate Services  
**Attachments:** 1. Performance Statement Year Ending 30 June 2018  
2. Financial Statement Year Ending 30 June 2018

**RECOMMENDATION**

That Council:

1. Adopts the Financial Statements and Performance Statement for the year ended 30 June 2018 as presented "in principle".
2. Authorise the Chief Executive Officer to make any amendments to the Financial Statement and Performance Statement for the year ended 30 June 2018 that may be requested by the Victorian Auditor-General.
3. Authorise the Mayor Cr Cheryl McKinnon, one other Councillor and the Chief Executive Officer to certify the audited Financial Statements and Performance Statement for the year ended 30 June 2018.

**CONFLICT OF INTEREST**

There is no conflict of interest for any Council staff member involved in the preparation of this report, or involved in the subject matter of the report.

**PREVIOUS COUNCIL DISCUSSION**

Nil.

**BACKGROUND**

Council's external auditors, Crowe Horwath, acting on behalf of the Victorian Auditor-General, visited Council's Wedderburn office during 16 to 20 July 2018 to finalise the audit of Council's Financial Statements and Performance Statement for the year ended 30 June 2018.

A requirement of the Local Government Act (s132 (2)) is that Council cannot formally submit the Financial Statements or Performance Statement to the Minister without having passed a motion giving in principle support to those statements.

It is also a requirement of the Local Government Act (s132(5)) that Council must ensure that the Financial Statements and Performance Statement, in their final form after any changes recommended or agreed by the auditor have been made, are certified in accordance with the regulations by two Councillors and any other prescribed person authorised by Council for this purpose.

**ISSUES/DISCUSSION**

The annual Financial Statements are presented in accordance with all relevant Australian Accounting Standards and consist of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, and Statement of Cash Flows, along with detailed notes expanding on each of these.

The Performance Statement is in line with the Regulations. It includes:

- 10 mandatory service performance indicators (two Home and Community Care indicators were discontinued after the 2015/16 reporting period and four others are optional – Economic Development, Immunisation, Sports Grounds and Street Sweeping),
- 12 financial sustainability indicators and
- 6 sustainable capacity indicators, which are financial and non-financial indicators of the sustainability of Council.

A standard format for the Performance Statement is provided by Local Government Victoria.

**COST/BENEFITS**

The benefit to Council and the community is accurate financial and non-financial information which shows the Council's results for the financial year, and provides insight into Council's sustainability.

**RISK ANALYSIS**

Preparation and auditing of Financial Statements and the Performance Statement are legislated functions of Council. Council must provide these documents along with the Report of Operations to the Minister for Local Government by 30 September 2018.

By having a structured project plan for delivery of the statements to the Victorian Auditor-General's representative, the risk of not meeting the legislative timeline is diminished.

**CONSULTATION AND ENGAGEMENT**

The Audit Committee has been provided with an overview of the Financial Statements and Performance Statement at the Audit Committee Meeting held on 9 August 2018.

# LODDON SHIRE COUNCIL

## PERFORMANCE STATEMENT YEAR ENDING 30 JUNE 2018



## DESCRIPTION OF MUNICIPALITY

Loddon Shire Council is located in central Victoria, about 175 kilometres north-west of Melbourne. It is bounded by the Gannawarra Shire in the north, Shire of Campaspe and City of Greater Bendigo in the east, Mount Alexander Shire and Central Goldfields Shire in the south, and Northern Grampians Shire and Buloke Shire in the west.

Loddon Shire Council is a predominantly rural area, with many small towns and communities. The largest towns are Boort, Bridgewater on Loddon, Inglewood, Pyramid Hill, and Wedderburn.

The Shire encompasses a total land area of about 6,700 square kilometres. Land is used mainly for agriculture and horticulture, particularly grain, sheep, wool, beef cattle, dairy, pigs and poultry. In recent years, there has also been an increase in viticulture, olives, and fodder crops.

The primary source of employment in the Shire is agriculture, forestry and fishing with 37% of employed residents working in those fields, while 10% work in health care and social assistance, 7% in retail trade, and 5% in public administration and safety.

## SUSTAINABILITY CAPACITY INDICATORS

Indicator / measure	Results			
	2015	2016	2017	2018
<b>Indicator: Population</b> <i>Measure:</i> Expenses per head of municipal population <i>Computation:</i> Total expenses / Municipal population	\$3,597	\$3,657	\$3,763	\$4,502
<b>Material variations:</b> Gradual increases to expenditure over three year period with population remaining steady. Year four higher increase due to increase in expenses and decrease in population.				
<b>Indicator: Population</b> <i>Measure:</i> Infrastructure per head of municipal population <i>Computation:</i> Value of infrastructure / Municipal population	\$37,810	\$40,202	\$39,764	\$43,768
<b>Material variations:</b> Gradual increases to infrastructure value over full four year period with population remaining steady.				
<b>Indicator: Population</b> <i>Measure:</i> Population density per length of road <i>Computation:</i> Municipal population / Kilometres of local roads	1.56	1.54	1.60	1.59
<b>Material variations:</b> No material variations.				
<b>Indicator: Own-source revenue</b> <i>Measure:</i> Own source revenue per head of municipal population <i>Computation:</i> Own-source revenue / Municipal population	\$1,808	\$1,815	\$1,796	\$1,868
<b>Material variations:</b> No material variations.				
<b>Indicator: Recurrent grants</b> <i>Measure:</i> Recurrent grants per head of municipal population <i>Computation:</i> Recurrent grants / Municipal population	\$2,209	\$1,462	\$2,180	\$1,836
<b>Material variations:</b> Recurrent grants have decreased by \$2.7M. This is mainly due to the timing of payments from the Victoria Grants Commission.				
<b>Indicator: Disadvantage</b> <i>Measure:</i> Relative socio-economic disadvantage <i>Computation:</i> Index of relative socio-economic disadvantage by decile	1	1	1	2
<b>Material variations:</b> 2018 has seen an indicator move from one to two.				

### 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 in paragraphs (a) and (b)

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

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

"population" means the resident population estimated by council

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

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

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

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

## SERVICE PERFORMANCE INDICATORS

Service / indicator / measure	Results			
	2015	2016	2017	2018
<b>Aquatic facilities</b> <b>Indicator: Utilisation</b> <i>Measure:</i> Utilisation of aquatic facilities <i>Computation:</i> Number of visits to aquatic facilities / Municipal population	3	4	3	3
<b>Material variations:</b> Visitation numbers have decreased by 1,400 in 2018.				
<b>Animal management</b> <b>Indicator: Health and safety</b> <i>Measure:</i> Animal management prosecutions <i>Computation:</i> Number of successful animal management prosecutions	7	1	0	0
<b>Material variations:</b> Council has had no animal prosecutions in 2017 - 2018.				
<b>Food Safety</b> <b>Indicator: Health and safety</b> <i>Measure:</i> Critical and major non-compliance notifications <i>Computation:</i> Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises x100	0%	83%	100%	100%
<b>Material variations:</b> No compliance issues in 2015, all issues in 2017 and 2018 have been followed up.				
<b>Governance</b> <b>Indicator: Satisfaction</b> <i>Measure:</i> Satisfaction with Council decisions <i>Computation:</i> Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community	58	56	55	48
<b>Material variations:</b> This trend is consistent with worldwide decline in satisfaction with government.				
<b>Home &amp; Community Care (HACC)</b> <b>Indicator: Participation</b> <i>Measure:</i> Participation in HACC service <i>Computation:</i> [Number of people that received a HACC service / Municipal target population for HACC services] x100	58%	56%	N/A	N/A
<b>Material variations:</b> Indicator no longer required.				
<b>Home &amp; Community Care (HACC)</b> <b>Indicator: Participation</b> <i>Measure:</i> Participation in HACC service by CALD people <i>Computation:</i> [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100	28%	30%	N/A	N/A
<b>Material variations:</b> Indicator no longer required.				
<b>Libraries</b> <b>Indicator: Participation</b> <i>Measure:</i> Active library members <i>Computation:</i> [Number of active library members / Municipal population] x100	14%	8%	8%	7%
<b>Material variations:</b> A change in service delivery model in recent years has resulted in data not accurately reflecting active membership.				



## SERVICE PERFORMANCE INDICATORS (Continued)

Service / indicator / measure	Results			
	2015	2016	2017	2018
<b>Maternal &amp; Child Health (MCH)</b> <b>Indicator: Participation</b> <i>Measure:</i> Participation in MCH service <i>Computation:</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	66%	73%	70%	65%
<b>Material variations:</b> Numbers attending and enrolled fluctuate over the four years, as the child gets older the visits are less frequent.				
<b>Maternal &amp; Child Health (MCH)</b> <b>Indicator: Participation</b> <i>Measure:</i> Participation in the MCH service by Aboriginal children <i>Computation:</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	60%	25%	56%	83%
<b>Material variations:</b> Five out of the six children enrolled participated in the MCH service in 2018.				
<b>Roads</b> <b>Indicator: Satisfaction</b> <i>Measure:</i> Satisfaction with sealed local roads <i>Computation:</i> Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads	55	55	50	50
<b>Material variations:</b> No material variation.				
<b>Statutory planning</b> <b>Indicator: Decision making</b> <i>Measure:</i> Council planning decisions upheld at VCAT <i>Computation:</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	0%	0%	100%	0%
<b>Material variations:</b> No VCAT decision throughout 2018.				
<b>Indicator: Waste diversion</b> <i>Measure:</i> Kerbside collection waste diverted from landfill <i>Computation:</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	23%	20%	23%	22%
<b>Material variations:</b> No material variation.				

## SERVICE PERFORMANCE INDICATORS (Continued)

### 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 Act

"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

Dimension / indicator / measure	Results				Forecasts			
	2015	2016	2017	2018	2019	2020	2021	2022
<b>Efficiency</b> <b>Indicator: Revenue level</b> <i>Measure:</i> Average residential rate per residential property assessment <i>Computation:</i> Residential rate revenue / Number of residential property assessments	\$698.23	\$941.22	\$992.71	\$1,011.60	\$1,004.56	\$1,021.76	\$1,046.17	\$1,071.25
<b>Material variations:</b> Residential rates are forecast to increase by 2.0% each year. 2015 results did not include waste charges.								
<b>Efficiency</b> <b>Indicator: Expenditure level</b> <i>Measure:</i> Expenses per property assessment <i>Computation:</i> Total expenses / Number of property assessments	\$3,409.82	\$3,441.69	\$3,670.24	\$4,339.15	\$3,876.41	\$3,749.26	\$3,865.88	\$3,930.80
<b>Material variations:</b> Property numbers remain constant with expenditure levels the main variance depending on the scope of works required for that financial year.								
<b>Efficiency</b> <b>Indicator: Workforce turnover</b> <i>Measure:</i> Resignations and terminations compared to average staff <i>Computation:</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	8.18	12.75	18.12	12.29	9.74	10.14	10.14	10.14
<b>Material variations:</b> A restructure to realign directorates in early 2016 and continuation into 2017 has resulted in an increase in staff turnover. This is slowly returning to a steady turnover rate.								
<b>Liquidity</b> <b>Indicator: Working capital</b> <i>Measure:</i> Current assets compared to current liabilities <i>Computation:</i> [Current assets / Current liabilities] x100	587.88%	641.06%	790.25%	742.25%	440.01%	416.35%	371.07%	372.06%
<b>Material variations:</b> Major variations can occur in this indicator due to the amount of cash and cash equivalents available for that projected year. The other components are fairly constant.								

## FINANCIAL PERFORMANCE INDICATORS (Continued)

Dimension / indicator / measure	Results				Forecasts			
	2015	2016	2017	2018	2019	2020	2021	2022
<b>Liquidity</b> <b>Indicator: Unrestricted cash</b> <i>Measure:</i> Unrestricted cash compared to current liabilities <i>Computation:</i> [Unrestricted cash / Current liabilities] x100	53.70%	281.60%	-3.85%	91.92%	310.95%	284.27%	235.61%	231.92%
<b>Material variations:</b> Council has a large amount of cash available on hand due to the delay in progression of some capital works projects. Council also received a 50% upfront payment for the 2018/19 VGC allocation during 2017/18. Future year projections include all costs to ensure there is no renewal gap, realistically this is not achievable and the values are adjusted and balanced through the budget process.								
<b>Obligations</b> <b>Indicator: Asset renewal</b> <i>Measure:</i> Asset renewal compared to depreciation <i>Computation:</i> [Asset renewal expenses / Asset depreciation] x100	42.47%	24.12%	33.93%	35.98%	38.81%	25.12%	24.89%	25.23%
<b>Material variations:</b> Variations can occur within this indicator depending on the capital works program delivered each year, depreciation increases slightly per year.								
<b>Obligations</b> <b>Indicator: Loans and borrowings</b> <i>Measure:</i> Loans and borrowings compared to rates <i>Computation:</i> [Interest bearing loans and borrowings / Rate revenue] x100	1.43%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Material variations:</b> Council made the last payment of outstanding loans during early 2016.								
<b>Obligations</b> <b>Indicator: Loans and borrowings</b> <i>Measure:</i> Loans and borrowings repayments compared to rates <i>Computation:</i> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	1.57%	1.39%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Material variations:</b> Council made the last payment of outstanding loans during early 2016.								

## FINANCIAL PERFORMANCE INDICATORS (Continued)

Dimension / indicator / measure	Results				Forecasts			
	2015	2016	2017	2018	2019	2020	2021	2022
<b>Obligations</b> <b>Indicator: Indebtedness</b> <i>Measure:</i> Non-current liabilities compared to own source revenue <i>Computation:</i> [Non-current liabilities / Own source revenue] x100	16.94%	17.58%	12.52%	11.76%	15.90%	17.48%	19.13%	20.78%
<b>Material variations:</b> Council's non-current liabilities increase each year with own source revenue remaining fairly constant.								
<b>Operating position</b> <b>Indicator: Adjusted underlying result</b> <i>Measure:</i> Adjusted underlying surplus (or deficit) <i>Computation:</i> [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100	10.82%	-37.73%	9.83%	-4.51%	-20.07%	-6.87%	-11.01%	-11.45%
<b>Material variations:</b> In 2016, Council had an underlying deficit compared to a surplus in 2017. The trend forward is expected to have underlying deficit positions.								
<b>Stability</b> <b>Indicator: Rates concentration</b> <i>Measure:</i> Rates compared to adjusted underlying revenue <i>Computation:</i> [Rate revenue / Adjusted underlying revenue] x100	30.88%	50.58%	32.05%	32.31%	42.76%	40.02%	41.28%	41.73%
<b>Material variations:</b> Council has continued to apply the 2.25% cap to rates and charges for the forecast years. The main variation between years for this indicator is the operating grants.								
<b>Stability</b> <b>Indicator: Rates effort</b> <i>Measure:</i> Rates compared to property values <i>Computation:</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.57%	0.56%	0.58%	0.50%	0.52%	0.52%	0.52%	0.52%
<b>Material variations:</b> No material variations.								

**FINANCIAL PERFORMANCE INDICATORS (Continued)****Definitions:**

"adjusted underlying revenue" means total income other than:

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

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

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

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

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

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

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

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

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

"population" means the resident population estimated by council

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

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

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

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

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

## OTHER INFORMATION

### **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 sustainability 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 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 26 June 2018 and which forms part of the Council Plan. The Strategic Resource Plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The Strategic Resource Plan can be obtained by contacting Council.

**CERTIFICATION OF 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.

**Signed: ..... Date:     /     /**  
**SHARON ROSEMARIE MORRISON BA (POLITICS), LLB (HONS), GDLP, DIP BUS, CERT IV HR,**  
**PRINCIPAL ACCOUNTING OFFICER**

In our opinion, the accompanying Performance Statement of the Loddon Shire Council for the year ended 30 June 2017 presents fairly the results of Council's performance in 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 sustainability capacity.

As at the date of 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 the Local Government (Planning and Reporting) Regulations 2014 to certify this Performance Statement in its final form.

**Signed: ..... Date:     /     /**  
**CHERYL ANNETTE MCKINNON, MAYOR**

**Signed: ..... Date:     /     /**  
**GAVAN LINDSAY HOLT, COUNCILLOR**

**Signed: ..... Date:     /     /**  
**PHILIP LEONARD PINYON, CHIEF EXECUTIVE OFFICER**







# LODDON SHIRE COUNCIL

## FINANCIAL STATEMENTS YEAR ENDING 30 JUNE 2018



## TABLE OF CONTENTS

Certification of financial statements	3
Victorian Auditor - General's Office Report	4
<b>Financial Statements</b>	
Comprehensive Income Statement	6
Balance Sheet	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Statement of Capital Works	10
<b>Overview</b>	11
<b>Notes to the financial statements</b>	
<b>Note 1 Performance against budget</b>	<b>12</b>
1.1 Income and expenditure	12
1.2 Capital works	14
<b>Note 2 Funding for the delivery of our services</b>	<b>15</b>
2.1 Rates and charges	15
2.2 Statutory fees and fines	15
2.3 User fees	16
2.4 Funding from other levels of government	17
2.5 Contributions	19
2.6 Reimbursements and subsidies	19
2.7 Interest received	19
2.8 Net gain / (loss) on disposal of property, infrastructure, plant and equipment	20
2.9 Other income	20
<b>Note 3 The cost of delivering services</b>	<b>21</b>
3.1 Employee costs	21
3.2 Materials, services and contracts	22
3.3 Depreciation	22
3.4 Bad debts expense	23
3.5 Other expenses	23
<b>Note 4 Our financial position</b>	<b>24</b>
4.1 Financial assets	24
4.2 Non-financial assets	26
4.3 Payables	28
4.4 Provisions	29
4.5 Financing arrangements	31
4.6 Commitments	32
4.7 Operating lease commitments	33
<b>Note 5 Assets we manage</b>	<b>33</b>
5.1 Non current assets classified as held for sale	33
5.2 Property, infrastructure, plant and equipment	34
5.3 Investments in associates, joint arrangements and subsidiaries	41
<b>Note 6 People and relationships</b>	<b>43</b>
6.1 Council and key management remuneration	43
6.2 Related party disclosure	44
<b>Note 7 Managing uncertainties</b>	<b>45</b>
7.1 Contingent assets and liabilities	45
7.2 Change in accounting standards	45
7.3 Financial instruments	46
7.4 Fair value measurement	48
7.5 Events occurring after balance date	49
<b>Note 8 Other matters</b>	<b>50</b>
8.1 Reserves	50
8.2 Reconciliation of cash flows from operating activities to surplus / (deficit)	56
8.3 Superannuation	57

**CERTIFICATION OF 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.

Signed: ..... Date:     /     /  
**SHARON ROSEMARIE MORRISON BA (POLITICS), LLB (HONS), GDLP, DIP BUS, CERT IV HR,  
PRINCIPAL ACCOUNTING OFFICER**

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

At the date of signing, we are not aware of any circumstances that 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.

Signed: ..... Date:     /     /  
**CHERYL ANNETTE MCKINNON, MAYOR**

Signed: ..... Date:     /     /  
**GAVAN LINDSAY HOLT, COUNCILLOR**

Signed: ..... Date:     /     /  
**PHILIP LEONARD PINYON, CHIEF EXECUTIVE OFFICER**





**COMPREHENSIVE INCOME STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018 \$	2017 \$
<b>Income</b>			
Rates and charges	2.1	10,445,501	10,102,693
Statutory fees and fines	2.2	403,422	304,599
User fees	2.3	1,588,792	1,708,805
Grants - operating	2.4	14,846,183	15,307,948
Grants - capital	2.4	4,057,747	3,691,765
Contributions - monetary	2.5	41,775	220,134
Reimbursements and subsidies	2.6	1,072,221	977,236
Interest earnings	2.8	508,561	474,173
Share of net profits of associates and joint ventures	5.3	2,264	-
Other income	2.9	3,879	166
<b>Total income</b>		<b>32,970,345</b>	<b>32,787,519</b>
<b>Expenses</b>			
Employee costs	3.1	10,851,796	10,003,078
Materials and services	3.2	13,311,521	9,304,997
Depreciation and amortisation	3.3	9,233,178	8,689,491
Bad debts expense	3.4	21,086	34,322
Other expenses	3.5	302,948	287,622
Net loss on disposal of property, infrastructure, plant and equipment	2.7	68,428	30,412
Share of net profits of associates and joint ventures	5.3	-	76,086
<b>Total expenses</b>		<b>33,788,957</b>	<b>28,426,008</b>
<b>Surplus / (deficit) for year</b>		<b>(818,612)</b>	<b>4,361,511</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to surplus or deficit</i>			
Net asset revaluation increment/(decrement)	8.1a	30,218,843	8,492,798
Share of other comprehensive income of associates and joint ventures accounted for by the equity method	5.3	(4,829)	(12,093)
<b>Total comprehensive result</b>		<b>29,395,402</b>	<b>12,842,216</b>

The above Comprehensive Income Statement should be read with the accompanying notes.



**BALANCE SHEET  
AS AT 30 JUNE 2018**

	Note	2018 \$	2017 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	4.1	3,662,195	9,672,238
Trade and other receivables	4.1	944,197	1,232,111
Financial assets	4.1	21,196,479	13,776,284
Inventories	4.2	43,490	53,966
Non-current assets classified as held for sale	5.1	690,322	865,424
<b>Total current assets</b>		<b>26,536,683</b>	<b>25,600,023</b>
<b>Non-current assets</b>			
Financial assets	4.1	100	100
Trade and other receivables	4.1	3,372	79,921
Investments in associates and joint ventures	4.2	271,380	273,945
Intangible assets	4.2	1,979,130	1,668,430
Property, infrastructure, plant and equipment	5.2	338,108,295	309,596,011
<b>Total non-current assets</b>		<b>340,362,277</b>	<b>311,618,407</b>
<b>Total assets</b>		<b>366,898,960</b>	<b>337,218,430</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	4.3	801,793	642,364
Trust funds and deposits	4.3	375,762	404,438
Provisions	4.4	2,397,604	2,192,670
<b>Total current liabilities</b>		<b>3,575,159</b>	<b>3,239,472</b>
<b>Non-current liabilities</b>			
Provisions	4.4	1,648,387	1,698,946
<b>Total non-current liabilities</b>		<b>1,648,387</b>	<b>1,698,946</b>
<b>Total liabilities</b>		<b>5,223,546</b>	<b>4,938,418</b>
<b>Net assets</b>		<b>361,675,414</b>	<b>332,280,012</b>
<b>Equity</b>			
Accumulated surplus		95,354,472	95,532,658
Reserves	8.1 b	266,320,942	236,747,354
<b>Total equity</b>		<b>361,675,414</b>	<b>332,280,012</b>

The above Balance Sheet should be read with the accompanying notes.

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018

2018

	Note	Total 2018 \$	Accumulated surplus 2018 \$	Revaluation reserve 2018 \$	Other reserves 2018 \$
Balance at beginning of the financial year		332,280,012	95,532,658	217,168,524	19,578,830
Surplus/(deficit) for the year		(818,612)	(818,612)	-	-
Net asset revaluation increment/(decrement)		30,218,843	-	30,218,843	-
Transfer to reserves	8.1b	-	(13,151,230)	-	13,151,230
Transfer from reserves	8.1b	-	13,796,485	-	(13,796,485)
Share of other comprehensive income		(4,829)	(4,829)	-	-
<b>Balance at end of financial year</b>		<b>361,675,414</b>	<b>95,354,472</b>	<b>247,387,367</b>	<b>18,933,575</b>

2017

	Note	Total 2017 \$	Accumulated surplus 2017 \$	Revaluation reserve 2017 \$	Other reserves 2017 \$
Balance at beginning of the financial year		319,437,796	95,737,887	208,675,726	15,024,183
Surplus/(deficit) for the year		4,361,511	4,361,511	-	-
Net asset revaluation increment/(decrement)		8,492,798	-	8,492,798	-
Transfer to reserves	8.1b	-	(14,271,936)	-	14,271,936
Transfer from reserves	8.1b	-	9,717,289	-	(9,717,289)
Share of other comprehensive income		(12,093)	(12,093)	-	-
<b>Balance at end of financial year</b>		<b>332,280,012</b>	<b>95,532,658</b>	<b>217,168,524</b>	<b>19,578,830</b>

The above Statement of Changes in Equity should be read with the accompanying notes.

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018 Inflows/ (outflows) \$	2017 Inflows/ (outflows) \$
<b>Cash flows from operating activities</b>			
Rates and charges		10,490,783	10,027,110
Statutory fees and fines		418,579	417,981
User fees		1,648,775	1,869,048
Grants - operating		12,844,409	14,224,500
Grants - capital		4,268,402	3,781,805
Contributions		41,775	-
Reimbursements and subsidies		1,045,938	1,049,999
Interest received		455,620	515,595
Net GST refund (payable)		1,683,479	1,319,883
Trust funds and deposits taken		(28,676)	127,344
Payments to employees		(10,654,704)	(9,965,656)
Payments to suppliers		(15,188,232)	(11,395,648)
Trust funds and deposits repaid		-	-
<b>Net cash provided by (used in) operating activities</b>		<b>7,026,148</b>	<b>11,971,961</b>
<b>Cash flows from investing activities</b>			
Payments for property, infrastructure, plant and equipment	5.2	(8,381,624)	(7,783,594)
Proceeds from sale of property, infrastructure, plant and equipment		650,979	107,726
Payment for intangible assets		-	-
Payment for investments		(5,387,159)	(10,654,153)
Loans and advances to community organisations		6,000	6,000
Repayment of loans and advances from community organisations		75,613	73,587
<b>Net cash provided by (used in) investing activities</b>		<b>(13,036,191)</b>	<b>(18,250,434)</b>
<b>Cash flows from financing activities</b>			
Repayment of interest bearing loans and borrowings		-	-
Borrowing costs		-	-
<b>Net cash provided by (used in) financing activities</b>		<b>-</b>	<b>-</b>
Net increase/(decrease) in cash and cash equivalents		(6,010,043)	(6,278,473)
Cash and cash equivalents at the beginning of the financial year		9,672,238	15,950,711
<b>Cash and cash equivalents at the end of the financial year</b>	5	<b>3,662,195</b>	<b>9,672,238</b>

The above Statement of Cash Flows should be read with the accompanying notes.

**STATEMENT OF CAPITAL WORKS  
FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018 \$	2017 \$
<b>Land and buildings</b>			
Land		31,460	-
Buildings - specialised		635,862	1,420,958
Work in progress		142,309	234,552
<b>Total buildings</b>		<b>809,631</b>	<b>1,655,510</b>
<b>Plant and fittings</b>			
Plant, machinery and equipment		889,602	328,992
Office furniture and equipment		172,479	142,651
<b>Total plant and equipment</b>	5.2	<b>1,062,081</b>	<b>471,643</b>
<b>Infrastructure</b>			
Roads		3,823,677	4,584,294
Bridges		51,980	301,950
Footpaths and cycleways		1,853,257	343,551
Kerb and channel		-	-
Drainage		218,929	224,043
Street furniture		-	3,530
Work in progress		562,068	199,076
<b>Total infrastructure</b>	5.2	<b>6,509,911</b>	<b>5,656,444</b>
<b>Intangible assets</b>			
Water rights	4.2	-	-
<b>Total intangible assets</b>		<b>-</b>	<b>-</b>
<b>Total capital works expenditure</b>		<b>8,381,623</b>	<b>7,783,597</b>
<b>Represented by:</b>			
New asset expenditure		984,860	560,533
Asset renewal expenditure		3,321,999	2,948,103
Asset expansion expenditure		2,090,846	505,897
Asset upgrade expenditure		1,983,918	3,769,064
<b>Total capital works expenditure</b>		<b>8,381,623</b>	<b>7,783,597</b>

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

## OVERVIEW

### Introduction

The Loddon Shire Council was established by an Order of the Governor in Council on 19 January 1995 and is a body corporate. The Council's main office is located at 41 High Street, Wedderburn.

### Statement of compliance

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

### Significant accounting policies

#### *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 5.2)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 5.2)
- the determination of employee provisions (refer to Note 4.5)
- the determination of landfill provisions (refer to Note 4.5)
- other areas requiring judgements.

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.

## 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. Management has adopted a materiality threshold of 20 percent and \$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 27 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 revenue and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

### 1.1 Income and expenditure

	Budget 2018 \$	Actual 2018 \$	Variance 2018 \$	Ref
<b>Income</b>				
Rates and charges	10,406,865	10,445,501	(38,636)	
Statutory fees and fines	248,670	403,422	(154,752)	1
User fees	1,432,607	1,588,792	(156,185)	
Grants - operating	5,830,781	14,846,183	(9,015,402)	2
Grants - capital	3,296,530	4,057,747	(761,217)	3
Contributions - monetary	15,000	41,775	(26,775)	
Reimbursements and subsidies	1,015,967	1,072,221	(56,254)	
Interest earnings	378,000	508,561	(130,561)	4
Share of net profits/(losses) of associates and joint ventures	-	-	-	
Other income	-	3,879	(3,879)	
<b>Total income</b>	<b>22,624,420</b>	<b>32,968,081</b>	<b>(10,343,661)</b>	
<b>Expenses</b>				
Employee costs	10,809,393	10,851,796	(42,403)	
Materials and services	8,606,761	13,311,521	(4,704,760)	5
Depreciation and amortisation	8,976,575	9,233,178	(256,603)	
Borrowing costs	-	-	-	
Bad and doubtful debts	-	21,086	(21,086)	
Other expenses	304,738	302,948	1,790	
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	-	68,428	(68,428)	6
<b>Total expenses</b>	<b>28,697,467</b>	<b>33,788,957</b>	<b>(5,091,490)</b>	
<b>Surplus/(deficit) for the year</b>	<b>(6,073,047)</b>	<b>(820,876)</b>	<b>(5,252,171)</b>	

**NOTE 1 PERFORMANCE AGAINST BUDGET (CONTINUED)****1.1 Income and expenditure (continued)****(i) Explanation of material variations**

- 1 The increase in statutory fees and fines relates mainly to additional income received for planning services of \$93K, with an increase in activity and the schedule of fees set. There was also an increase in animal control services of \$24K.
- 2 Operating grant income is higher than expected mainly due to the receipt of flood recovery income of \$4.32M more than what was in the original budget along with a 50% upfront payment from the Victoria Grants Commission of \$4.44M, similar to 2016/17.
- 3 Capital grant income is higher than expected due to an increase in Roads to Recovery income of \$1.7M which is offset by higher capital expenditure in this area.
- 4 During the financial year, Council had higher than expected cash on hand and therefore was able to earn more interest from investments.
- 5 The main variation in materials and services is the flood restoration works which are underway and had a total of \$4.17M more expenditure than expected for the year. This is offset by an increase in flood recovery income.
- 6 Council does not budget for a net gain or loss on disposals of assets. Therefore there is a cost variance of \$68K.

## NOTE 1 PERFORMANCE AGAINST BUDGET (CONTINUED)

## 1.2 Capital works

	Budget 2018 \$	Actual 2018 \$	Variance 2018 \$	Ref
<b>Property</b>				
Land	-	28,500	(28,500)	
Land improvements	45,000	7,460	37,540	
<b>Total land</b>	<b>45,000</b>	<b>35,960</b>	<b>9,040</b>	
Buildings	71,500	125,122	(53,622)	
Building improvements	988,500	161,894	826,606	
<b>Total buildings</b>	<b>1,060,000</b>	<b>287,016</b>	<b>772,984</b>	7
<b>Total property</b>	<b>1,105,000</b>	<b>322,976</b>	<b>782,024</b>	
<b>Plant and equipment</b>				
Plant, machinery and equipment	884,100	889,602	(5,502)	
Office furniture and equipment	317,363	172,479	144,884	
<b>Total plant and equipment</b>	<b>1,201,463</b>	<b>1,062,081</b>	<b>139,382</b>	
<b>Infrastructure</b>				
Roads	3,516,452	4,197,454	(681,002)	
Bridges	251,000	42,060	208,940	8
Footpaths and cycleways	293,755	617,465	(323,710)	9
Drainage	1,558,000	417,017	1,140,983	10
Recreation, leisure and community facilities	1,084,000	351,124	732,876	11
Parks, open space and streetscapes	354,500	1,371,446	(1,016,946)	12
<b>Total infrastructure</b>	<b>7,057,707</b>	<b>6,996,566</b>	<b>61,141</b>	
<b>Total capital works expenditure</b>	<b>9,364,170</b>	<b>8,381,623</b>	<b>982,547</b>	
<b>Represented by:</b>				
New asset expenditure	849,100	984,860	(135,760)	
Asset renewal expenditure	4,674,047	3,321,999	1,352,048	
Asset expansion expenditure	1,494,500	2,090,846	(596,346)	
Asset upgrade expenditure	2,346,523	1,983,918	362,605	
<b>Total capital works expenditure</b>	<b>9,364,170</b>	<b>8,381,623</b>	<b>982,547</b>	



**NOTE 1 PERFORMANCE AGAINST BUDGET (CONTINUED)****1.2 Capital works (continued)****(i) Explanation of material variations**

- 7 The budget set for 2017/18 included an allocation of \$500K for the strategic fund but remained unspent at 30 June 2018.
- 8 Projects that did not commence during 2017/18 and therefore remain unspent at 30 June include Janevale Bridge of \$152K and Kingower Brenanah Rd of \$33K.
- 9 There were projects carried forward from the 2016/17 financial year that were completed during 2017/18 and these include Chapel Street Serpentine of \$83K along with Kelly Street, Victoria Street and Barber Street in Pyramid Hill with a combined actual of \$513K.
- 10 The main variance includes two projects for flood mitigation works, the first at Boort for \$500K which is yet to commence and the second at Pyramid Hill of \$750K which has been deferred until funding is received in future years.
- 11 The budget included spending for caravan park improvements of \$750K which has been deferred until funding is received and swimming pool solar power of \$314K with only \$191K spent to date.
- 12 The main variance is due to a carry forward project of \$1.2M for the Wedderburn Streetscape project which was not in the original budget.

## NOTE 2 FUNDING FOR THE DELIVERY OF OUR SERVICES

### 2.1 Rates and charges

Council uses Capital Improved Value (C.I.V.) as the basis of valuation of all properties within the municipal district. The C.I.V. of a property includes the value of the land and all improvements on the land.

The valuation base used to calculate general rates for 2017/18 was \$1,734,759,500. The valuation base used in 2016/17 was \$1,728,095,200.

	2018 \$	2017 \$
General rates	2,540,550	2,466,974
Rural production rates	5,420,427	5,308,885
Municipal charges	1,162,043	1,132,787
Kerbside recycling charges	338,141	303,546
Garbage charges	944,319	852,509
Interest on rates and charges	40,021	37,992
<b>Total rates and garbage charges</b>	<b>10,445,501</b>	<b>10,102,693</b>

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2016, and the valuation was first applied in the rating year commencing 1 July 2016.

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

	2018 \$	2017 \$
<b>Statutory fees and fines</b>		
Animal control	68,823	61,214
Building services fees	112,960	91,073
Election fines	2,616	3,042
Fire hazards	4,283	6,334
Health Act fees	51,324	42,383
Land information certificates	12,470	9,939
Local laws	7,748	6,054
Town planning fees	143,198	84,560
<b>Total statutory fees and fines</b>	<b>403,422</b>	<b>304,599</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 occurs first.

**NOTE 2 FUNDING FOR THE DELIVERY OF OUR SERVICES (Continued)****2.3 User fees**

	2018 \$	2017 \$
<b>User fees</b>		
Aged services fees	438,687	619,786
Caravan park fees	407,550	514,993
Emergency management	28,320	12,309
Gravel pit fees	87,329	93,477
Pre-schools	76,856	74,079
Private works charges	222,420	50,137
Road opening permits	23,310	18,260
Sale of tools and equipment	273	1,152
Staff training / educational fees	38,549	9,107
Standpipes and truck washes	63,980	31,773
Tip and recycling fees	58,613	111,443
Tourism	28,816	70,445
Other	12,380	15,301
<b>Rent received</b>		
Elderly persons units	62,089	52,959
Commercial properties	39,620	33,429
Council residences	-	155
<b>Total statutory fees, fines and user fees</b>	<b>1,588,792</b>	<b>1,708,805</b>

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

**2.4 Funding from other levels of government**

	2018 \$	2017 \$
Grants were received in respect of the following:		
<b>Summary of grants</b>		
Commonwealth funded grants	16,322,839	15,804,261
State funded grants	2,581,091	3,195,452
<b>Total grants received</b>	<b>18,903,930</b>	<b>18,999,713</b>

	2018 \$	2017 \$
<b>(a) Operating grants</b>		
<b>Recurrent - Commonwealth Government:</b>		
Victoria Grants Commission - general purpose grant	4,909,068	6,859,499
Victoria Grants Commission - local roads	3,589,883	5,222,295
<b>Non recurrent - Commonwealth Government:</b>		
Flood restoration	4,364,993	1,073,791
<b>Total operating Commonwealth Government grants</b>	<b>12,863,944</b>	<b>13,155,585</b>

**NOTE 2 FUNDING FOR THE DELIVERY OF OUR SERVICES (Continued)****2.4 Funding from other levels of government (continued)**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Recurrent - State Government:</b>		
Aged services	872,443	885,875
Pre-schools	634,298	481,379
Families and children	143,790	136,690
Fire Services Property Levy	41,615	40,421
Youth development	59,500	99,837
Community safety	5,776	11,526
Tips and recycling	7,018	6,393
Environment	50,000	75,000
Planning services	5,455	-
<b>Non recurrent - State Government:</b>		
Culture	14,000	-
Tips and recycling	6,000	-
Planning services	-	28,250
Water infrastructure	1,744	17,111
Community safety	20,000	23,145
Preschools	9,918	104,018
Recreation facilities	108,182	200,550
Other	2,500	42,168
<b>Total operating State Government grants</b>	<b>1,982,239</b>	<b>2,152,363</b>
<b>Total operating grants</b>	<b>14,846,183</b>	<b>15,307,948</b>
<b>(b) Capital grants</b>		
<b>Recurrent - Commonwealth Government:</b>		
Roads to Recovery	3,458,895	2,648,676
<b>Total capital Commonwealth Government grants</b>	<b>3,458,895</b>	<b>2,648,676</b>
<b>Recurrent - State Government:</b>		
Nil	-	-
<b>Non recurrent - State Government:</b>		
Recreation facilities	78,638	294,897
Community halls	-	340,000
Road infrastructure	276,666	150,000
Tips and recycling	-	140,000
Streetscapes	50,000	12,000
Water infrastructure	193,548	106,192
<b>Total capital State Government grants</b>	<b>598,852</b>	<b>1,043,089</b>
<b>Total capital grants</b>	<b>4,057,747</b>	<b>3,691,765</b>

**NOTE 2 FUNDING FOR THE DELIVERY OF OUR SERVICES (Continued)****2.4 Funding from other levels of government (continued)****(c) Unspent grants received on condition that they be spent in a specific manner**

	2018 \$	2017 \$
<b>Balance at start of year</b>	<b>7,683,212</b>	<b>5,225,729</b>
Received during the financial year and remained unspent at balance date	1,184,619	3,331,437
Received in prior years and spent during the financial year	(1,136,094)	(873,954)
<b>Balance at year end</b>	<b>7,731,737</b>	<b>7,683,212</b>

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**

	2018 \$	2017 \$
Contributions - operating - monetary	8,591	180,134
Contributions - operating - monetary - adjustment 2016/17 funds not received	(15,000)	-
Contributions - capital - monetary	48,184	40,000
Contributions - non-monetary	-	-
<b>Total contributions</b>	<b>41,775</b>	<b>220,134</b>

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

**2.6 Reimbursements and subsidies**

	2018 \$	2017 \$
Main roads maintenance and construction	552,761	638,749
Insurance claims	86,997	5,276
Workcover	142,966	108,273
Fuel rebate	133,139	132,895
Community and recreational facilities	-	16,676
Emergency management	79,015	6,357
Heritage projects	-	27,390
Contracted staff	73,343	36,620
Other	4,000	5,000
<b>Total reimbursements and subsidies</b>	<b>1,072,221</b>	<b>977,236</b>

Reimbursements and subsidies are recognised as revenue when the service has been provided or Council has otherwise earned the income.

**2.7 Net gain / (loss) on disposal of property, infrastructure, plant and equipment**

	2018 \$	2017 \$
Proceeds from sale	650,979	107,726
Written down value of assets disposed	(719,407)	(138,138)
<b>Total net gain / (loss) on disposal of property, infrastructure, plant and equipment</b>	<b>(68,428)</b>	<b>(30,412)</b>

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

**NOTE 2 FUNDING FOR THE DELIVERY OF OUR SERVICES (Continued)****2.8 Interest received**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Interest on investments	468,540	436,181
Rates interest	40,021	37,992
<b>Total interest received</b>	<b>508,561</b>	<b>474,173</b>

**2.9 Other income**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Reversal of impairment of assets	3,879	166
<b>Total other income</b>	<b>3,879</b>	<b>166</b>

**NOTE 3 THE COST OF DELIVERING SERVICES****3.1 (a) Employee costs**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Salaries and wages	8,845,450	8,055,547
Annual leave and long service leave	874,919	887,007
Superannuation	922,396	855,063
Fringe benefits	90,291	115,720
Workcover	118,740	89,741
<b>Total employee costs</b>	<b>10,851,796</b>	<b>10,003,078</b>

**(b) Superannuation**

Council made contributions to the following funds:

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Defined benefit fund</b>		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	77,829	87,757
<b>Total defined benefit fund</b>	<b>77,829</b>	<b>87,757</b>

Employer contributions payable at reporting date.

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Accumulation funds</b>		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	533,619	459,216
Employer contributions - other funds	310,948	308,090
<b>Total accumulated funds</b>	<b>844,567</b>	<b>767,306</b>

Employer contributions payable at reporting date.

Refer to Note 8.3 for further information relating to Council's superannuation obligations.

**3.2 Materials and services**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Plant operating costs	1,308,448	736,879
Utility costs	514,937	505,528
Corporate governance	349,464	607,695
Local road materials	317,867	247,194
Flood recovery works	4,167,930	1,006,150
Building maintenance	363,122	260,899
Aged care services	155,240	249,596
Training and subscriptions	258,956	206,223
Computer costs and computer programs	415,179	375,241
Office expenses	92,960	104,981
North Central Goldfields Regional Library Corporation	201,238	193,801
Community plan projects	57,002	49,442
Recreation projects	487,919	280,688
Insurances	455,108	405,223

**NOTE 3 THE COST OF DELIVERING SERVICES (Continued)****3.2 Materials and services (continued)**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Pool maintenance and strategy	399,236	313,677
Loddon Discovery Tours	22,178	41,696
Main roads materials	45,078	46,438
Parks and gardens maintenance	62,304	45,884
Tips maintenance	330,160	98,274
Families and children	99,029	153,800
Caravan park operations	313,162	249,402
Economic development and tourism initiatives	70,135	163,503
Private works materials	50,924	33,360
Public facilities	184,106	206,465
Community grant projects	238,297	223,760
Community safety	55,655	105,795
Workshops and depots	132,547	130,594
Youth and transport services	61,526	66,551
Valuations	237,183	75,304
Regulatory services	114,150	199,226
Environment	181,346	114,034
Other materials, services and contracts	78,622	79,660
Gravel pit operations	363,642	2,429
Community facilities	149,474	1,038,090
Garbage collection	659,803	651,929
Water management projects	181,302	-
Cleaning	23,618	35,586
Other road projects	112,674	-
<b>Total materials and services</b>	<b>13,311,521</b>	<b>9,304,997</b>

**3.3 Depreciation and amortisation**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Roads	6,110,045	5,575,427
Buildings	1,348,607	1,369,892
Plant and equipment	805,452	881,073
Bridges	370,022	332,859
Urban drains	198,844	182,931
Furniture and equipment	103,772	80,024
Footpaths	149,040	129,100
Kerb and channel	94,119	85,753
Landfills	25,644	25,657
Street furniture	26,171	24,691
Quarries	1,462	2,084
<b>Total depreciation</b>	<b>9,233,178</b>	<b>8,689,491</b>

Refer to Note 4.2 (c) and 5.2 for a more details breakdown of depreciation and amortisation charges and accounting policy.



**NOTE 3 THE COST OF DELIVERING SERVICES (Continued)****3.4 Bad and doubtful debts**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Rates debtors	-	31,171
Sundry debtors	21,086	3,151
<b>Total bad debts expense</b>	<b>21,086</b>	<b>34,322</b>

**Movement in provisions for doubtful debts**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Balance at beginning of the year	110,620	78,010
New provisions recognised during the year	21,086	34,322
Amounts already provided for and written off as uncollectible	(18,250)	(1,712)
Amounts provided for but recovered during the year	(507)	-
<b>Balance at end of year</b>	<b>112,949</b>	<b>110,620</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 Other expenses**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Councillors' emoluments	225,716	206,385
Internal audit remuneration	36,519	39,458
External audit remuneration - VAGO - Audit of the financial statements, performance statement and grant acquittals	39,055	37,900
Impairment of interest free loans	1,658	3,879
<b>Total other expenses</b>	<b>302,948</b>	<b>287,622</b>

**NOTE 4 OUR FINANCIAL POSITION****4.1 Financial assets****(a) Cash and cash equivalents**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Cash on hand	4,750	4,650
Cash at bank (CEO's advance account)	4,000	4,000
Cash at bank (general account)	2,455,902	2,663,588
Cash at bank (trust account)	197,543	194,837
<b>Cash and cash equivalents</b>	<b>2,662,195</b>	<b>2,867,075</b>

**(b) Other financial assets**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Term deposits (current)	1,000,000	6,805,163
Term deposits (non-current)	-	-
<b>Total other financial assets</b>	<b>1,000,000</b>	<b>6,805,163</b>
<b>Total financial assets</b>	<b>3,662,195</b>	<b>9,672,238</b>

Council's cash and cash equivalents are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. These include:

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Restricted funds</b>		
Trust funds (Note 4.3)	375,762	404,438
<b>Total restricted funds</b>	<b>375,762</b>	<b>404,438</b>
<b>Total unrestricted cash and cash equivalents</b>	<b>3,286,433</b>	<b>9,267,800</b>

Council's cash and cash equivalents are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. These include:

**Intended allocations**

Although not externally restricted the intended allocations above have been allocated for specific future purposes by Council.

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Unspent grants (refer to Note 8.1)	7,731,737	7,683,212
Long service leave (refer to Note 4.4)	1,793,538	1,709,316
<b>Total restricted and intended allocation funds</b>	<b>9,525,275</b>	<b>9,392,528</b>

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 revenue or expense.

**NOTE 4 OUR FINANCIAL POSITION (Continued)****4.1 Financial assets (continued)****(c) Trade and other receivables**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
<i>Statutory receivables</i>		
Rates debtors	307,246	352,528
LESS provision for doubtful debts	(87,287)	(105,537)
	<b>219,959</b>	<b>246,991</b>
<i>Non statutory receivables</i>		
Sundry debtors	290,426	610,802
Other debtors	100,319	101,663
LESS provision for doubtful debts	(25,663)	(5,084)
Net receivable GST	278,386	194,126
Loans and advances to community organisations	80,770	83,613
	<b>724,238</b>	<b>985,120</b>
<b>Total current</b>	<b>944,197</b>	<b>1,232,111</b>
<b>Non-current</b>		
<i>Non statutory receivables</i>		
Loans and advances to community organisations	3,372	79,921
<b>Total non-current</b>	<b>3,372</b>	<b>79,921</b>
<b>Total trade and other receivables</b>	<b>947,569</b>	<b>1,312,032</b>

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 effective interest rate method.

**(i) Ageing of receivables**

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

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Current (not yet due)	104,699	165,269
Past due by up to 30 days	119,918	319,774
Past due between 31 and 180 days	9,875	125,759
Past due between 181 and 365 days	55,934	-
<b>Total trade and other receivables</b>	<b>290,426</b>	<b>610,802</b>

**NOTE 4 OUR FINANCIAL POSITION (Continued)****4.1 Financial assets (continued)****(c) Trade and other receivables (continued)****(ii) Ageing of individually impaired receivables**

At balance date, other debtors representing financial assets with a nominal value of \$25,663 (2017: \$5,084) were impaired. The amount of the provision raised against these debtors was \$25,663 (2017: \$5,084). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

The ageing of receivables that have been individually determined as impaired at reporting date was:

	2018 \$	2017 \$
Current (not yet due)	-	-
Past due by up to 30 days	-	-
Past due between 31 and 180 days	-	360
Past due between 181 and 365 days	25,663	4,720
Past due by more than 1 year	-	4
<b>Total trade and other receivables</b>	<b>25,663</b>	<b>5,084</b>

**4.2 Non-financial assets****(a) Inventories**

	2018 \$	2017 \$
Inventories held for distribution	43,490	53,966
Inventories held for sale	-	-
<b>Total inventories</b>	<b>43,490</b>	<b>53,966</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**

	2018 \$	2017 \$
<b>Current</b>		
Accrued income	3,185,122	1,131,879
Prepayments	220,045	240,252
Term deposits (original maturity of 90 days or greater)	17,791,312	12,404,153
<b>Total current</b>	<b>21,196,479</b>	<b>13,776,284</b>
<b>Non-current</b>		
Maps shares	100	100
<b>Total non-current</b>	<b>100</b>	<b>100</b>
<b>Total other assets</b>	<b>21,196,579</b>	<b>13,776,384</b>

**NOTE 4 OUR FINANCIAL POSITION (Continued)****4.2 Non-financial assets (continued)****(c) Intangible assets**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Non-current</b>		
Water rights	1,979,130	1,668,430
<b>Total intangible assets</b>	<b>1,979,130</b>	<b>1,668,430</b>

**Reconciliation of movements in intangible assets for the reporting period**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Water rights</b>		
Gross carrying amount at beginning of period	1,668,430	1,654,362
Additional water rights obtained during the period	-	-
Water rights disposed of during the period	-	-
Revaluation increment (decrement)	310,700	14,068
<b>Gross carrying amount at end of period</b>	<b>1,979,130</b>	<b>1,668,430</b>

Intangible assets with finite lives are amortised as an expense on a systematic basis over the asset's useful life. Amortisation is generally calculated on a straight line basis, at a rate that allocates the asset value, less any estimated residual value over its estimated useful life. Estimates of the remaining useful lives and amortisation method are reviewed at least annually, and adjustments are made where appropriate.

Water rights are revalued at 30 June 2018 to the published water trade market rate applying at that date.

**(d) Investments in associates and joint ventures**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Equity in North Central Goldfields Regional Library Corporation	271,380	273,945
<b>Total investment in associates and joint ventures</b>	<b>271,380</b>	<b>273,945</b>

**NOTE 4 OUR FINANCIAL POSITION (Continued)****4.3 Payables****(a) Trade and other payables**

	2018 \$	2017 \$
Trade creditors	365,246	325,882
Accrued wages & salaries	175,161	143,565
Accrued expenses	261,386	172,917
<b>Total trade and other payables</b>	<b>801,793</b>	<b>642,364</b>

**(b) Trust funds and deposits**

	2018 \$	2017 \$
Contract retentions	79,608	109,142
Fire services property levy	54,434	55,486
Building sureties	42,340	43,340
Unclaimed monies	361	157
Other refundable deposits:	-	-
St Andrews church repair fund	1,476	1,476
Wedderburn pre school investment	197,543	194,837
<b>Total trust funds and deposits</b>	<b>375,762</b>	<b>404,438</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*****Contract retentions***

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

***Fire Services Property 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.

***Building sureties***

Under the provisions of the Building Act 1993, Council may issue a Building Permit subject to a condition that the applicant must deposit with the Council a bond, for an amount determined in accordance with the regulations, to secure the complete and satisfactory carrying out of the work authorised by the Building Permit.

***St Andrews church repair fund***

These funds were held by a Section 86 committee which was disbanded in 2012. The funds were returned to Council to use for repairs to the building.

***Wedderburn pre-school investment***

Council is holding funds on behalf of the Wedderburn Pre-school. These funds are invested by Council according to the instructions of the pre-school.

**NOTE 4 OUR FINANCIAL POSITION (Continued)****4.4 Provisions****2018**

	Annual leave	Long service leave	RDOs	Landfill rehabilitation	Gravel pit rehabilitation	Total
Balance at beginning of the financial year	786,072	1,709,316	109,284	1,232,349	54,595	3,891,616
Additional provisions	777,064	172,219	578,101	-	5,028	1,532,412
Amounts used	(707,084)	(167,835)	(566,807)	(16,149)	-	(1,457,875)
Variation in the discounted amount arising because of time and the effect of any change in the discount rate	-	79,838	-	-	-	79,838
<b>Balance at the end of the financial year</b>	<b>856,052</b>	<b>1,793,538</b>	<b>120,578</b>	<b>1,216,200</b>	<b>59,623</b>	<b>4,045,991</b>

**2017**

	Annual leave	Long service leave	RDOs	Landfill rehabilitation	Gravel pit rehabilitation	Total
Balance at beginning of the financial year	732,554	1,731,723	112,295	1,825,773	49,088	4,451,433
Additional provisions	741,021	237,264	559,274	-	5,507	1,543,066
Amounts used	(687,503)	(199,504)	(562,285)	(593,424)	-	(2,042,716)
Variation in the discounted amount arising because of time and the effect of any change in the discount rate	-	(60,167)	-	-	-	(60,167)
<b>Balance at the end of the financial year</b>	<b>786,072</b>	<b>1,709,316</b>	<b>109,284</b>	<b>1,232,349</b>	<b>54,595</b>	<b>3,891,616</b>

**(a) Employee benefits**

	2018 \$	2017 \$
<b>Current provisions expected to be wholly settled within 12 months</b>		
Annual leave	684,842	628,858
Long service leave	184,727	170,932
RDOs	120,578	109,284
<b>Total</b>	<b>990,147</b>	<b>909,074</b>
<b>Current provisions expected to be wholly settled after 12 months</b>		
Annual leave	171,210	157,214
Long service leave	1,236,247	1,126,382
<b>Total</b>	<b>1,407,457</b>	<b>1,283,596</b>
<b>Total current employee provisions</b>	<b>2,397,604</b>	<b>2,192,670</b>
<b>Non-current</b>		
Long service leave	372,564	412,002
<b>Total non-current employee provisions</b>	<b>372,564</b>	<b>412,002</b>
<b>Total employee benefits</b>	<b>2,770,168</b>	<b>2,604,672</b>

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

**NOTE 4 OUR FINANCIAL POSITION (Continued)**

**4.4 Provisions (continued)**

**(a) Employee benefits (continued)**

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

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

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

***Long service leave***

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

Key assumptions:

Weighted average increase in employee costs	3.38%	5.69%
Weighted average discount rates	3.26%	2.99%
Weighted average settlement period	21 months	21 months

**(b) Landfill restoration**

	2018 \$	2017 \$
Current	-	-
Non-current	1,216,200	1,232,349
<b>Total landfill restoration</b>	<b>1,216,200</b>	<b>1,232,349</b>

Council is obligated to restore landfill sites to a particular standard. The forecast life of the 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 costs of works to be undertaken. The expected cost of works have been estimated based on the current understanding of work required to reinstate the site to a suitable standard and budgeted costs for that work. Accordingly, the estimation of a provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

Key assumptions:

Weighted average increase in costs	2.40%	2.32%
Weighted average discount rates	1.96%	1.93%
Weighted average settlement period	18 years	19 years



**NOTE 4 OUR FINANCIAL POSITION (Continued)****4.4 Provisions (continued)****(c) Gravel pit rehabilitation**

	2018 \$	2017 \$
Current	-	-
Non-current	59,623	54,595
<b>Total</b>	<b>59,623</b>	<b>54,595</b>

Council is obligated to restore gravel pit sites to a particular standard. The forecast life of the site is based on current estimates of remaining capacity and the forecast rate of infill. The provision for gravel pit restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard 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.

Key assumptions:

Weighted average increase in costs	2.40%	2.32%
Weighted average discount rates	1.96%	1.93%
Weighted average settlement period	18 years	18 years

**4.5 Financing arrangements**

	2018 \$	2017 \$
Bank overdraft	500,000	500,000
Credit card facilities	100,000	100,000
<b>Total facilities</b>	<b>600,000</b>	<b>600,000</b>
Used facilities	-	-
<b>Unused facilities</b>	<b>600,000</b>	<b>600,000</b>

**NOTE 4 OUR FINANCIAL POSITION (Continued)****4.6 Commitments**

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.

**2018**

	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 \$
<b>Operating</b>					
Flood repairs and other roadworks	1,120,359	-	-	-	-
Environment services	745,588	745,588	621,323	-	2,112,499
Insurance services	356,664	-	-	-	356,664
Caravan park operations	152,117	-	-	-	152,117
Library corporation	201,226	201,226	-	-	402,452
Swimming pool services	174,826	-	-	-	174,826
Cleaning services	159,446	159,446	-	-	318,892
Internal audit	27,950	-	-	-	27,950
Other minor orders committed	83,062	-	-	-	83,062
<b>Operating commitments for expenditure</b>	<b>3,021,238</b>	<b>1,106,260</b>	<b>621,323</b>	<b>-</b>	<b>3,628,462</b>
<b>Capital</b>					
Information technology items and telephone	82,829	-	-	-	82,829
Vehicle purchases	101,043	-	-	-	101,043
Planning and building system modules	18,000	-	-	-	18,000
Donaldson Park design works	35,000	-	-	-	35,000
<b>Capital commitments for expenditure</b>	<b>236,872</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>236,872</b>
<b>Total commitments for expenditure</b>	<b>3,258,110</b>	<b>1,106,260</b>	<b>621,323</b>	<b>-</b>	<b>3,865,334</b>

**2017**

	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 \$
<b>Operating</b>					
Environment services	745,588	745,588	1,366,911	-	2,858,087
Insurance services	468,980	-	-	-	468,980
Caravan park operations	139,710	40,000	-	-	179,710
Library corporation	201,226	201,226	201,226	-	603,678
Valuation services	159,656	-	-	-	159,656
Swimming pool services	174,826	174,826	-	-	349,652
HACC recall of funds	109,000	-	-	-	109,000
Cleaning services	159,446	159,446	159,446	-	478,338
Internal audit	27,950	27,950	-	-	55,900
<b>Operating commitments for expenditure</b>	<b>2,186,382</b>	<b>1,349,036</b>	<b>1,727,583</b>	<b>-</b>	<b>5,263,001</b>
<b>Capital</b>					
Wedderburn depot	180,536	-	-	-	180,536
Soldiers Memorial Park sculpture	102,745	-	-	-	102,745
Wedderburn streetscape	1,718,441	-	-	-	1,718,441
Serpentine pavilion	52,578	-	-	-	52,578
<b>Total commitments for expenditure</b>	<b>4,253,682</b>	<b>1,349,036</b>	<b>1,727,583</b>	<b>-</b>	<b>7,330,301</b>
<b>Capital commitments for expenditure</b>	<b>10,602,614</b>	<b>2,726,022</b>	<b>3,455,166</b>	<b>-</b>	<b>16,783,802</b>
<b>Total commitments for expenditure</b>	<b>10,711,614</b>	<b>2,726,022</b>	<b>3,455,166</b>	<b>-</b>	<b>16,892,802</b>

**NOTE 4 OUR FINANCIAL POSITION (Continued)****4.7 Operating lease commitments**

At reporting date, Council had the following obligations under non-cancellable operating leases for the lease of equipment, land and buildings for use within Council's activities (these obligations are not recognised as liabilities or assets).

	2018 \$	2017 \$
<b>Income from leases</b>		
Not later than 1 year	97,901	33,035
Later than 1 year and not later than 2 years	98,453	97,461
Later than 2 years and not later than 5 years	298,213	295,272
<b>Total leases</b>	<b>494,567</b>	<b>425,768</b>

	2018 \$	2017 \$
<b>Expenditure for leases</b>		
Not later than 1 year	8,338	5,218
Later than 1 year and not later than 2 years	5,218	5,218
Later than 2 years and not later than 5 years	15,654	15,654
<b>Total leases</b>	<b>29,210</b>	<b>26,090</b>

**NOTE 5 ASSETS WE MANAGE****5.1 Non current assets classified as held for sale**

	2018 \$	2017 \$
<b>Non current</b>		
Land at valuation	715,360	896,812
LESS selling costs	(25,038)	(31,388)
<b>Total non current assets held for sale</b>	<b>690,322</b>	<b>865,424</b>

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

**NOTE 5 ASSETS WE MANAGE (Continued)****5.2 Property, infrastructure, plant and equipment****Summary of property, infrastructure, plant and equipment**

	At fair value 30 June 2017 \$	Acquisitions \$	Revaluation / transfers \$	Depreciation \$	Disposals \$	At fair value 30 June 2018 \$
Land	10,042,426	31,460	670,325	-	(423,285)	10,320,926
Buildings	48,001,163	635,862	(1,123,551)	(1,348,607)	-	46,164,867
Plant and equipment	6,357,848	1,062,081	-	(909,224)	(296,122)	6,214,583
Infrastructure	244,262,848	5,947,843	31,878,928	(6,975,347)	-	275,114,272
Work in progress	1,797,152	704,377	(1,517,560)	-	-	983,969
<b>Total</b>	<b>310,461,437</b>	<b>8,381,623</b>	<b>29,908,142</b>	<b>(9,233,178)</b>	<b>(719,407)</b>	<b>338,798,617</b>

**Summary of work in progress**

	Opening WIP \$	Additions \$	Transfers \$	Write-off \$	Closing WIP \$
Buildings	549,555	142,309	(269,963)	-	421,901
Infrastructure	1,247,597	562,068	(1,247,597)	-	562,068
<b>Total</b>	<b>1,797,152</b>	<b>704,377</b>	<b>(1,517,560)</b>	<b>-</b>	<b>983,969</b>

**Asset recognition thresholds and depreciation periods**

	Depreciation period Years	Threshold limit \$
Property		
land	-	1,000
leasehold improvements	10 - 30	1,000
Buildings		
buildings	50 - 100	1,000
building and leasehold improvements	10 - 30	1,000
Plant and equipment		
plant, machinery, minor plant and equipment	5 - 30	1,000
motor vehicles	9 - 10	1,000
fixtures fittings and furniture	10 - 100	1,000
computers and telecommunications	3	1,000
Infrastructure		
road seals	13 - 26	1,000
road pavements - sealed	80	1,000
road pavements - unsealed	30	1,000
road formation and earthworks	-	1,000
road kerb, channel and minor culverts	60	1,000
bridges deck and substructure	80 - 100	1,000
footpaths and cycle ways	15 - 50	1,000
drainage	50 - 80	1,000
recreational, leisure and community facilities	50 - 80	1,000
waste management assets	20	1,000
parks, open space and streetscapes	15 - 50	1,000
off street car parks	80	1,000
aerodromes	30 - 80	1,000
Intangible assets - water rights	-	1,000

**NOTE 5 ASSETS WE MANAGE (Continued)****5.2 Property, infrastructure, plant and equipment (Continued)****(a) Property**

	Land	Buildings - specialised	Work in progress	Total land and buildings
<b>Land and Buildings</b>				
At fair value 1 July 2017	10,042,426	83,578,216	549,555	94,170,197
Acc depreciation at 1 July 2017	-	(35,577,053)	-	(35,577,053)
	<b>10,042,426</b>	<b>48,001,163</b>	<b>549,555</b>	<b>58,593,144</b>
<b>Movements in fair value</b>				
Acquisition of assets at fair value	31,460	635,862	142,309	809,631
Contributed assets	-	-	-	-
Revaluation increments / (decrements)	670,325	(1,838,805)	-	(1,168,480)
Fair value of assets disposed	(423,285)	-	-	(423,285)
Impairment losses recognised in operating result	-	-	-	-
Transfers between asset classes	-	147,599	(269,963)	(122,364)
	<b>278,500</b>	<b>- 1,055,344</b>	<b>(127,654)</b>	<b>(904,498)</b>
<b>Movements in acc depreciation</b>				
Depreciation and amortisation	-	(1,348,607)	-	(1,348,607)
Revaluation (increments) / decrements	-	567,655	-	567,655
Acc depreciation of disposals	-	-	-	-
Impairment losses recognised in operating result	-	-	-	-
	<b>-</b>	<b>(780,952)</b>	<b>-</b>	<b>(780,952)</b>
At fair value 30 June 2018	10,320,926	82,522,872	421,901	93,265,699
Accumulated depreciation at 30 June 2018	-	(36,358,005)	-	(36,358,005)
<b>Total</b>	<b>10,320,926</b>	<b>46,164,867</b>	<b>421,901</b>	<b>56,907,694</b>

**NOTE 5 ASSETS WE MANAGE (Continued)****5.2 Property, infrastructure, plant and equipment (Continued)****(b) Plant and equipment**

<b>Plant and equipment</b>	<b>Plant machinery and equipment</b>	<b>Fixtures fittings and furniture</b>	<b>Total plant and equipment</b>
At fair value 1 July 2017	12,588,168	1,224,107	13,812,274
Acc depreciation at 1 July 2017	(6,542,602)	(911,824)	(7,454,426)
	<b>6,045,566</b>	<b>312,283</b>	<b>6,357,848</b>
<b>Movements in fair value</b>			
Acquisition of assets at fair value	889,602	172,479	1,062,081
Contributed assets	-	-	-
Revaluation increments / (decrements)	-	-	-
Fair value of assets disposed	(630,058)	-	(630,058)
Impairment losses recognised in operating result	-	-	-
Transfers between asset classes	-	-	-
	<b>259,544</b>	<b>172,479</b>	<b>432,023</b>
<b>Movements in acc depreciation</b>			
Depreciation and amortisation	(805,452)	(103,772)	(909,224)
Acc depreciation of disposals	333,936	-	333,936
Impairment losses recognised in operating result	-	-	-
	<b>(471,516)</b>	<b>(103,772)</b>	<b>(575,288)</b>
At fair value 30 June 2018	12,847,712	1,396,586	14,244,297
Accumulated depreciation at 30 June 2018	(7,014,118)	(1,015,596)	(8,029,714)
<b>Total</b>	<b>5,833,594</b>	<b>380,990</b>	<b>6,214,583</b>

**NOTE 5 ASSETS WE MANAGE (Continued)****5.2 Property, infrastructure, plant and equipment (Continued)****(c) Infrastructure**

<b>Infrastructure</b>	<b>Roads</b>	<b>Bridges</b>	<b>Footpaths and cycleways</b>	<b>Kerb and channel</b>	<b>Drainage</b>
At fair value 1 July 2017	317,958,236	32,947,254	6,063,442	5,138,998	14,565,038
Acc depreciation at 1 July 2017	(105,345,535)	(16,884,639)	(1,987,317)	(2,021,880)	(7,207,639)
	<b>212,612,701</b>	<b>16,062,615</b>	<b>4,076,125</b>	<b>3,117,118</b>	<b>7,357,399</b>
<b>Movements in fair value</b>					
Acquisition of assets at fair value	3,823,677	51,980	1,853,257	-	218,929
Revaluation increments / (decrements)	28,221,819	3,558,316	127,796	501,427	1,198,811
Fair value of assets disposed	-	-	-	-	-
Impairment losses recognised in operating result	-	-	-	-	-
Transfers between asset classes	110,647	-	1,258,375	-	939
	<b>32,156,143</b>	<b>3,610,296</b>	<b>3,239,428</b>	<b>501,427</b>	<b>1,418,679</b>
<b>Movements in acc depreciation</b>					
Depreciation and amortisation	(6,110,045)	(370,022)	(149,040)	(94,119)	(198,844)
Revaluation (increments)/decrements	(1,723,511)	(1,198,597)	199,881	(20,801)	(428,575)
Acc depreciation of disposals	-	-	-	-	-
Impairment losses recognised in operating result	-	-	-	-	-
	<b>(7,833,556)</b>	<b>(1,568,619)</b>	<b>50,841</b>	<b>(114,920)</b>	<b>(627,419)</b>
At fair value 30 June 2018	350,114,379	36,557,550	9,302,870	5,640,425	15,983,717
Accumulated depreciation at 30 June 2018	(113,179,091)	(18,453,258)	(1,936,476)	(2,136,800)	(7,835,058)
	<b>236,935,288</b>	<b>18,104,292</b>	<b>7,366,394</b>	<b>3,503,625</b>	<b>8,148,659</b>

<b>Infrastructure (continued)</b>	<b>Quarries</b>	<b>Street Furniture</b>	<b>Landfills</b>	<b>Work In Progress</b>	<b>Total Infrastructure</b>
At fair value 1 July 2017	58,507	731,564	1,994,306	1,247,597	380,704,942
Acc depreciation at 1 July 2017	(22,956)	(162,393)	(1,562,138)	-	(135,194,497)
	<b>35,551</b>	<b>569,171</b>	<b>432,168</b>	<b>1,247,597</b>	<b>245,510,445</b>
<b>Movements in fair value</b>					
Acquisition of assets at fair value	-	-	-	562,068	6,509,911
Revaluation increments / (decrements)	-	63,779	-	-	33,671,948
Fair value of assets disposed	-	-	-	-	-
Impairment losses recognised in operating result	-	-	-	-	-
Transfers between asset classes	-	-	-	(1,247,597)	122,364
	-	<b>63,779</b>	-	<b>(685,529)</b>	<b>40,304,223</b>
<b>Movements in acc depreciation</b>					
Depreciation and amortisation	(1,462)	(26,171)	(25,644)	-	(6,975,347)
Revaluation (increments)/decrements	-	8,622	-	-	(3,162,981)
Acc depreciation of disposals	-	-	-	-	-
Impairment losses recognised in operating result	-	-	-	-	-
	<b>(1,462)</b>	<b>(17,549)</b>	<b>(25,644)</b>	-	<b>(10,138,328)</b>
At fair value 30 June 2018	58,507	795,343	1,994,306	562,068	421,009,165
Accumulated depreciation at 30 June 2018	(24,418)	(179,942)	(1,587,782)	-	(145,332,825)
	<b>34,089</b>	<b>615,401</b>	<b>406,524</b>	<b>562,068</b>	<b>275,676,340</b>

## NOTE 5 ASSETS WE MANAGE (Continued)

### 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 recognises land under roads it controls at fair value.

### 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 methods are reviewed 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.

### Finance leases

Leases of assets where substantially all the risks and rewards incidental to ownership of the asset are transferred to Council are classified as finance leases. Finance leases are capitalised, recording an asset and a liability at the lower of the fair value of the asset and the present value of the minimum lease payments, including any guaranteed residual value. Lease payments are allocated between the reduction of the lease liability and the interest expense. Leased assets are depreciated on a straight line basis over their estimated useful lives to the Council where it is likely that the Council will obtain ownership of the asset or over the term of the lease, whichever is the shorter. Council currently has no leased assets.

### 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.

### Leasehold improvements

Leasehold improvements are recognised at cost and are amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter. At balance date Council has no leasehold improvements.



**NOTE 5 ASSETS WE MANAGE (Continued)****Valuation of land and buildings**

The valuation of land and buildings was undertaken by LG Valuation Services a qualified independent valuation firm. 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 englobe (undeveloped and / or unserved) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the Comprehensive Income Statement.

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

The date of the current valuation is detailed in the following table. A full revaluation of these was be conducted in the current year, this valuation was based on land values and market sales, a full revaluation of these assets will be conducted in 2019/20.

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

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Date of valuation</b>
Land	-	1,980,392	8,340,534	30/6/2018
Specialised land	-	-	-	30/6/2018
Buildings	-	-	-	30/6/2018
Specialised buildings	-	7,402,053	75,120,819	30/6/2018
<b>TOTAL</b>	-	<b>9,382,445</b>	<b>83,461,353</b>	

**Valuation of infrastructure**

A valuation of Council's, infrastructure assets was performed by Indivar Dhakal, Manager Technical Services of the Loddon Shire Council, as at 30 June 2018.

There were no changes in valuation techniques throughout the period to 30 June 2018.

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

The date of the current valuation is detailed in the following table. An indexed based revaluation was conducted in the current year, this valuation was based on current unit rates and sample analysis of condition ratings. Full revaluation of all assets are coordinated on a cyclic timeframe.

**NOTE 5 ASSETS WE MANAGE (Continued)****Valuation of infrastructure (continued)**

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
Unsealed roads formation	-	-	14,774,958	30/6/2018
Unsealed roads pavement	-	-	57,977,852	30/6/2018
Road seal	-	-	17,070,327	30/6/2018
Sealed roads pavement	-	-	236,126,386	30/6/2018
Sealed road formation	-	-	9,476,493	30/6/2018
Footpaths	-	-	7,026,801	30/6/2018
Culverts	-	-	14,688,362	30/6/2018
Bridges	-	-	36,557,550	30/6/2018
Kerb and channel	-	-	5,640,425	30/6/2018
Urban drains	-	-	14,976,218	30/6/2018
Street furniture	-	-	637,337	30/6/2018
Landfills	-	-	1,994,306	30/6/2018
Quarries	-	-	58,507	30/6/2018
<b>TOTAL</b>	-	-	<b>417,005,522</b>	

**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 between 5% and 95%. 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 and \$120 per square metre.

**Specialised buildings** are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement cost is calculated on a square metre basis and ranges from \$1 to \$420 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 33 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 buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

**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 2 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.

**Reconciliation of specialised land**

	2018	2017
	\$	\$
Land under roads	-	-
Parks and reserves	-	-
<b>TOTAL</b>	-	-

**NOTE 5 ASSETS WE MANAGE (Continued)****5.3 Investments in associates, joint arrangements and subsidiaries****Investments in associates****North Central Goldfields Regional Library Corporation**

The Council is a member of the North Central Goldfields Regional Library Corporation. At 30 June 2018 Council's equity was \$271,380. At 30 June 2017 Council's equity in the corporation was \$273,945.

The Council has a 5.12% share of the net assets, and this is calculated on the same ratio as the Shire contributes to the operating costs of the service. At 30 June 2017 the Shire's share of the net assets was 5.21%. Any adjustments required due to the reduction in the share of net assets from 2017 to 2018 is reflected as Variation Account - Change in Equity in the following schedules.

The value of the Council's equity is reflected in Note 4.2 (d) - Investment in Associates and Joint Ventures. The income or expense for the year is reflected in the Comprehensive Income Statement.

	2018 \$	2017 \$
<b>Council's share of accumulated surplus/(deficit)</b>		
Council's share of accumulated surplus/(deficit) at start of year	81,066	170,325
Share of reported surplus/(deficit) for year	2,264	(76,086)
Variation account - change in equity	(1,002)	(13,173)
Council's share of accumulated surplus/(deficit) at end of year	<b>82,328</b>	<b>81,066</b>
<b>Council's share of reserves</b>		
Council's share of reserves at start of year	192,880	191,800
Variation account - change in equity	(3,827)	1,080
Council's share of reserves at end of year	<b>189,053</b>	<b>192,880</b>
<b>Movement in carrying value of share in library</b>		
Carrying value of investment at start of year	273,945	362,125
Share of accumulated surplus/(deficit) for the year	2,264	(76,086)
Variation account - change in equity	(4,829)	(12,093)
Carrying value of share in library investment at end of year	<b>271,380</b>	<b>273,945</b>
<b>Council's share of expenditure commitments</b>		
Operating commitments	12,630	15,064
Capital commitments	14,804	4,736
	<b>27,434</b>	<b>19,800</b>

**Adjustment to the carrying value of North Central Goldfields Regional Library**

	2018 \$	2017 \$
Adjustment to the carrying value of North Central Goldfields Regional Library Corporation	(2,565)	(88,180)
<b>Total adjustment to the carrying value of North Central Goldfields Regional Library Corporation</b>	<b>(2,565)</b>	<b>(88,180)</b>

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.

## NOTE 5 ASSETS WE MANAGE (Continued)

### 5.3 Investments in associates, joint arrangements and subsidiaries (continued)

For joint operations, Council recognises the right to its share of jointly held assets, liabilities, revenues and expenses of joint operations. Council has no joint arrangements at reporting date.

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.

#### 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 control 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 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.

Council has no consolidated entities.

#### 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.

**NOTE 6 PEOPLE AND RELATIONSHIPS****6.1 Council and key management remuneration****(a) Related parties**

Loddon Shire Council is the parent entity. There are no further interests in subsidiaries and associates.

**(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 were:

<b>Councillors:</b>	<b>2018</b>	<b>2017</b>
Cr Cheryl McKinnon (Councillor from July 17 to December 17) (Mayor from December 17 to June 18)	1	1
Cr Neil Beattie (Mayor from July 17 to December 17)	1	1
Cr Geoff Curnow (Councillor from July 17 to June 18)	1	1
Cr Gavan Holt (Councillor from July 17 to June 18)	1	1
Cr Colleen Condliffe (Councillor from July 17 to June 18)	1	1
<b>Total number of Councillors</b>	<b>5</b>	<b>5</b>
<b>Chief Executive Officer and other Key Management Personnel:</b>		
Mr Phil Pinyon (CEO from July 17 to June 18)	1	1
Mrs Wendy Gladman (Director Community and Wellbeing July 17 to June 18)	1	1
Mrs Sharon Morrison (Director Corporate Services July 17 to June 18)	1	1
Mr Steven Phillips (Acting Director Operations July 17 to August 17) (Director	1	-
Mr Peter Cownley (Acting Director Operations August 17 to October 17)	1	-
Mrs Lynne Habner (Manager Executive and Commercial Services July 17 to June 18)	1	1
Mr Ian McLauchlan (Director Operations July 16 - April 17)	-	1
Mrs Judith Holt (Director Corporate Services July 16 - July 16)	-	1
Mrs Margaret Allan (Acting Chief Executive Officer July 16 - July 16)	-	1
<b>Total Key Management Personnel</b>	<b>6</b>	<b>7</b>

**(c) Remuneration of key management personnel**

Total remuneration of key management personnel was as follows:

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Short-term benefits	1,067,841	994,789
Long-term benefits	-	-
Termination benefits	-	-
<b>TOTAL</b>	<b>1,067,841</b>	<b>994,789</b>

**NOTE 6 PEOPLE AND RELATIONSHIPS (Continued)****(c) Remuneration of key management personnel (continued)**

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

<b>Income range</b>	<b>2018 number</b>	<b>2017 number</b>
\$10,000 - \$19,999	0	2
\$20,000 - \$29,999	3	4
\$30,000 - \$39,999	1	0
\$40,000 - \$49,999	1	0
\$60,000 - \$69,999	1	1
\$100,000 - \$109,999	0	1
\$110,000 - \$119,999	1	0
\$130,000 - \$139,999	0	1
\$150,000 - \$159,999	1	1
\$160,000 - \$169,999	2	0
\$180,000 - \$189,999	0	1
\$230,000 - \$239,999	0	1
\$240,000 - \$249,999	1	0
	<u>11</u>	<u>12</u>

All Councillors are ratepayers in the Loddon Shire Council and have completed appropriate Declaration of Interest Forms.

**6.2 Related party disclosure****(a) Transactions with related parties**

No transactions other than remuneration payments or the reimbursement of approved expenses were entered into by Council with responsible persons or related parties of such responsible persons during the reporting year (Nil in 2016/17).

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

There are no outstanding balances outstanding at the end of the reporting period in relation to transactions with related parties (Nil in 2016/17).

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

No loans have been made, guaranteed or secured by the Council to a responsible person of the Council during the reporting year (Nil in 2016/17).

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

No commitments have been made, guaranteed or secured by Council to a responsible person of the Council during the reporting year (Nil in 2016/17).

## NOTE 7 MANAGING UNCERTAINTIES

### 7.1 Contingent assets and liabilities

#### (a) 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.

At this point in time, it is not known if additional contributions will be required, their timing or potential amount.

### 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 required 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 (AASB9) (applies 2018/19)***

The key changes include 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 recognised 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 Australia Accounting Standards - Deferral of AASB 15 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 for 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 to not-for-profit entity to further its objectives.

## NOTE 7 MANAGING UNCERTAINTIES (Continued)

### 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 our financial instruments will fluctuate because of changes in market prices. The Council's exposures to market risk is primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk.

##### *Interest rate risk*

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. 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 repaid the balance of its loan borrowings in 2015/16, thereby reducing the 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 levels of cash and deposits that are at a floating rate.

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 and financial institutions
- monitoring of return on investment
- benchmarking of returns and comparison with budget.

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

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

#### (c) Credit risk

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

To help manage this risk:

- Council may require bank guarantees or security deposits for contracts where appropriate
- Council will 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 impaired.



**NOTE 7 MANAGING UNCERTAINTIES (Continued)****7.3 Financial instruments (continued)****(c) Credit risk (continued)**

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when we provide a guarantee for another party. Council has no such guarantees in place at 30 June 2018.

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

**(d) Liquidity risk**

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

- has historically minimised borrowings in the short to medium term
- reduced its reliance on borrowings with repayment of all borrowings occurring in 2015/16
- have readily accessible standby facilities and other funding arrangements in place
- ensures that surplus funds are invested within various bands of liquid investments
- 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.

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 or agreed terms. Details of the maturity profile for borrowings are disclosed at Note 4.4.

Unless otherwise stated, the carrying amount 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 + 1.5% and -1.5% in market interest rates (AUD) from year-end rates of 2.75%.

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

## NOTE 7 MANAGING UNCERTAINTIES (Continued)

### 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.

#### Revaluation

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use on an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 1 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.

**NOTE 7 MANAGING UNCERTAINTIES (Continued)****7.4 Fair value measurement (continued)****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 fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's 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.

## NOTE 8 OTHER MATTERS

## 8.1 Reserves

## (a) Asset revaluation reserve

2018

	Balance at beginning of reporting period \$	Revaluation increment / (decrement) \$	Net movement for the reporting period \$	Balance at end of the reporting period \$
<b>Property</b>				
Land	7,937,337	670,326	670,326	8,607,663
Buildings	31,971,201	(1,271,150)	(1,271,150)	30,700,051
	<b>39,908,538</b>	<b>(600,824)</b>	<b>(600,824)</b>	<b>39,307,714</b>
<b>Infrastructure assets</b>				
Sealed roads	120,960,770	17,320,982	17,320,982	138,281,752
Unsealed roads	45,923,887	9,177,326	9,177,326	55,101,213
Footpaths	1,622,309	327,677	327,677	1,949,986
Street furniture	119,120	72,401	72,401	191,521
Kerbs	385,645	480,626	480,626	866,271
Bridges	7,000,103	2,359,719	2,359,719	9,359,822
Drains	516,769	770,236	770,236	1,287,005
<b>Other infrastructure</b>	<b>176,528,603</b>	<b>30,508,967</b>	<b>30,508,967</b>	<b>207,037,570</b>
<b>Total tangible assets</b>	<b>216,437,141</b>	<b>29,908,143</b>	<b>29,908,143</b>	<b>246,345,284</b>
<b>Intangible assets</b>				
Water rights	731,384	310,700	310,700	1,042,084
<b>Total</b>	<b>217,168,525</b>	<b>30,218,843</b>	<b>30,218,843</b>	<b>247,387,367</b>

2017

	Balance at beginning of reporting period \$	Revaluation increment / (decrement) \$	Net movement for the reporting period \$	Balance at end of the reporting period \$
<b>Property</b>				
Land	8,034,742	(97,405)	(97,405)	7,937,337
Buildings	31,971,201	-	-	31,971,201
	<b>40,005,943</b>	<b>(97,405)</b>	<b>(97,405)</b>	<b>39,908,538</b>
<b>Infrastructure assets</b>				
Sealed roads	115,781,124	5,179,646	5,179,646	120,960,770
Unsealed roads	42,436,348	3,487,539	3,487,539	45,923,887
Footpaths	2,010,522	(388,213)	(388,213)	1,622,309
Street furniture	85,637	33,483	33,483	119,120
Kerbs	220,378	165,267	165,267	385,645
Bridges	7,040,571	(40,468)	(40,468)	7,000,103
Drains	377,888	138,881	138,881	516,769
<b>Other infrastructure</b>	<b>167,952,468</b>	<b>8,576,135</b>	<b>8,576,135</b>	<b>176,528,603</b>
<b>Total tangible assets</b>	<b>207,958,411</b>	<b>8,478,730</b>	<b>8,478,730</b>	<b>216,437,141</b>
<b>Intangible assets</b>				
Water rights	717,316	14,068	14,068	731,384
<b>Total</b>	<b>208,675,727</b>	<b>8,492,798</b>	<b>8,492,798</b>	<b>217,168,524</b>

**NOTE 8 OTHER MATTERS (Continued)****8.1 Reserves (continued)****(b) General reserves**

2018

	Balance at beginning of reporting period \$	Transfer from accumulated surplus \$	Transfer to accumulated surplus \$	Balance at end of reporting period \$
Land and buildings reserve	280,354	358,350	(5,758)	632,946
Capital expenditure reserve	3,141,720	2,160,830	(3,141,720)	2,160,830
Caravan park development reserve	264,967	31,964	(36,994)	259,937
Community planning reserve	901,067	1,003,063	(901,067)	1,003,063
Economic development reserve	120,035	134,545	(18,925)	235,655
Fleet replacement reserve	676,845	150,000	(365,108)	461,737
Gravel and sand pit (GSP) restoration reserve	773,703	87,329	(372,313)	488,719
Heritage loan scheme reserve	100,000	-	-	100,000
Information technology reserve	1,226,469	185,000	(278,071)	1,133,398
Little Lake Boort water reserve	20,303	14,222	-	34,525
Waste management reserve	283,147	34,370	-	317,517
Major projects reserve	99,796	80,000	-	179,796
Plant replacement reserve	1,769,860	850,000	(270,196)	2,349,664
Professional development reserve	(2,118)	4,000	(3,318)	(1,436)
Recreation facilities improvement reserve	100,000	-	-	100,000
Skidders Flat water reserve	12,908	2,657	-	15,565
Swimming pool major projects reserve	50,000	50,000	-	100,000
Unfunded superannuation liability reserve	1,000,000	-	(303,576)	696,424
Units reserve	77,129	17,836	-	94,965
Unightly premises enforcement provision reserve	100,000	-	-	100,000
Unspent contributions reserve	987	-	(987)	-
Unspent grants reserve	7,683,212	7,731,737	(7,683,212)	7,731,737
Urban drainage reserve	704,551	250,000	(261,685)	692,866
Valuations reserve	190,895	5,327	(153,555)	42,667
War memorial reserve	3,000	-	-	3,000
<b>Total</b>	<b>19,578,830</b>	<b>13,151,230</b>	<b>(13,796,485)</b>	<b>18,933,575</b>

**NOTE 8 OTHER MATTERS (Continued)****8.1 Reserves (continued)****(b) General reserves (continued)**

2017

	Balance at beginning of reporting \$	Transfer from accumulated surplus \$	Transfer to accumulated surplus \$	Balance at end of reporting period \$
Land and buildings reserve	303,400	-	(23,046)	280,354
Capital expenditure reserve	3,037,963	3,141,720	(3,037,963)	3,141,720
Caravan park development reserve	85,982	199,239	(20,254)	264,967
Community planning reserve	476,514	901,067	(476,514)	901,067
Economic development reserve	163,180	2,203	(45,348)	120,035
Fleet replacement reserve	427,424	304,740	(55,319)	676,845
Gravel and sand pit (GSP) restoration reserve	719,738	69,029	(15,064)	773,703
Heritage loan scheme reserve	72,610	27,390	-	100,000
Information technology reserve	977,623	485,000	(236,154)	1,226,469
Little Lake Boort water reserve	17,815	2,488	-	20,303
Waste management reserve	263,527	33,620	(14,000)	283,147
Major projects reserve	95,752	55,000	(50,956)	99,796
Plant replacement reserve	1,075,344	850,000	(155,484)	1,769,860
Professional development reserve	19,919	4,000	(26,037)	(2,118)
Rates reserve	229,206	-	(229,206)	-
Recreation facilities improvement reserve	100,000	-	-	100,000
Skidders Flat water reserve	12,908	-	-	12,908
Swimming pool major projects reserve	-	50,000	-	50,000
Unfunded superannuation liability reserve	1,000,000	-	-	1,000,000
Units reserve	64,994	12,135	-	77,129
Unightly premises enforcement provision reserve	-	100,000	-	100,000
Unspent contributions reserve	-	987	-	987
Unspent grants reserve	5,225,729	7,683,212	(5,225,729)	7,683,212
Urban drainage reserve	528,588	254,650	(78,687)	704,551
Valuations reserve	122,967	95,456	(27,528)	190,895
War memorial reserve	3,000	-	-	3,000
<b>Total</b>	<b>15,024,183</b>	<b>14,271,936</b>	<b>(9,717,289)</b>	<b>19,578,830</b>

**NOTE 8 OTHER MATTERS (Continued)****8.1 Reserves (continued)****(b) General reserves (continued)****Purpose of general reserves*****Land and buildings reserve***

The land and buildings reserve is used to fund the purchase and improvement of land and buildings. Proceeds received from the sale of Council owned land and buildings are transferred to the reserve.

***Capital expenditure reserve***

The capital expenditure reserve is used to set aside funds that have been budgeted for capital works projects in one financial year but will not be expended by the end of that year. Council transfers to the reserve annually the unexpended budget amounts for capital works and other projects that will be undertaken in the following financial year.

***Caravan park development reserve***

The caravan park development reserve is used to set aside surpluses made from the operations of Council's caravan parks to assist with financing major works carried out at those caravan parks. The annual surplus made on the operations of Council's caravan parks is transferred to the reserve annually, and the funds required to finance major works undertaken at Council's caravan parks are transferred from the reserve.

***Community planning reserve***

The community planning reserve is used to set aside unspent funds for community planning projects. Council transfers to the reserve annually cumulative unspent funds for each ward's community planning projects. Council transfers from the reserve the amount placed into the reserve at the end of the previous financial year.

***Economic development reserve***

The economic development reserve is used to assist with economic development initiatives that Council wishes to financially support. Council transfers to the reserve annually an amount determined during the budget process as sufficient to fund economic development initiatives, and proceeds from the sale of industrial land and transfers from the reserve the cost of economic development initiatives during the financial year.

***Fleet replacement reserve***

The fleet replacement reserve is used to fund the replacement of office vehicles. Council transfers to the reserve annually an amount determined during the budget process as sufficient to fund the fleet replacement program, and transfers from the reserve the net cost of fleet purchases for the year.

***Gravel and sand pit (GSP) restoration reserve***

The gravel and sand pit (GSP) restoration reserve is used to fund land purchase, development and restoration of gravel and sand pits used by Council for the extraction of road building materials. Council transfers from the reserve the cost of purchasing new sites, development and restoration of gravel and sand pits, and transfers to the reserve annual surplus on operations of gravel and sand pits.

***Heritage loan scheme reserve***

The heritage loan scheme reserve is used to provide loans to owners of properties located in significant heritage precincts, heritage registered buildings or structures of local heritage significance, to enable repair and maintenance of those buildings with the aims of quality appearance and public safety.

***Information technology reserve***

The information technology reserve is used to assist with the purchase of information technology assets. Council transfers to the reserve annually an amount determined during the budget process as sufficient to fund information technology assets, and transfers from the reserve the net cost of information technology assets.

**NOTE 8 OTHER MATTERS (Continued)****8.1 Reserves (continued)****(b) General reserves (continued)****Purpose of general reserves (continued)*****Little Lake Boort water***

The Little Lake Boort water reserve is used to secure the proceeds from sale of temporary water rights relating to Little Lake Boort. Council transfers to the reserve the proceeds from the sale of temporary water rights and unexpended amounts from annual expenditure budget and transfers from the reserve the amounts required to purchase water rights or for any other expenditures relating to Little Lake Boort.

***Waste management reserve***

The waste management reserve is used to assist with the cost of strategic projects, compliance and long term planning for Council's landfills and transfer stations. Council transfers to the reserve annually \$10 per kerbside collection levy (or a pro-rated amount for a pro-rated collection). Council transfers from the reserve the cost of strategic projects, compliance and long term planning within Council landfills and transfer stations.

***Major projects reserve***

The major projects reserve is used to assist with the funding of major projects identified by Council. An annual allocation determined during the budget process as sufficient to fund major projects is transferred to the reserve. When a major project is identified and approved, an amount will be transferred from the reserve to assist with funding the project.

***Plant replacement reserve***

The plant replacement reserve is used to fund plant purchases. Council transfers to the reserve annually an amount determined during the budget process as sufficient to fund the plant replacement program. Council transfers from the reserve the net cost of plant purchases for the year.

***Professional development reserve***

The professional development reserve is used to fund the professional development undertaken by executive officers of Council. An annual allocation is provided to each executive officer in accordance with their contract of employment, while the cost of the professional development undertaken during the year is transferred from the reserve.

***Rates reserve***

The rates reserve has been established to offset the effect of unbundling of water rights from Council valuations from 1 July 2007, and the subsequent effect that this will have on Council's ability to raise rates on the affected properties in the 2008/09 and future rating periods. Movements are in accordance with Council's Rating Strategy.

***Recreation facilities improvement reserve***

The recreation facilities improvement reserve is an allocation of funds used to provide interest free loans to community groups for improvements at Council reserves.

***Skidders Flat water reserve***

The Skidders Flat water reserve is used to fund major repairs and capital works at the Skidders Flat Water Supply. The surplus on operations of the water supply is transferred to the reserve annually and the cost of major repairs and capital works is transferred from the reserve.

***Swimming pool major projects reserve***

The Swimming Pool Major Projects Reserve is used to fund unplanned major repairs and capital works at the various swimming pool sites across the Shire. Council transfers to the reserve annually an amount determined during the budget process, to a maximum reserve level of \$200K. Council transfers from the reserve the net cost of unplanned major repairs and capital works.



**NOTE 8 OTHER MATTERS (Continued)****8.1 Reserves (continued)****(b) General reserves (continued)****Purpose of general reserves (continued)*****Unfunded superannuation liability reserve***

The unfunded superannuation liability reserve is used to assist with funding any call that may be made on Council as a result of shortfall in the Local Authorities' Superannuation Defined Benefits Plan. Council transfers to the reserve annually an amount determined during the budget process as sufficient to fund potential future calls by the superannuation authority in relation to an unfunded superannuation liability. Council transfers from the reserve any funds required to finance a call made upon Council by the superannuation authority.

***Units reserve***

The units reserve is used to fund the purchase or improvement of Council owned elderly persons' units. The net surplus generated from rental income is transferred to the reserve annually. Funds are transferred out of the reserve to cover the cost of capital works undertaken at elderly persons' units.

***Unightly premises enforcement provision reserve***

The Unightly Premises Enforcement Provision Reserve is used to provide funds to assist with the enforcement and rectification works on determined unightly premises with costs recouped via legal or other action.

***Unspent contributions reserve***

The unspent contributions reserve is used to set aside contributions received for a specific purpose in one financial year that will not be expended until a later financial year. Council transfers to the reserve contributions received during the financial year that have not been expended, and transfers from the reserve the amount placed into the reserve at the end of the previous financial year.

***Unspent grants reserve***

The unspent grants reserve is used to set aside grants received in one financial year that will not be expended until a later financial year. Council transfers to the reserve grants received during the financial year that have not been expended, and transfers from the reserve the amount placed into the reserve at the end of the previous financial year.

***Urban drainage reserve***

The urban drainage reserve is used to fund urban drainage works in the towns within the Shire. Council transfers to the reserve annually an amount determined during the budget process sufficient to fund the urban drainage program, and transfers from the reserve the annual cost of urban drainage work.

***Valuations reserve***

The valuations reserve is used to fund the cost of Council's bi-annual valuations for rating purposes. Council transfers to the reserve the net surplus of valuations in the years that Council is paid for the provision of its data to state government authorities, and amounts determined during the budget process sufficient to fund the bi-annual revaluation process. Council transfers from the reserve the net cost of the revaluation process.

***War memorial restoration reserve***

The war memorial restoration reserve is used to fund the cost of maintaining and renewing war memorials across the Shire. Council transfers to the reserve annually an amount determined during the budget process as sufficient to fund the war memorial program, and transfers the cost of works to war memorials from the reserve.

**NOTE 8 OTHER MATTERS (Continued)****8.2 Reconciliation of cash flows from operating activities to surplus/(deficit)**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Surplus / (deficit) for the period	(818,612)	4,361,511
Depreciation	9,233,178	8,689,491
(Profit) / loss on disposal of assets	68,428	30,412
Impairment of financial assets	1,658	3,879
Reversal of impairment of assets	(3,879)	(166)
Bad debts expense	21,086	34,322
Share of other comprehensive income of associates	-	76,086
<b>Change in assets and liabilities</b>		
(Increase) / decrease in receivables (net of advances)	364,463	16,859
(Increase) / decrease in accrued income	(2,053,243)	(887,003)
(Increase) / decrease in prepayments	20,207	150,077
(Increase) / decrease in other assets and liabilities	512,020	(122,503)
Increase / (decrease) in trust funds and deposits	28,676	127,344
(Increase) / decrease in inventories	10,476	11,848
Increase / (decrease) in payables	(159,429)	(48,559)
Increase / (decrease) in employee benefits	(165,496)	28,100
Increase / (decrease) in other provisions	(11,121)	(587,917)
(Increase) / decrease in library equity	2,565	88,180
<b>Net cash provided by / used by operating activities</b>	<b>7,050,977</b>	<b>11,971,961</b>

**NOTE 8 OTHER MATTERS (Continued)****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, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2017, this was 9.5% 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 Loddon Shire Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore the Actuary is unable to allocate benefit liabilities, assets and costs between employees 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 Actuary.

At 30 June 2017, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which 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 is expected to report the VBI at 30 June 2018 by 31 December 2018. The VBI is used as the primary funding indicator. When the VBI is above 100%, the interim actuarial investigation determines the Defined Benefit category is in a satisfactory financial position and that no change is necessary to the Defined Benefits category's funding arrangements from prior years.

## NOTE 8 OTHER MATTERS (Continued)

### 8.3 Superannuation (continued)

#### Employer contributions

##### *Regular contributions*

On the basis of the results of the 2017 interim 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 2016/17). This rate will increase in line with any increase to the Superannuation Guarantee (SG) contribution rate.

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

##### *Funding calls*

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

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including 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 Interim actuarial investigation surplus amounts

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

- A VBI surplus of \$69.8 million; and
- 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.

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

Council was notified of the 30 June 2017 VBI during August 2017.

#### 2018 interim actuarial investigation

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

**9.2 AUGUST 2018 AUDIT COMMITTEE MEETING OVERVIEW**

**File Number:** 06/02/003

**Author:** Sharon Morrison, Director Corporate Services

**Authoriser:** Phil Pinyon, Chief Executive Officer

**Attachments:**

1. Confirmed Minutes of Audit Committee Meeting May 2018
2. Draft Closing Report for the year ended 30 June 2018
3. Follow Up of Agreed Actions from Prior Year Internal Audit Reports
4. Loddon Performance Framework for the year ended 30 June 2018
5. Extract of VAGO Annual Plan 2018-19

**RECOMMENDATION**

That Council:

1. receives and notes the confirmed minutes of the May 2018 Audit Committee meeting
2. receives and notes this report on the August 2018 Audit Committee Meeting
3. notes the Audit Committee's review of the financial and performance statements for the year ended 30 June 2018
4. receives and notes the draft Closing Report for the financial year ended 30 June 2018
5. endorses the performance improvement recommendations documented in the "Follow Up of Agreed Actions from Prior Year Internal Audit Reports"
6. receives and notes the Loddon Performance Framework Results for the year ended 30 June 2018
7. notes the extract from the Victorian Auditor General's Office Annual Plan 2018-19

**CONFLICT OF INTEREST**

There is no conflict of interest for any Council staff member involved in the preparation of this report, or involved in the subject matter of the report.

**PREVIOUS COUNCIL DISCUSSION**

Council was provided with a summary of the May 2018 Audit Committee Meeting at the Ordinary Meeting held on 29 May 2018.

**BACKGROUND**

The Audit Committee was created under Section 139 of the Local Government Act 1989, which states that "Council must establish an audit committee".

The committee is made up of four independent community members, and Cr Gavan Holt, as Council's representative. Council's Chief Executive Officer and Director Corporate Services attend the meetings in an advisory capacity.

The primary objective of the Audit Committee is to assist Council in the effective conduct of its responsibilities for:

- the enhancement of the credibility and objectivity of internal and external financial reporting
- effective management of financial and other risks and the protection of Council assets
- compliance with laws and regulations as well as use of best practice guidelines
- the effectiveness of the internal audit function

- the provision of an effective means of communication between the external auditor, internal audit, management and the Council
- facilitating the organisation's ethical development
- maintaining a reliable system of internal controls.

In order to provide a structured approach and ensure that the Committee addresses each of its responsibilities, an annual calendar of actions and an internal audit review program are established each year, and these guide the activities of the Committee.

## ISSUES/DISCUSSION

Mayor Cheryl McKinnon attended the August meeting as Councillor Holt was on leave.

The agenda for the August 2018 meeting included the following:

### External audit closing report for year ended 30 June 2018

Mr Thompson, on behalf of the external auditor, provided the closing report for the financial year ended 30 June 2018.

The Audit Committee noted that the external auditor intends to issue an unmodified audit opinion.

### Financial and Performance Statements for the year ended 30 June 2018

The Manager Financial Services presented the draft financial and performance statements for the year ended 30 June 2018.

The Audit Committee noted that the unfunded superannuation liability reserve reduced from one million dollars to \$696,424 at the end of the reporting period. The Manager Financial Services stated that this was due to a Council resolution to 'borrow' from the reserve for 3 years to partly fund the Wedderburn Streetscape.

The Audit Committee recommended to Council the adoption of the Annual Report including the Financial Statements and Performance Statements.

### Audit report – Follow up of agreed actions from prior year internal audit reports

Mr Kundai Mtsambiwa provided an overview of the audit report, which found that there had been good progress in actions taken by the Council to address the audit findings and recommendations contained in the previous internal audit reports, with 51% completed, 33% partially completed and 16% outstanding/overdue.

### Compliance Reports

A number of compliance reports were considered and noted including:

- the Risk Management Report for the period February to July 2018 – the Audit Committee noted the report and presentation by the Manager Organisational Development
- the Fraud Report for the May to July quarter – the CEO provided a nil report
- a review of major lawsuits facing council since May 2018 – the CEO provided an update
- items raised by Council that may impact the Audit Committee – the Mayor noted the recent receipt of Rates Notices by ratepayers

### Information Reports

The Audit Committee also received the following information reports:

- Loddon Performance Framework Results for the period ending 30 June 2018
- Proposal by Local Government Victoria to change "Asset Renewal Compared to Depreciation" Indicator to "VAGO's Renewal Gap Indicator"
- Financial Services Strategic Update
- Monthly Finance Report

- VAGO Annual Plan 2018-19
- Recognition of Land Under Roads

The Audit Committee also confirmed that they had a meeting with the internal and external auditors without officers present.

The date of next audit committee meeting is 8 November 2018.

The next review will be about Service Planning.

### **COST/BENEFITS**

There are costs associated with the Audit Committee and internal audit function.

However, in most cases, actions resulting from audit reviews do not bear any new costs as they are undertaken by current staff.

The benefits that the internal audit function provides Council are:

- business improvement relating to the audit review areas
- standard policy and procedure documents which are developed through the action list
- improvement in knowledge management that will assist with succession planning over time
- a reduction in risk in areas relating to audit reviews.

### **RISK ANALYSIS**

The internal audit program has been created and is annually updated on a risk basis, ensuring that Council's program addresses the areas of highest risk or greatest concern to Audit Committee members and Council officers.

### **CONSULTATION AND ENGAGEMENT**

Nil



LODDON SHIRE COUNCIL	
F	NO
File No.	
Return to	
Records	<input type="checkbox"/>
REC'D	09 AUG 2018
Refer to :	
Council	<input type="checkbox"/>
Disposal -	

## Audit Committee Minutes

9.15am, 10/05/2018, Kooyoora Meeting Room, Wedderburn Office

### Present:

Ken Belfrage - Chair  
 Alan Darbyshire – Community Member  
 Rod Poxon – Community Member  
 Rodney Baker - Community Member  
 Cr Gavan Holt – Council's Audit Committee Representative  
 Phil Pinyon – Chief Executive Officer  
 Sharon Morrison – Director Corporate Services  
 Martin Thompson – Crowe Horwarth (for item 5)  
 Kundai Mtsambiwa – HLB Mann Judd (for items 5 to 7)  
 Lynne Habner – Manager Executive and Commercial Services  
 Deanne Caserta – Manager Financial Services (for items 14, 15, 16)

### Apologies:

#### 1. Welcome and apologies

The Chair welcomed committee members.

The CEO announced Rod Poxon as the newly appointed member of the Audit Committee.

#### 2. Declaration of interests

No committee members or staff declared any conflicts of interest.

#### 3. Minutes of the previous meeting

Resolution:

That the minutes of the meeting held on 8 February 2018 be accepted.

Moved: Alan Darbyshire

Seconded: Rod Poxon

Carried

#### 4. Actions arising from minutes

The outstanding actions listed at the end of the agenda are all completed.

#### 5. External audit strategy for year ended 30 June 2018

Martin Thompson provided a presentation outlining the proposed approach to this year's audit.

Key risks that will be assessed are considered standard across the sector, including revaluation of non-physical assets and data capture for performance information. Martin explained other audit responsibilities relating to internal controls, fraud, suspected corrupt conduct, and waste, probity and financial prudence.

The committee noted changes that are underway to improve data analytics and strategies to enable VAGO to provide an improved audit for councils.

Martin confirmed the timeframe for the audit, with a closing meeting scheduled for 20 July. The Chair noted that the new format appears to be more streamlined and easier to read.

Signed

Ken Belfrage  
Page 1 of 4



#### 6. Audit report – whole of life cost

Kundai Mtsambiwa provided an overview of the audit report, which found that there are key business practices in place including the project management framework, which referenced whole of life costing in templates and key documents. Other policies and procedures are in place to support good management. The report found that more detailed guidelines and forms were needed to assist staff in identifying and estimating whole of life costs for projects. Sample documents were provided with the audit report to assist management in addressing the identified risks.

The committee noted the information captured for whole of life costing would be incorporated into project evaluation and decisions, long term financial planning and budgeting. Members discussed the example of the streetscape project and the ongoing costs to Council associated with it, and how those costs may multiply with future proposed projects.

#### 7. Internal audit program for 2018/19

The committee considered the 2018/19 program of internal audits, which includes waste management planning, HR management and payroll, service planning, and data interrogation. The priority item was considered to be waste management planning, given several recent issues for local government in this activity.

In relation to service planning, the committee discussed the value of this audit, and whether rates testing may be a more valuable audit. The process for service delivery reviews was explained by Sharon Morrison, and the committee noted that three pilot reviews are being assessed to determine how future service delivery reviews will be conducted. Management considered that an audit of service planning may help identify improvements to the process.

#### 8. Review of internal audit plan and program effectiveness/internal audit contract

Sharon Morrison advised that the current contract with HLB Mann Judd expires in June 2019, and preparations are being made to seek tenders for a new internal audit provider. Feedback was sought from the committee about what it would be seeking in a new contract.

Committee members discussed internal audits including:

- the new contract should commence with an overall review of risk for the organisation
- positive feedback was provided about the current providers
- it is valuable to test the market for new providers.

#### 9. Outstanding actions report by risk level

Sharon Morrison advised that this reporting has been revised, and the committee received progress reports on 58 outstanding actions from 141 recommendations. The committee provided positive feedback on the new report format.

#### 10. Performance Survey response for 2017/18

The committee reviewed the results of the self-assessment, which showed a positive response.

#### 11. Loddon Performance Framework Report – July 2017 to December 2017

Sharon Morrison explained the reporting timeframe for some of the performance measures and noted that some areas are not fully populated for half-yearly results due to officers finding little value in the reporting requirement. The committee agreed to receive the report twice a year.

#### 12. Draft Loddon Performance Framework version 3

The committee noted key changes to the framework, including requirements for frequency of reporting and changes to specific indicators.

Sharon Morrison also reported that a recent workshop reviewing the Local Government Performance Reporting Framework proposing changes to indicators including aquatic facilities,

Signed 

Ken Belfrage  
Page 2 of 4

libraries, maternal and child health, average rates, resignations and terminations, and asset renewal. Changes are proposed to be effective for the 2019/20 budget.

### **13. Presentation by staff member – Paula Yorston, Manager Community Services**

Paula Yorston described her role with Loddon Shire Council, which incorporates activities across Aged and Disability Services and Early Years, including kindergartens. Paula reported that a recent assessment of aged and disability services received 18 out of 18, and the team has successfully implemented sector-wide changes to the aged care services, including introduction of the My Aged Care Portal for residents to access services. The Early Years service delivers five kindergartens across the Shire, and occasional care was implemented last year, which has been successful at Dingee in particular. Council continues to manage Senior Citizens centres across the Shire.

The Community Services team is strong in its knowledge of the local community, and is able to engage well with the community. Challenges include the need to review strategies including the Municipal Early Years Plan, and managing state government changes to Aged and Disability services in the future. Paula noted the decline in Meals on Wheels volunteers over recent years is also concerning.

The committee thanked Paula for her presentation.

### **14. Monthly Finance Report**

The Committee received the report for the period ending 31 March 2018.

The committee noted that the cash surplus increased significantly due to the reduction in expected capital expenditure for the remainder of the financial year. The committee noted that the process for scoping projects in advance of making budget bids for capital projects will help to avoid non-delivery of capital projects in future.

Sharon Morrison also reported that Council's Investment Policy is being reviewed in response to the closure of the NAB branch at Boort, and a revised draft will be submitted to Council at its May meeting.

### **15. Draft/shell financial reports 2017/18**

Deanne Caserta explained the changes to the local government model financial report required for the 2017/18 financial year, which will make it more streamlined and easier to understand.

### **16. Overview of the 2018/19 budget**

Deanne Caserta gave a presentation on the draft budget that has been advertised for public comment from 11 May 2018. She noted that rate capping will continue at 2.25% and there will be a 5% increase in waste management charges proposed.

Capital works is forecast at \$14.05 million, and there are no current or planned borrowings in the draft budget. The draft budget surplus is \$130,787.

The committee noted the 4% cap placed by Council on salaries and wages costs and the broader gap between that and the potentially lower increases in the upcoming enterprise agreement. Cr Holt commented that this may not be sustainable into the future.

### **17. Fraud report – Charter 2.5(xv)**

Phil Pinyon advised there is nothing to report.

Signed 

Ken Belfrage  
Page 3 of 4

**18. Review of major lawsuits facing Council – Charter 2.5(xvii)**

Phil Pinyon advised there are no major lawsuits to report. He noted some matters being dealt with in VCAT regarding the Yemaya Festival and at the Magistrates Court relating to an unsightly property.

**19. Update on Review of Local Government Act**

Sharon Morrison provided an update on Council's submission on the Local Government Bill Exposure Draft.

**20. Items raised by Council that may impact the Audit Committee**

Cr Holt advised that there were no relevant issues raised.

**21. General business****VAGO report on Local Government and Economic Development**

Phil Pinyon advised that the Victorian Auditor General's Office conducted an independent audit report on Local Government and Economic Development in 2017, of which Loddon Shire was one of the councils that were involved. That report has been tabled and is now available to the public. He also noted that Loddon Shire has been selected to be included in a future report relating to Regional Development Victoria funding and its impact.

**22. Items referred to Council**

Items referred to Council:

- Internal Audit report – Whole of Life Cost
- Internal Audit Program
- Outstanding Actions Report
- Loddon Performance Framework Half Year Report
- Loddon Performance Framework v3

**23. Next meeting**

Date of next meeting: 9 August 2018.

The next review will be about Waste Management Planning.

Signed 

Ken Belfrage  
Page 4 of 4



Loddon Shire Council

## Closing Report

For the financial year ended 30 June 2018

Presented to the Audit Committee on 9 August 2018

# Contents

- Introduction..... 3
  - Purpose of the closing report..... 3
  - Scope and purpose of the audit ..... 3
  - The Auditor-General..... 3
- Audit completion status update..... 4
  - Expected audit opinion ..... 4
  - Outstanding audit matters ..... 4
- Areas of audit focus..... 5
- Audit findings—financial report ..... 7
- Audit findings—performance statement ..... 8
- Other audit findings ..... 9
- Reports to Parliament ..... 10
- Key VAGO links and resources ..... 11
- Appendix A. Outstanding audit matters ..... 12
- Appendix B. Adjusted audit differences ..... 13
- Appendix C. Unadjusted audit differences ..... 14
- Appendix D. Final management letter ..... 15
- Appendix E. Draft management representation letter/s..... 16



# Introduction

## Purpose of the closing report

- Key document to summarise the results of our audit and communicate any significant audit findings to those charged with governance.
- This document should be read in conjunction with our audit strategy presented on 10 May 2018.

## Scope and purpose of the audit

- The *Audit Act 1994* requires the Auditor-General to form an opinion on your entity's financial report and performance statement and provide a copy of the independent auditor's report to you

## The Auditor-General

The Auditor-General is:

- an independent officer of the Victorian Parliament
- appointed under legislation to examine, on behalf of Parliament and taxpayers, the management of resources within the public sector
- not subject to the control or direction by either Parliament or the government.



## Audit completion status update

We have substantially completed our audit of the financial report and performance statement. We performed our audit in accordance with the *Audit Act 1994* and the terms of our engagement letter to provide reasonable assurance that the financial report and performance statement presents a true and fair view in accordance with the Financial Management Act 1994.

<p><b>Expected audit opinion</b></p>	<p>Based on our audit, we expect to conclude that the financial report presents a true and fair view. We also expect to conclude that the performance statement is presented fairly. We consequently expect to issue an unmodified audit opinions.</p>
<p><b>Outstanding audit matters</b></p>	<p>Our expected audit opinion is subject to us finalising our audit process. Key aspects still outstanding include:</p> <ul style="list-style-type: none"> <li>→ final review of the financial report and performance statement</li> <li>→ receipt of signed management representation letter</li> <li>→ performing our subsequent events review</li> </ul> <p><b>Appendix A</b> provides a detailed list of all outstanding audit matters.</p>

## Areas of audit focus

As advised in our audit strategy, our audit focused on those areas where we assessed there to be a higher risk of material misstatement to your financial report. We designed and performed procedures to be able to conclude with reasonable assurance whether or not the identified risks resulted in a material misstatement. The outcome of our procedures is summarised in this section.

#	Risk of material misstatement	Our audit response	Results of our key procedures
1	<p>Streamlined financial report</p> <p>From 1 July 2017, Local Government Victoria (LGV) are significantly revising the form and content of Council financial reports.</p> <p>This will involve re-ordering and rationalisation of the notes to the financial report, in line with recent world-wide developments.</p> <p>For the past two 2 years, the Annual Financial Statements of the State of Victoria has been prepared on this basis, and, from 2016-17, streamlining has been adopted in the Health and Water sectors.</p>	<p>We :</p> <ul style="list-style-type: none"> <li>•have reviewed the financial statements and disclosure notes to ensure accounting treatments or reporting disclosures are done in accord with Australian Accounting Standards and comply with the Local Government Victoria Model Financial Report.</li> </ul>	<p>Based on the work done, information and explanations obtained from management, no adverse observations were noted.</p>
2	<p>Revaluation of non-current physical assets</p> <p>Non-current physical assets represent a material component of the total assets of the entity.</p> <p>AASB 13 Fair Value Measurement requires these assets to be measured at fair value, which is based on significant estimation uncertainty and uses management's judgements and assumptions.</p> <p>The major infrastructure assets, including roads, kerbs and channels, bridges and drainage are fair valued using replacement costs adjusted for their age and condition.</p> <p>Land is valued using market value of the land taking into account existing usage and zoning.</p>	<p>We:</p> <ul style="list-style-type: none"> <li>•reviewed the reasonableness of management valuations and of assumptions used, and substantiated the processed adjustments.</li> </ul>	<p>Results of procedures performed were satisfactory.</p>
3	<p>Performance statements</p> <p>The Local Government Amendment (Performance</p>	<p>We:</p> <ul style="list-style-type: none"> <li>•reviewed the systems in place to capture the financial</li> </ul>	<p>Results of procedures performed were satisfactory, an</p>





#	Risk of material misstatement	Our audit response	Results of our key procedures
	<p>Reporting and Accountability) Act 2014 and associated regulations set out the mandatory performance reporting framework which Council must comply with. The performance statement contains both financial and non-financial information.</p> <p>While councils should have mature processes in place to provide assurance around financial performance information, the environment for reporting non-financial performance information about services and outcomes has not historically been as robust.</p> <p>Risk that inability to report these indicators will constitute a departure from the performance statement requirements in accordance with Part 6 of the Local Government Act 1989.</p>	<p>and non-financial data if no systems are in place, we will determine the adequacy of the records used for compiling performance statement information and the soundness of data compiled, and</p> <ul style="list-style-type: none"> <li>•checked the calculations and assess the reasonableness of explanations included in the report of significant variations review the performance statement for compliance with legislative requirement</li> </ul>	<p>unqualified opinion is recommended on the performance statement.</p>

## Audit findings—financial report

<p>Materiality assessment</p>	<p>A misstatement is considered material if its omission or misstatement could, individually or collectively, influence the economic decisions of users of the financial report. Users could be influenced by either the amount (quantity) or the nature of the matter (quality).</p> <p>Our final materiality levels have been reassessed and updated since we communicated our planning materiality levels to you in our audit strategy document.</p> <p>Final overall materiality for the financial report has been set at \$ 659,362.</p>
<p>Adjusted audit differences</p>	<p>Our audit procedures did not identify any material audit differences</p>
<p>Unadjusted immaterial differences</p>	<p>Our audit procedures did not identify any unadjusted differences.</p>
<p>Control environment</p>	<p>In accordance with ASA 265 <i>Communicating Deficiencies in Internal Control to Those Charged with Governance and Management</i>, we are required to communicate in writing, significant deficiencies in internal control identified during the audit to those charged with governance on a timely basis.</p> <p>We have considered the effectiveness of your internal control framework as part of our audit process. However our audit was not designed to assess, nor do we provide an opinion on, the effectiveness of your internal control. If we have identified any significant weaknesses in internal control during our audit, we communicate these to you via our management letters.</p>

## Audit findings—performance statement

<p>Materiality assessment</p>	<p>A misstatement is considered material if its omission or misstatement could, individually or collectively, influence the decisions of users of the performance statement. Users could be influenced by either the amount (quantity) or the nature of the matter (quality). For performance statements, we set materiality for each individual indicator reported after considering qualitative and quantitative factors influencing that particular indicator. The nature of performance statement means that an overall materiality level for the statement cannot be communicated.</p>
<p>Adjusted differences</p>	<p>We identified no audit differences in the performance statement and brought them to the attention of management who subsequently adjusted them.</p>
<p>Unadjusted immaterial differences</p>	<p>We identified no differences assessed to be immaterial in the performance statement. No adjustment for these has been made by the management.</p>
<p>Control environment</p>	<p>We have considered the effectiveness of your internal control framework as part of our audit process. However our audit was not designed to assess, nor do we provide an opinion on, the effectiveness of your internal control. If we have identified any significant weaknesses in internal control during our audit, we communicate these to you via our management letters.</p>

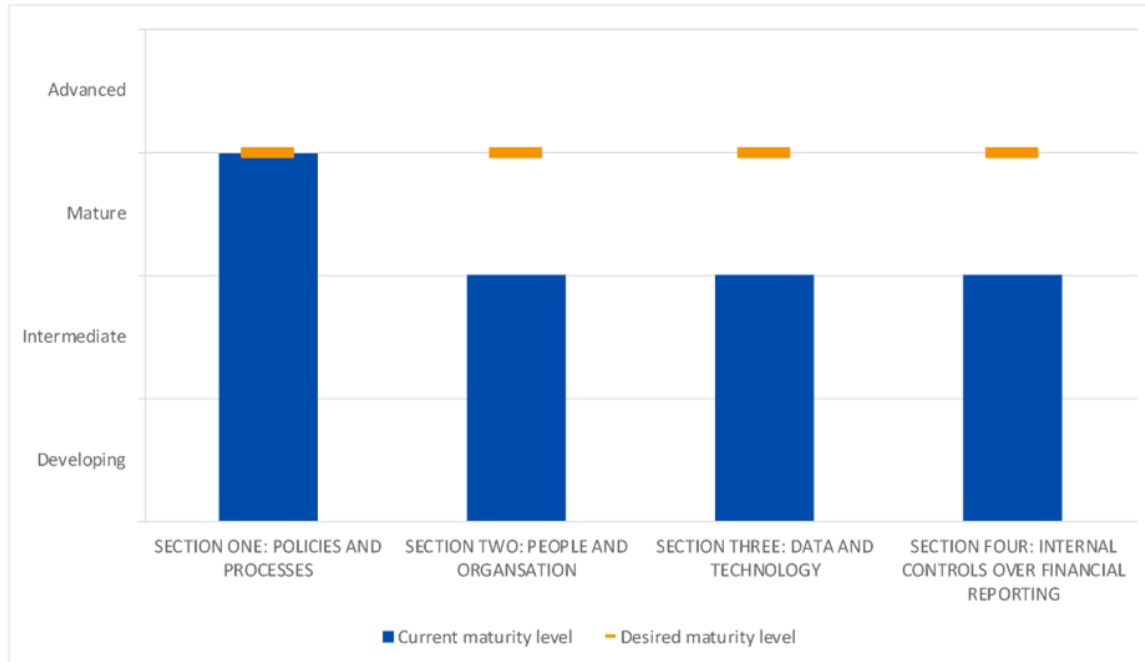
## Other audit findings

<p>Fraud, irregularities or regulatory non-compliance</p>	<p>We are not responsible for preventing or detecting fraud in the entity. However, we are required to consider the risk of material misstatement in the financial report may be due to fraud when performing our risk assessments and in conducting our audit procedures. Our audit procedures did not identify any specific financial report areas of fraud risk or regulatory non-compliance.</p>
<p>Waste, probity &amp; financial prudence</p>	<p>When performing our audits we are required to have due regard for waste, probity and financial prudence matters. Our audit procedures did not identify any material issues concerning waste, probity or lack of financial prudence.</p>
<p>Accounting policies</p>	<p>We are not aware of any changes to material accounting policies or material transactions and/or events that occurred during the financial year or of accounting policies being adopted that relate to areas where there is a lack of authoritative guidance in the accounting standards.</p>
<p>Disagreements with management</p>	<p>No issues noted. -</p>
<p>Difficulties encountered in performing the audit</p>	<p>No issues noted.</p>

# Reports to Parliament

## Local Government Victoria: Audit Snapshot

Loddon Shire Council will be included in the local government: Audit Snapshot report, scheduled for tabling in October 2018. This report will inform Parliament about the strengths and weaknesses in the control environment at entities within the sector and make recommendations to improve these as appropriate. For 2017-18, we focused on financial reporting preparation framework to provide insights into finance function and performance, throughout month end and year end close processes. Refer to graph below for further details and appendix F for explanatory information.



## Key VAGO links and resources



- VAGO's website
- VAGO's role
- Annual work plan
- Strategic plan
- Our reports
- Audits in progress
- Privacy policy
- VAGO's accountability

VAGO

## Appendix A. Outstanding audit matters

The following items relating to the completion of our audit procedures are outstanding at the date of this report and need to be resolved before we issue our auditor's report/s.

Item	Action required	Responsibility
Solicitors representation letter	Letter required from Legal Counsel	Management
Bank confirmation request	Waiting on bank confirmations	Management
Subsequent events update	Provide details of significant transactions and events up to date of signing. Audit will assess for any impact on the financial report	Management and audit
Financial report / performance statement certification	To be signed on adoption of the accounts by the Board	Management
Management representation letter	To be signed on same date as the certification	Management

After the issue of our auditor's report/s we are required to undertake the following procedures related to your annual report. Any issues identified from these procedures will be reported to your accountable officer for appropriate remedial action.

Item	Action required	Responsibility
Annual report	Provide contents of annual report. Audit will review its contents to confirm that the correct auditor's report is included.	Management and audit
Website publication of annual report	Review your annual report as published on your website to ensure the inclusion of the correct audit report	Management and audit

## Appendix B. Adjusted audit differences

### Adjusted dollar differences

Financial report component(s) affected	Amount adjusted \$	Underlying cause of difference
Nil		

### Adjusted financial report disclosure and performance statement indicator differences

Nature of financial report disclosure / performance statement indicator affected	Nature of adjustment	Underlying cause of difference
Only minor amendments to the financial report disclosures were suggested as part of the audit process.		



## Appendix C. Unadjusted audit differences

### Unadjusted dollar differences

Financial report component(s) affected	Amount adjusted \$	Underlying cause of difference
Nil		

### Unadjusted financial report disclosure and performance statement indicator differences

Nature of financial report disclosure / performance statement indicator affected	Nature of adjustment	Underlying cause of difference
Nil		

## Appendix D. Final management letter

On issuance of our independent auditor's report, we will issue our final management letter containing any matters we identified in the final phase of our audit. We have summarised our findings to date in the table below:

Finding	Rating	Recommendation	Management comments
<p><b>Ability to deliver capital works</b></p> <p>As noted in the 2016-17 and 2017-18 financial statements there is a considerable variance between the original budgeted capital works and that actually expended during the year. This is quite a change from the prior year which saw Council expend more than budgeted on capital works.</p> <p>There can be varying causes that can impact on the ability to deliver the capital works budget, however it is critical that Council maintains oversight and amends the budget and asset management policy as appropriate. As infrastructure assets mature the cost to maintain often increases which may cause financial burden on the Council.</p>	Medium	Council should review the ability to deliver projects outlined in the capital budget, and where necessary make provision for adjustment.	Pending

## Appendix E. Draft management representation letter/s

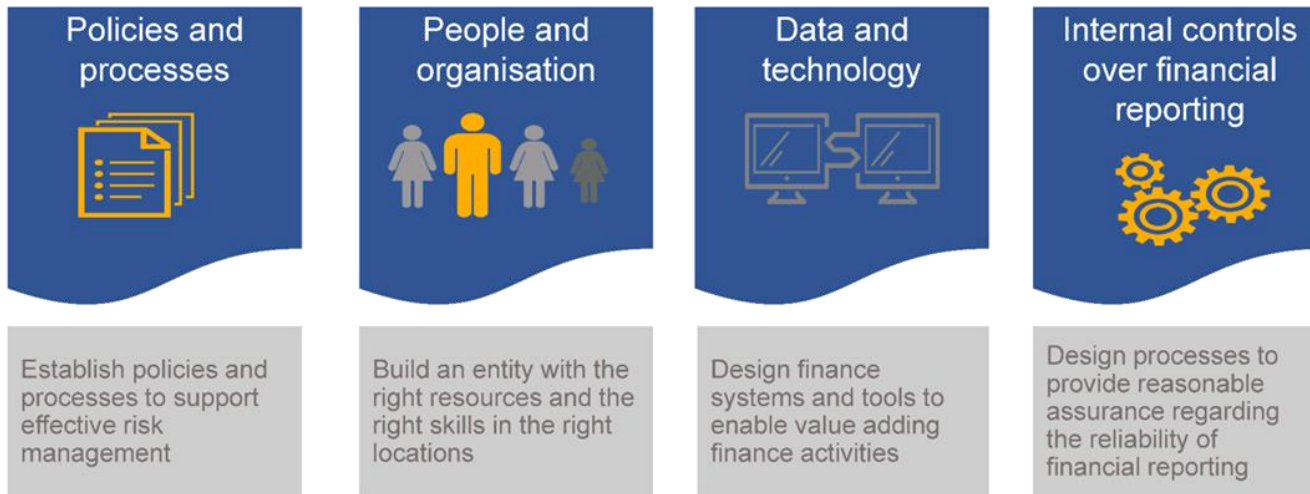
As part of our audit evidence gathering, we plan to obtain formal management representations in respect of a number of matters related to the preparation and presentation of the financial report and performance statement. We do not rely solely on these representations, except where they are the only evidence reasonably available. A draft version of this letter is provided as a separate attachment / a link below.



Mgmt Rep Letter  
Template - Loddon S

## Appendix F. Financial reporting preparation framework

This framework is designed to assess the financial reporting preparation maturity of different finance functions within government entities. It forms the basis for the financial reporting preparation questionnaire as well as the maturity descriptors within it. This framework is made up of four main components:



Victorian Auditor-General’s Office – Financial reporting preparation framework				
	Developing	Intermediate	Mature	Advance
Policies and processes	<ul style="list-style-type: none"> <li>▶ Month- and year-end reporting policies and procedures are not documented</li> <li>▶ Reconciliations are not performed</li> <li>▶ Reporting is on a cash basis</li> </ul>	<ul style="list-style-type: none"> <li>▶ Month- and year-end reporting policies and procedures are not updated regularly</li> <li>▶ Reconciliations are performed for some, including all material, accounts</li> <li>▶ Estimates and accruals are used for some accounts</li> </ul>	<ul style="list-style-type: none"> <li>▶ Month- and year-end reporting policies, process and procedures are reviewed in a two year cycle</li> <li>▶ Manual reconciliations are prepared for all accounts</li> <li>▶ Estimates and accruals are used every reporting end</li> </ul>	<ul style="list-style-type: none"> <li>▶ Month- and year-end reporting policies, processes and procedures are annually reviewed and updated with extensive consultation and is well understood</li> <li>▶ Automated / partially automated reconciliations are performed for all accounts</li> <li>▶ Estimates and accruals are used every reporting end and adjusted periodically where appropriate</li> </ul>
People and organisation	<ul style="list-style-type: none"> <li>▶ Roles and responsibilities are broad / not clear or not defined</li> <li>▶ Staff always works overtime during the reporting end</li> <li>▶ No training exists</li> </ul>	<ul style="list-style-type: none"> <li>▶ Roles and responsibilities are assigned but some confusion and overlap exists</li> <li>▶ Staff sometimes works overtime during the reporting end</li> <li>▶ Informal training / on the job training exists</li> </ul>	<ul style="list-style-type: none"> <li>▶ Roles and responsibilities are clear and well understood</li> <li>▶ Occasional overtime is required</li> <li>▶ Training is provided as part of the on-boarding process</li> </ul>	<ul style="list-style-type: none"> <li>▶ Roles and responsibilities are clearly understood and well documented</li> <li>▶ Overtime is rare</li> <li>▶ Training is provided as part of the on-boarding process with a formal training program in place to aid with staff development</li> </ul>
Data and technology	<ul style="list-style-type: none"> <li>▶ Sub ledger data is manually uploaded to the general ledger with adjusting entries required</li> <li>▶ Financial statements are manually prepared</li> <li>▶ Statutory entity reporting and management reporting are two separate processes</li> </ul>	<ul style="list-style-type: none"> <li>▶ Sub ledger data is interfaced with the general ledger with manual intervention and reconciliations required to ensure accuracy</li> <li>▶ Financial statement preparation is automated with many manual adjustments required</li> <li>▶ Statutory entity reporting and management reporting are two separate processes with a formal reconciliation process</li> </ul>	<ul style="list-style-type: none"> <li>▶ Sub ledger data is electronically transferred to the general ledger with few adjustments required</li> <li>▶ Financial statement preparation is mostly automated</li> <li>▶ Statutory entity and management reporting have been made consistent with manual intervention required</li> </ul>	<ul style="list-style-type: none"> <li>▶ Sub ledger data automatically interfaces with the general ledger and balanced daily</li> <li>▶ All financial statement preparation is automated</li> <li>▶ Statutory entity and management reporting is consistent</li> </ul>
Internal control	<ul style="list-style-type: none"> <li>▶ Controls are mostly manual</li> <li>▶ Control are reviewed by management on an ad hoc basis</li> <li>▶ Key accounts are included in the financial statement risk assessment but the process is not documented</li> </ul>	<ul style="list-style-type: none"> <li>▶ Controls are typically system based and integrated with core financial applications</li> <li>▶ Controls are routinely monitored by management</li> <li>▶ Key accounts are included in the financial statement risk assessment based on a predetermined assessment</li> </ul>	<ul style="list-style-type: none"> <li>▶ Majority of controls are automated and managed electronically</li> <li>▶ Controls are effectively monitored against process effectiveness</li> <li>▶ A formal risk assessment has been completed where key accounts are reviewed more frequently than others</li> </ul>	<ul style="list-style-type: none"> <li>▶ Controls are highly automated and managed through core financial application roles</li> <li>▶ Controls are monitored against defined criteria and balanced against process effectiveness</li> <li>▶ A formal risk assessment has been completed where key accounts are reviewed monthly. All accounts are reviewed at least once annually</li> </ul>



# Loddon Shire Council

## Follow-up of Agreed Actions from Prior Year Internal Audit Reports

July 2018



# CONTENTS

Executive Summary ..... 3

Objectives and Procedures..... 5

Table A – Outstanding / In Progress / Partially Completed action Items ..... 6

Table B – Completed / Not Applicable.....34

Appendix A – Basis and Use of Report..... 57

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# EXECUTIVE SUMMARY

CONTENTS

## Background

Internal audit is a vital resource for an organisation in providing assurance that key areas of the organisation are operating appropriately, in identifying any weaknesses or deficiencies in operations, and in providing assistance to the organisation in addressing these issues through the provision of value added recommendations.

In order to maximise the effectiveness of the audit process, it is important that the status of actions contained in management responses to internal audit recommendations are monitored by management and the Audit Committee. This will ensure that they are implemented appropriately and in a timely manner.

This review was performed to determine the extent and adequacy of remedial actions taken by Loddon Shire Council (the "Council") in addressing the audit findings and recommendations contained in previous internal audit reports conducted as part of the 2016-17 Internal Audit Programs.

The status of each recommendation was assessed as 'Completed', 'Partially Completed', 'In Progress', 'Outstanding' or 'Not Applicable' as described below:-

- **Completed** – All required actions agreed by Management in the previous audit report have been implemented satisfactorily and no exceptions were found during the status review;
- **Partially Completed** – Agreed implementation date is due. Required actions agreed by Management in the previous audit report have been partially implemented and / or with some exceptions found during the status review;
- **In Progress** – Agreed implementation date is not due. Required actions agreed by Management in the previous audit report have been partially implemented and / or with some exceptions found during the status review;

- **Outstanding** – Agreed implementation date is due. Required actions agreed by Management in the previous audit report have been partially or have not been implemented during the status review; and
- **Not Applicable** – Management have accepted the risk of not taking action or implementing recommendations in the previous audit report.

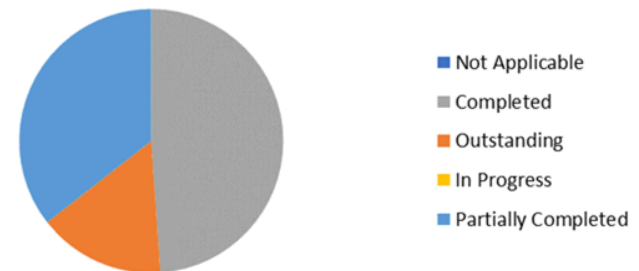
The review has been agreed by the Council's Audit Committee and forms part of the 2016-2017 Internal Audit Program.

*Our review specifically focused on findings that have been rated as extreme, high and medium.*

## Analysis of Implementation Status of Recommendations

Overall, we found that there has been good progress in actions taken by the Council to address the audit findings and recommendations contained in the previous internal audit reports. The chart below summarises the implementation status as at April 2018:

**Implementation Status of Recommendations**



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CONTENTS

The following table summarises the number of findings/observations for the 5 audits and the percentage of completion as at April 2018:

Audit Areas	Observations/Findings						
	Total	Completed	Partially Completed	In Prog	Outst.	N/A	% Completion
Review of Purchases & Issues from Council Depot Stores (incl. purchases made on credit cards) (August 2016)	9	6	3	-	-	-	67%
Review of Accounts Payable (October 2016)	6	5	1	-	-	-	83%
Review of the Management of Privacy Responsibilities (February 2017)	11	4	5	-	2	-	27%
Review of Salary Oncost Rate, Project Costing & Budgeting Process (March 2017)	3	2	1	-	-	-	67%
Follow-Up of Previous Internal Audit Reports (May 2017)	16	6	5	-	5	-	38%
<b>Total</b>	<b>45</b>	<b>23</b>	<b>15</b>	<b>-</b>	<b>7</b>	<b>-</b>	<b>51%</b>

In general, our status review confirmed that:

- The Council had addressed 23 (or 51%) of the 45 observations highlighted in the previous internal audit reports reviewed as part of this follow-up;
- 7 (or 16%) remedial actions were outstanding at the completion of our review;
- 15 (or 33%) remedial actions were partially completed and had passed their due by date; and
- No remedial actions were found to be in progress or N/A at the time of our follow-up review.

A more detailed assessment on the status of implementation for each recommendation is provided in **Table A – Outstanding / In Progress / Partially Completed Action Items** and **Table B – Completed / Not Applicable Action Items**.



# OBJECTIVES AND PROCEDURES

## Objectives

The objective of this review was to assess the progress made by the Council in implementing the actions in response to recommendations contained in the following audit reports from the 2016-17 Internal Audit Programs:

### For FY2016-17

- Review of Purchases & Issues from Council Depot Stores (incl. purchase made on credit cards) (August 2016);
- Review of Accounts Payable (October 2016);
- Review of the Management of Privacy Responsibilities (February 2017);
- Review of Salary Oncost Rate, Project Costing & Budgeting Process (March 2017);

Outstanding/Partially Completed Areas from May 2017 Follow-Up Review Report. Areas to follow-up on from the review include the following:

- Review of Local Laws (September 2014);
- Review of Contract Management (December 2014);
- Review of Succession Planning & Workforce Development (October 2015); and
- Review of Building Management Services (March 2016).

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## Procedures

The procedures adopted in the course of this review included the following:

- Met with key Council personnel to discuss progression of agreed recommendations;
- Reviewed relevant documentation provided to substantiate progress against actions;
- Performed walkthroughs, where relevant
- Assessed the adequacy of remedial actions implemented;
- Discussed issues with key personnel; and
- Prepared draft and final report on status of implementation and presented to the Audit Committee.

CONTENTS

# TABLE A – OUTSTANDING / IN PROGRESS / PARTIALLY COMPLETED ACTION ITEMS

Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
<b>Review of Purchases and Issues from Council depot stores (including purchases made on credit cards) (August 2016)</b>					
<p>1. Evaluation panel members were not required to complete and sign-off conflict of interest and confidentiality declarations prior to opening quotes and/or tendering documents submitted</p>	<p>We recommend Council management should:</p> <ol style="list-style-type: none"> <li>Formalise the requirement for Disclosure of Conflict of Interest and Confidentiality Forms to be completed and signed off by panel members before opening and reviewing submissions. The requirement should only pertain to major/significant purchases made by Council (i.e. that have gone through detailed RFQ and/or RFT assessments).</li> </ol> <p>A standard Disclosure of Conflict of Interest and Confidentiality Form can be developed for this process to ensure consistency; and</p> <ol style="list-style-type: none"> <li>Communicate and make available the above procedures and form to all staff</li> </ol>	M	<p>Agreed.</p> <p>A review of tender evaluation report templates can be conducted to ascertain if existing provisions for declaration of conflicts is adequate or whether a separate probity form may be required for tender evaluation panels.</p> <p>Declaration of a conflict of interest will only be required at the time of assessing tenders/quotes and preparation of detailed evaluation report for approval.</p> <p><u>MA:</u></p> <ol style="list-style-type: none"> <li>Establish standard Disclosure of Conflict of Interest and Confidentiality Form and process.</li> <li>Communication of procedures and forms to all staff.</li> </ol>	<p><b>Responsibility:</b></p> <p>MA 1-2 Project Management Coordinator</p> <p><b>Timeframe:</b></p> <ol style="list-style-type: none"> <li>May 2017 AC Meeting</li> <li>August 2017 AC Meeting</li> </ol>	<p><b>Status as at April 2018:</b></p> <p><b>Partially Completed</b></p> <p>Our review noted:</p> <p><b>MA 1-2:</b></p> <p>A formal Contract Management manual was developed in April 2018. However, the manual does not incorporate a stand-alone Conflict of Interest Declaration form to be completed by panel members. We do acknowledge though that the requirement for declaration of conflict of interest was documented in the manual.</p> <p><b>Management Response:</b></p> <p>Management Agrees.</p> <p>A stand-alone Conflict of Interest Declaration form is being prepared for inclusion in the draft Contract Management manual which will be communicated to all relevant staff once finalised.</p> <p><b>Revised Timeframe:</b></p> <p>31 August 2018</p>

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CONTENTS

Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
2. A supply panel engagement model is currently not used by Council for the acquisition of recurring goods or services	<p>We recommend that the Council management should:</p> <p>3. Consider the need to introduce a supply panel engagement model in the organisation. This should be determined via formal audit and analysis process with respect to procurement transactions;</p> <p>4. Establish the panel via supplier selection, appointment, management and performance evaluation processes. Such processes should be formally documented in policies and procedures; and subject to regular review to ensure they remain relevant, are meeting the needs of users, and to address any emerging issues that arise; and</p> <p>5. Appoint a panel of suppliers for the delivery of goods or services in order to improve process efficiency.</p>	M	<p>Agreed.</p> <p>3. A review of potential services or goods for which Council may utilise panel contractors;</p> <p>4. Develop contract templates and processes for supplier panels; and</p> <p>5. Appoint panel of suppliers where relevant.</p>	<p><b>Responsibility:</b> MA 3-5 Manager Financial Services</p> <p><b>Timeframe:</b> 3. May 2017 AC meeting 4. May 2017 AC meeting 5. November 2017 AC meeting</p>	<p><b>Status as at April 2018:</b> <b>Partially Completed</b></p> <p>Our review noted: <b>MA 3-5:</b> The Council has engaged a Supply panel model on different occasions depending on services to be provided (more ad-hoc). The Council also have a list of compliant supplier database.</p> <p>However, a formal and detailed review of potential services, development of appropriate policies and procedures, and appointment of panel of suppliers has not been completed.</p> <p><b>Management Response:</b> This finding has been superseded by Finding No.4 below. Refer to Finding No.4 below.</p> <p><b>Revised Timeframe:</b> 31 May 2019</p>
3. A centralised, accurate plant and equipment database/register had not yet been fully rolled out	<p>We recommend Council management:</p> <p>6. Ensure the consolidation process of plant and equipment onto the centralised plant and equipment database/register is undertaken in a timely manner, to assist Council in its service delivery; and</p> <p>7. Ensure the centralised plant and equipment database is reviewed and updated on a periodic basis to ensure it remains relevant, accurate and complete</p>	M	<p>Agreed.</p> <p>6. Plant and equipment database to be finalised and populated to ensure the capture of all relevant equipment and plant owned and operated by Council.</p> <p>7. Review procedures for procurement or disposal of plant and equipment includes</p>	<p><b>Responsibility:</b> MA 6-7.1 Manager, Operations</p> <p><b>Timeframe:</b> 6. November 2016 AC Meeting 7. February 2017 AC meeting 7.1 February 2017 AC meeting</p>	<p><b>Status as at April 2018:</b> <b>Partially Completed</b></p> <p>Our review noted: <b>MA 6:</b> That there is a new Assetic program/database in place for Plant and Equipment that captures all the relevant information for the Council.</p> <p><b>MA 7-7.1:</b> However, a review of procedures for disposal of equipment has not yet</p>

CONTENTS

Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
			<p>updating of plant and equipment database.</p> <p>7.1 Review and identify most suitable IT solution for managing Plant and Fleet registers (including development of replacement programs).</p>		<p>been undertaken. Further, no suitable IT solution has been identified yet for managing Plant and Fleet registers.</p> <p><b>Management Response:</b></p> <p>Management Agrees.</p> <p>Council is in the process of procuring a new corporate system. After awarding the contract, Council will be in a position to know whether the new system provides for a centralised plant and equipment database. If not, Council will commence scoping software to address the gap and preparing a corresponding procedure.</p> <p><b>Revised Timeframe:</b></p> <p>30 November 2019</p>
<b>Review of Accounts Payable/Purchasing (including data interrogation) (October 2016)</b>					
<p>4. A supply panel engagement model is currently not used by Council for the acquisition of recurring goods or services</p>	<p>We recommend that the Council management should:</p> <p>8. Consider the need to introduce a supply panel engagement model in the organisation. This should be determined via formal audit and analysis process with respect to procurement transactions;</p> <p>9. Establish the panel via supplier selection, appointment, management and performance evaluation processes. Such processes should be formally documented in policies and procedures; and subject to regular review to ensure they remain relevant, are meeting the needs of users, and to address any emerging issues that arise; and</p> <p>10. Appoint a panel of suppliers for the delivery of goods or services in order to improve process efficiency.</p>	M	<p>Agreed.</p> <p>8. Conduct a review of potential services or goods for which Council may utilise panel contractors.</p> <p>9. Develop appropriate policies, procedures and templates for the management of supply panels.</p> <p>10. Appoint panel of suppliers where relevant.</p>	<p><b>Responsibility:</b></p> <p>MA 8-10 Project Management Coordinator</p> <p><b>Timeframe:</b></p> <p>8. May 2017 AC meeting 9. May 2017 AC meeting 10. November 2017 AC meeting</p>	<p><b>Status as at April 2018:</b></p> <p><b>Partially Completed</b></p> <p>Our review noted:</p> <p><b>MA 8-10:</b></p> <p>The Council has engaged a Supply panel model on different occasions depending on services to be provided (more ad-hoc). The Council also have a list of complaint supplier database.</p> <p>However, a formal and detailed review of potential services, development of appropriate policies and procedures, and appointment of panel of suppliers has not been completed.</p> <p><b>Management Response:</b></p>

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CONTENTS

Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
					Management Agrees. Council has approved the appointment of a Procurement Officer in 2018/19 who will be tasked with investigating supply panels for goods and services. <b>Revised Timeframe:</b> 31 May 2019
<b>Review of the Management of Privacy Responsibilities (February 2017)</b>					
5. A Privacy Policy and accompanying procedures did not exist within the Council which cover on key privacy related areas.	We recommend that the Council management should: 11. Ensure that the Privacy Policy is developed in a timely manner as part of the Council's privacy framework. The document should align with the PDPA, inclusive of the 10 IPPs within Schedule 1 of the PDPA. The document should also incorporate (but not limited to) the following areas: <ul style="list-style-type: none"> <li>■ Objective/s;</li> <li>■ Scope;</li> <li>■ Legislative and other document references;</li> <li>■ Definitions;</li> <li>■ Responsible officers;</li> <li>■ Collection, use and disclosure, safeguarding, archiving and disposal of personal information;</li> <li>■ Policy review; and</li> <li>■ Version control (i.e. position title of author, approver, issue date, date of last review, date of next review etc.).</li> </ul> 12. Ensure accompanying privacy procedures	M	Agreed. 11. Develop Privacy Policy. 12. Develop Privacy Procedures. 13. Obtain approval for Policy. 13.1 Obtain approval for Procedures. 14. Communicate policy to staff and make policy available. 15. Ensure policy is included in policy review framework for review every 2 years.	<b>Responsibility:</b> MA 11-15 Director, Corporate Services <b>Timeframe:</b> 11. May 2017 12. August 2017 13. May 2017 13.1 August 2017 14. May 2017 15. May 2017	<b>Status as at April 2018:</b> <b>Partially Completed</b> Our review noted that: <b>MA 11-15:</b> The Privacy Policy and procedures were in draft form. The draft documents had been reviewed by the Policy Review Group and were scheduled to be put forward to the Management Executive Group for review and approval. The above documents would be subsequently communicated and made available still staff upon approvals being sought. <b>Management Response:</b> Management Agrees. Privacy Policy was adopted by Council 22 May 2018 (post audit fieldwork date) and has been communicated to staff on 14 June 2018. It has a review period of no later than 1 year after its adoption. Procedures are in draft form.

CONTENTS

Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
	<p>are developed to guide staff. The procedures should incorporate (but not limited to) the following areas:</p> <ul style="list-style-type: none"> <li>■ Identification of departments that collect personal information, what personal information they collect and how they manage the personal information;</li> <li>■ Situations where personal information may be disclosed and procedures to verify identity of requestor before disclosure (i.e. in writing, over the phone etc.);</li> <li>■ The need for Council to perform a formal re-evaluation of its need for all personal information collected and disclosed necessary for its functions or activities; and</li> </ul> <p>13. Obtain the appropriate approvals for the Policy and accompanying procedures once developed;</p> <p>14. Ensure the Policy is made available and free of charge to a person or body that may request the document as per the IPP requirements; and</p> <p>15. Ensure the Policy is reviewed and updated on a regular basis (i.e. every 2 years) to ensure it remains relevant and reflects current practice.</p>				<p><b>Revised Timeframe:</b> 28 February 2019</p>
<p>6. Procedures do not exist that set out how to implement privacy policies (e.g. circulars, memos, notices defining what the department must do to abide by the legislation)</p>	<p>See Key Finding No. 5 above.</p>	<p>M</p>	<p>See Key Finding No. 5 above.</p>	<p>See Key Finding No. 5 above.</p>	<p>See Key Finding No. 5 above.</p>

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CONTENTS

Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
7. Procedures do not exist that set out how to implement privacy policies (e.g. circulars, memos, notices defining what the department must do to abide by the legislation).	See Key Finding No. 5 above.	M	See Key Finding No. 5 above.	See Key Finding No. 5 above.	See Key Finding No. 5 above.
8. Policies do not exist relating specifically to privacy issues.	See Key Finding No. 5 above.	M	See Key Finding No. 5 above.	See Key Finding No. 5 above.	See Key Finding No. 5 above.
9. Procedures surrounding the need to perform a period re-evaluation process of all personal information collected need to be formally documented.	See Key Finding No. 5 above.	M	See Key Finding No. 5 above.	See Key Finding No. 5 above.	See Key Finding No. 5 above.
10. Procedures surrounding the periodic review of the necessity for personal information to continue to be disclosed need to be formally documented by Council.	See Key Finding No. 5 above.	M	See Key Finding No. 5 above.	See Key Finding No. 5 above.	See Key Finding No. 5 above.
11. The need to ensure there are procedures in place for handling of personal information including collection, storage, processing, use and disclosure to third parties	See Key Finding No. 5 above.	M	See Key Finding No. 5 above.	See Key Finding No. 5 above.	See Key Finding No. 5 above.
12. Absence of documented policy and/or procedures specifically directed at certain data security aspects of Council's operations.	We recommend that the Council management should: 16 Ensure that key policies and in draft form are finalised in a timely manner; 17 Incorporate data security related procedures not already covered in existing policies to provide guidance to	M	Agreed.  16. Finalise/review the following policies: <ul style="list-style-type: none"><li>■ Password and Authentication Policy (updated</li></ul>	<b>Responsibility:</b> MA 16-19 Manager Information <b>Timeframe:</b> 16. November 2017	<b>Status as at April 2018:</b> <b>Partially Completed</b> Our review noted that: <b>MA 16:</b> The following policies have been

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CONTENTS

Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
	<p>staff that have access to the Council's information systems. These areas may include (but not limited to):</p> <ul style="list-style-type: none"> <li>■ Procedures relating to security of personal information stored in manual/hardcopy files;</li> <li>■ Procedures surrounding backup, recovery and redundancy practices;</li> <li>■ Procedures surrounding collection, processing, storage, use and disclosure of personal information;</li> <li>■ Procedures surrounding disposal of information (i.e. steps to be undertaken when destroying or permanently de-identifying personal information no longer required);</li> </ul> <p>18 Obtain the appropriate approvals for the respective policies and accompanying procedures; and</p> <p>19 Communicate and make available the above documents to staff.</p>		<p>24 Feb 2016);</p> <ul style="list-style-type: none"> <li>■ Anti-virus (updated 10 Feb 2016);</li> <li>■ Cloud Computing (draft);</li> <li>■ Email (draft);</li> <li>■ Internet use (draft);</li> <li>■ Portable electronic device security (draft); and</li> <li>■ Acceptable use (draft).</li> </ul> <p>17. Develop the following procedures:</p> <ul style="list-style-type: none"> <li>■ Procedures relating to security of personal information stored in manual/hardcopy files;</li> <li>■ Procedures surrounding backup, recovery and redundancy practices;</li> <li>■ Procedures surrounding collection, processing, storage, use and disclosure of</li> </ul>	<p>17. November 2017 18. November 2017 19. November 2017</p>	<p>finalised: Password and Authentication Policy; Anti-virus Policy and Portable Electronic Device Security Policy. The remaining policies are yet to be finalised (Cloud Computing; Email; Internet Use and Acceptable use.</p> <p><b>MA 17-19:</b></p> <p>Management advised that no procedures have been developed yet. They will be developed once the policies mentioned above have been finalised.</p> <p><b>Management Response:</b></p> <p>Management Agrees.</p> <p>Council has purchased process mapping software which will be used to document these processes/procedures</p> <p><b>Revised Timeframe:</b></p> <p>31 May 2019</p>

CONTENTS

Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
			personal information; ■ Procedures surrounding disposal of information (i.e. steps to be undertaken when destroying or permanently de-identifying personal information no longer required). 18. Obtain approval for policies and procedures referred to in Action 7 and 8. 19. Communicate and make available to relevant staff the policies and procedures referred to in Action 7 and 8.		
13. Absence of data security policy which includes security of personal information stored in both manual and computerised systems.	See Finding No. 13 above.	M	See Finding No. 13 above.	See Finding No. 13 above.	See Finding No. 13 above.
14. There was a lack of effective periodic review of user access to key computer systems and applications within Council to actively monitor and verify the appropriateness of user access granted to staff to perform or support business	We recommend that Council management should: 20 Conduct a formal review of the access controls for all the Council's systems following the completion of the organisational restructuring to ensure that incompatible IT access is removed; 21 Implement a formal process that is	M	Agreed. 20. Review IT access controls and make necessary changes. 21. Develop a procedure for conducting user access reviews on a	<b>Responsibility:</b> MA 20,21,23 Manager Information MA 22 Manager Organisation Development	<b>Status as at April 2018:</b> <b>Outstanding</b> Our review noted that: <b>MA 20-23:</b> ■ A formal review of access controls has not been done yet including documenting the

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CONTENTS

Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
<p>activities or functions. Further, we noted that currently there were no formal procedures in place to ensure that IT user access controls of staff that have changed position titles had been reviewed and de-activated.</p>	<p>documented in the procedures for conducting user access reviews to systems and applications on a periodic basis;</p> <p>22 Implement a checklist for staff that have changed position titles to ensure that their user access to key systems and applications are actioned accordingly; and</p> <p>23 Evidence surrounding the user access review process should be kept.</p>		<p>period basis.</p> <p>22. Develop procedure and checklist for internal transfers to ensure user access to key systems and applications are managed appropriately.</p> <p>23. Include a provision in procedure for conducting user access reviews on a period basis to ensure evidence of user access review is kept</p>	<p><b>Timeframe:</b></p> <p>20. August 2017 21. November 2017 22. August 2017 23. November 2017</p>	<p>requirements in a procedure;</p> <ul style="list-style-type: none"> <li>No formally documented procedure has been developed to conduct user access reviews; and</li> <li>The checklist for internal transfers and provision to conduct user access reviews periodically has not yet been developed.</li> </ul> <p><b>Management Response:</b></p> <p>Management Agrees.</p> <p>Council has purchased process mapping software which will be used to document these processes/procedures.</p> <p><b>Revised Timeframe:</b></p> <p>31 May 2019</p>
<p>15. The need to ensure there are controls place over the security of in information handled by third parties.</p> <p>We noted some of IT third party contracts dated back to more than 10 years ago and IT had not reviewed the terms of the contracts to determine if they were still valid and if there were confidentiality agreements signed with the vendors.</p>	<p>We recommend that Council management should:</p> <p>24 Conduct a review of all existing IT vendor contracts and determine if they cover off on confidentiality and security related matters appropriately; and</p> <p>25 Ensure that confidentiality agreements are signed-off by respective IT vendors, where required.</p>	M	<p>Agreed.</p> <p>24. Develop a confidentiality agreement for existing IT vendors.</p> <p>25. Provide confidentiality agreement to all existing IT vendors requesting signing.</p> <p>26. Ensure a confidentiality agreement is provided to any new vendors for signing.</p>	<p><b>Responsibility:</b></p> <p>MA 24-26 Manager Information</p> <p><b>Timeframe:</b></p> <p>24. August 2017 25. August 2017 26. 1 August 2017</p>	<p><b>Status as at April 2018:</b></p> <p><b>Outstanding</b></p> <p>Our review noted that:</p> <p><b>MA 24-26:</b></p> <ul style="list-style-type: none"> <li>The confidentiality agreement template for existing IT vendors has not been developed yet. Signing against this for existing and new vendors will be a key requirement once the template has been developed.</li> </ul> <p><b>Management Response:</b></p> <p>Management Agrees.</p> <p>Confidentiality agreement or contract condition will be developed and used for all new vendors.</p>

CONTENTS

Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
					<b>Revised Timeframe:</b> 31 May 2019
16. Absence of documented procedures with respect to sensitivity of personal information being maintained in accordance with the IPPs.	We recommend that the Council management should:  26 Ensure formal processes with respect to the collection and maintenance of sensitive information are incorporated within the Privacy Policy and accompanying procedures in a timely manner; and  27 Communicate and make available the Privacy Policy and accompanying procedures to staff.	M	See Finding No. 5 above.	See Finding No. 5 above.	See Finding No. 5 above.
17. Absence of documented procedures in place with respect to processes when responding to breaches identified and resulting consequences from an incident management perspective.	We recommend that Council management should:  28 Ensure formal procedures in response to privacy breaches are developed in a timely manner. The procedures may incorporate (but not be limited to) the following areas: <ul style="list-style-type: none"><li>■ Breach containment and preliminary assessment;</li><li>■ Evaluation of the risks associated with the breach;</li><li>■ Notification processes over breaches; and</li><li>■ Prevention processes.</li></ul> 29 Communicate and make available the above procedures to staff.	M	Agreed.  27. As a minimum ensure privacy procedures cover: <ul style="list-style-type: none"><li>■ Breach containment and preliminary assessment;</li><li>■ Evaluation of the risks associated with the breach;</li><li>■ Notification processes over breaches; and</li><li>■ Prevention processes</li></ul>	<b>Responsibility:</b> MA 27 Director Corporate Services  <b>Timeframe:</b> 27. August 2017	<b>Status as at April 2018:</b>  <b>Partially Completed</b> Our review noted that:  <b>MA 27:</b> <ul style="list-style-type: none"><li>■ The Privacy Policy and procedures were in draft form. The draft documents had been reviewed by the Policy Review Group and were scheduled to be put forward to the Management Executive Group for review and approval.</li></ul> The above documents would be subsequently communicated and made available to staff upon approvals being sought.  <b>Management Response:</b> Management Agrees.  Procedures are still under development.  <b>Revised Timeframe:</b>

CONTENTS

Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
					28 February 2019
18. The need to tighten privacy policies, procedures and controls to ensure vulnerability over the misuse of personal information is minimised.	See Key Findings No. 5, 12, 13, 15, 16 & 17 above.	M	See Key Findings No. 5, 12, 13, 15, 16 & 17 above.	See Key Findings No. 5, 12, 13, 15, 16 & 17 above.	See Key Findings No. 5, 12, 13, 15, 16 & 17 above.
19. Absence of documented policies and procedures to ensure that management commitment to implement policies and procedures to safeguard personal information.	See Key Finding No. 5 above.	M	See Key Finding No. 5 above.	See Key Finding No. 5 above.	See Key Finding No. 5 above.
20. Physical access security control deficiencies noted with respect to physical hardcopy files (i.e. property files, financial related files, HR files).	We recommend that Council management should:  30 Consider reviewing controls to ensure that physical access to all the hardcopy files containing personal information is secured and limited to the responsible staff only.	M	Partially Agrees.  28. Co-ordinate management in conducting reviews of controls to ensure physical access to all hardcopy files containing personal information is secured and limited to the responsible staff only by developing an annual self-assessment checklist and adding to Advent Manager for annual completion by departmental heads.	<b>Responsibility:</b> MA 28 Director Corporate Services <b>Timeframe:</b> 28. November 2017	<b>Status as at April 2018:</b> <b>Partially Completed</b> Our review noted that: <b>MA 28:</b> <ul style="list-style-type: none"> <li>All the hardcopy files containing personal information are kept in the office with access to the respective departments restricted to Council staff only via swipe/key access cards.</li> </ul> Efforts are being made to convert documents to electronic records where possible for extra security which is a work-in-progress at Council.  <b>Management Response:</b> Management Agrees.  Tender documents for a new Corporate System including document management software is currently

[www.hlb.com.au](http://www.hlb.com.au)

CONTENTS

Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
		M			being finalised. A key requirement is that the software is compliant with electronic document management standards.  <b>Revised Timeframe:</b> 30 November 2019
21. Privacy related performance indicators did not exist within the Council. Further, the Council did not formally report on any privacy related matters and/or activities.	We recommend that the Council management should:  31 Consider developing a formal process where reporting to management, CEO and/or the Council on the organisation's privacy activities is undertaken on a regular basis (e.g. review of the Council's Privacy Policy and Procedures, review of systems used to record, capture and collect information, etc.);  32 Consider implementing an annual self-assessment checklist to be completed by all the department heads within Council. The checklist should incorporate (but not be limited to) the following areas:  <ul style="list-style-type: none"> <li>■ Identification of personal information collected and re-assessment of the need for collection and use;</li> <li>■ Risks identified and controls put in place regarding the privacy of personal information; and</li> <li>■ Whether the department has complied with the Privacy Framework and Information Privacy Principles, with reference to this checklist.</li> </ul> The self-assessments should be reported to the Privacy Contact Officer. Any non-compliance identified through this processes should also be followed up by the Privacy Contact Officer with the	M	Agreed.  29. 31. Add privacy reporting to Loddon Performance Reporting Framework to be reported six monthly.  30. Develop a self-assessment checklist and add to Advent Manager for annual completion by department heads.  31. Add the following KPIs to the Loddon Performance Framework:  <ul style="list-style-type: none"> <li>■ Number reported concerns regarding privacy practices;</li> <li>■ Number of identified breaches of privacy;</li> <li>■ Number of identified losses of personal data;</li> <li>■ Percentage new</li> </ul>	<b>Responsibility:</b> MA 29-31 Director Corporate Services  <b>Timeframe:</b> 29. May 2017 30. August 2017 31. May2017	<b>Status as at April 2018:</b> <b>Partially Completed</b> Our review noted that:  <b>MA 29:</b> <ul style="list-style-type: none"> <li>■ Privacy reporting has been added to the Loddon Performance Reporting Framework.</li> </ul> <b>MA 30:</b> <ul style="list-style-type: none"> <li>■ A self-assessment checklist is still under consideration and work in progress.</li> </ul> <b>MA 31:</b> <ul style="list-style-type: none"> <li>■ KPI's have been added to the Loddon Performance Reporting Framework.</li> </ul> <b>Management Response:</b> Management Agrees.  A self-assessment checklist has been purchased and will be adapted to suit Council's requirements.  <b>Revised Timeframe:</b> 28 February 2019

CONTENTS

Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
	<p>respective departments, to ensure that it is rectified.</p> <p>33 Consider developing, adopting and reporting against privacy related KPIs (as relevant to the Council's size), to assist in ensuring organisational objectives and targets are being met. Examples of KPIs that Council may consider reporting against may include (but not limited to):</p> <ul style="list-style-type: none"> <li>■ Reported concerns regarding privacy practices;</li> <li>■ Number and/or percentage of breaches of privacy;</li> <li>■ Number and/or losses of personal data;</li> <li>■ Privacy training attended by staff etc.</li> </ul>		<p>starters completing privacy training within 6 months of commencement; and</p> <ul style="list-style-type: none"> <li>■ Percentage staff with current refresher training.</li> </ul>		
Review of Salary Oncost Rate, Project Costing, and Budgeting Process (March 2017)					
<p>28. No formal review process in place to ensure that the project costing prepared by individual departments was reasonable and justifiable.</p>	<p>We recommend that Council's management should:</p> <p>35. Develop and implement a process for Finance to review the project costing methodology, together with the relevant departmental manager, to ensure that the costing is reasonable and justifiable</p>	H	<p>Agreed.</p> <p>32. Finance Department to work with the Operations Department to ensure that the formulated worksheets used to calculate each project has an appropriate costing methodology.</p> <p>This is to be included into a private/external contractor works policy and procedure that outlines the different</p>	<p><b>Responsibility:</b></p> <p>MA 32 Manager, Operations</p> <p><b>Timeframe:</b></p> <p>32. February 2018</p>	<p><b>Status as at April 2018:</b></p> <p><b>Partially Completed</b></p> <p>Our review noted that:</p> <p><b>MA 32:</b></p> <ul style="list-style-type: none"> <li>■ The Finance Department continues to work in close association with the Operations Department to ensure costing methodology is appropriate. This responsibility has also been assigned to the Director (Operations).</li> <li>■ However, the requirement above has not yet been included into a private/external contractor works policy and procedure.</li> </ul>

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CONTENTS

Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
			methodologies used within each project type.		<p><b>Management Response:</b> Council is of the view that this process is part of contract negotiations rather than a project costing process and therefore does not need a process.</p> <p><b>Revised Timeframe:</b> Complete.</p>
Follow-Up Review (May 2017) – In relation to the Review of Local Laws (September 2014)					
29. Inadequate procedures to guide staff on processes required to implement the Council's Enforcement of Local Laws Policy.	<p>We recommend Council management:</p> <p>36. Document and formalise procedure documents on key processes, which govern the administration and enforcement of local laws and animal management to address the shortcomings highlighted under <i>Observation</i>; and</p> <p>37. Review procedures on a regular basis to ensure they remain relevant, meet the needs of users, and address any emerging issues that arise.</p>	M	<p>33. A project plan for development of the suggested procedures will be developed and provided to Audit Committee.</p> <p>34. This plan will be monitored until all actions complete.</p> <p><b>Action 33:</b> Project plan for the development of procedures.</p>	<p><b>Responsibility:</b> Action 33 Tyson Sutton</p> <p><b>Timeframe:</b> 33. November 2014 AC meeting</p> <p><b>Status as at Feb 2017: Outstanding</b> Our review noted that:</p> <p><b>Action 33:</b> There was no formalised procedure on key processes governing the administration and enforcement of local laws and animal management.</p> <p>We understand that due to staff turnover, the project for the development of procedures was not carried out. The Council indicated that a review will be conducted to ensure that a formalised</p>	<p><b>Status as at April 2018: Outstanding</b> Our review noted:</p> <p><b>Action 33:</b> The procedures to guide staff have not yet been developed.</p> <p>Management advised that the Manager (Development and Compliance) has a plan to review the Council's existing Enforcement of Local Laws Policy and Procedure and combine it with Health, Building, and local laws as a Community Enforcement Policy and Procedure that would cover the staff guidance.</p> <p><b>Management Response:</b> Management Agrees. Policies will be consolidated and appropriate procedures developed.</p> <p><b>Revised Timeframe:</b> 30 November 2018</p>



CONTENTS

Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
				<p>procedure on key processes governing the administration and enforcement of local laws and animal management is put in place.</p> <p><b>Management Response:</b> Staff appointments to replace agency staff is being undertaken. Revised timeframe is to provide for adequate response and action.</p> <p><b>Responsible Officer:</b> Manager Development and Compliance</p> <p><b>Revised Timeframe:</b> 31 August 2017</p>	
<p>30. A risk methodology/approach has not been emphasized and formalised in the Council's local laws framework.</p>	<p>We recommend Council management:</p> <p>38. Develop a risk methodology/approach to be applied consistently to enforcement activities;</p> <p>39. Document processes for assessing and prioritising cases within relevant policies and procedures; and</p> <p>40. Obtain adequate approvals before implementing policies and procedures across the organisation.</p>	M	<p>35. The risk methodology will be incorporated into the enforcement policy.</p> <p>36. A procedure for assessing and prioritising cases will be developed.</p> <p>37. The policy will be approved by Council, while procedures will be approved by the MEG.</p> <p><b>Action 2:</b> Risk methodology development.</p> <p><b>Action 3:</b></p>	<p><b>Responsibility:</b> Action 34-35 Manager Development and Compliance</p> <p><b>Timeframe:</b> 34. May 2015 AC Meeting 35. May 2015 AC Meeting</p> <p><b>Status as at Feb 2017:</b> <b>Outstanding</b> Our review noted that:</p> <p><b>Action 34:</b> The risk methodology has not been incorporated into the enforcement policy.</p>	<p><b>Status as at April 2018:</b> <b>Outstanding</b> Our review noted: <b>Action 34-35:</b> A risk methodology and procedure for assessing and prioritising cases has not yet been developed. This will be addressed as part of process in addressing Key Finding No.29 above.</p> <p><b>Management Response:</b> Management Agrees. Risk methodology and procedure for assessing and prioritising cases will be developed as part of the response to Key Finding No.29 above</p>

[www.hlb.com.au](http://www.hlb.com.au)

CONTENTS

Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
			Procedure development.	<p><b>Action 35:</b> The procedure for assessing and prioritising cases has not been developed.</p> <p><b>Management Response:</b> Staff appointments to replace agency staff is being undertaken. Revised timeframe is to provide for adequate response and action.</p> <p><b>Responsible Officer:</b> Manager Development and Compliance</p> <p><b>Revised Timeframe:</b> 31 August 2017</p>	<p><b>Revised Timeframe:</b> 30 November 2018</p>
31. An annual audit program to ensure compliance with permit conditions has not been established.	<p>We recommend Council management:</p> <p>41. Establish an annual audit program to ensure compliance with permit conditions (in line with the Council's policy).</p> <p>Note: A risk methodology (consistent with Audit Finding No. 4) should be adopted in the development of such program; and</p> <p>42. Conduct the annual audit and provide updates to key stakeholders accordingly for proper oversight.</p>	M	<p>38. An annual audit program for all local laws related matters will be developed.</p> <p>39. Following adoption of the program, the annual audits will commence, and compliance will be reported to Council at least annually.</p> <p><b>Action 38:</b> Audit program developed.</p> <p><b>Action 39:</b> Annual audits commenced.</p>	<p><b>Responsibility:</b> Action 36-37 Planning &amp; Local Laws Compliance Officer and Local Laws &amp; Fire Prevention Officer</p> <p><b>Timeframe:</b> 36. February 2015 AC meeting 37. November 2014 AC meeting 38. November 2015 AC meeting (after a full year cycle for audit program)</p>	<p><b>Status as at April 2018:</b> <b>Outstanding</b> Our review noted: <b>MA 36-38:</b> An annual audit program has not yet been developed.</p> <p><b>Management Response:</b> Management Agrees. An annual audit program for all local laws related matters will be developed.</p> <p><b>Revised Timeframe:</b> 31 May 2019</p>

CONTENTS

Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
			<p><b>Action 40:</b> Report to Council on annual audits.</p>	<p><b>Status as at Feb 2017: Outstanding</b></p> <p>Our review noted that:</p> <p><b>Action 36:</b> An annual audit program for all local laws related matters had not been established.</p> <p><b>Action 37:</b> Annual audits have not commenced.</p> <p><b>Action 38:</b> Report to Council on annual audit was not done, as annual audits have not commenced.</p> <p>We understand that Council had not been able to fill the Local Law/Planning &amp; Compliance Officer position. For enforcement issues, a contractor was hired on ad-hoc basis. For planning, a planning contract consultant was used.</p> <p>Thus, it did not have the resources to establish and implement the annual audit program.</p> <p><b>Management Response:</b> Staff appointments to replace agency staff is being undertaken. Revised</p>	

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CONTENTS

Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
				timeframe is to provide for adequate response and action. <b>Responsible Officer:</b> Manager Development and Compliance <b>Revised Timeframe:</b> 31 August 2017	
32. The review and report of the implementation of the Domestic Animal Management Plan 2013-2016 was not conducted.	We recommend Council management: 43. Conduct a review and report exercise to assess the implementation of the Plan; 44. Undertake corrective actions to address any performance gap noted; and 45. Provide assessment outcomes to key stakeholders for proper oversight.	M	40. DEPI are holding a forum on the Domestic Animal Management Plan (DAMP) implementation on 27 October 2014 which staff will attend. 41. Any information on this and an update of actions from the DAMP will be reported to the Council Meeting in December 2014. 42. Corrective actions will be incorporated into Council's report. 43. Annual reports to Council will be incorporated into the Council Meeting cycle. <b>Action 41:</b> Council Report on DAMP. <b>Action 42:</b>	<b>Responsibility:</b> Action 39-40 Planning & Local Laws Compliance Officer <b>Timeframe:</b> 39. February 2015 AC meeting 40. Immediate action <b>Status as at Feb 2017:</b> <b>Outstanding</b> Our review noted that: <b>Action 39-40:</b> The review and report of the implementation of the Domestic Animal Management Plan had not been completed. We understand that the Council is currently conducting the review and undertaking actions for gaps identified. <b>Management Response:</b>	<b>Status as at April 2018:</b> <b>Outstanding</b> Our review noted: <b>MA 39-40:</b> The review and reporting of the Domestic Animal Management Plan had not yet been performed. <b>Management Response:</b> The Domestic Animal Management Plan was adopted in June 2018 and send to Department of Economic Development, Jobs, Transport and Resources. <b>Revised Timeframe:</b> Completed (post audit fieldwork date)

CONTENTS

Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
			Annual report in Council meeting cycle.	Staff appointments to replace agency staff is being undertaken. Revised timeframe is to provide for adequate response and action.  <b>Responsible Officer:</b> Manager Development and Compliance  <b>Revised Timeframe:</b> 30 September 2017	
Follow-Up Review (May 2017) – In relation to the Review of Contract Management (December 2014)					
33. The Council's contracts register does not summarise all contracts entered into by the organisation and contains information related to immature tendering or low value purchases.	We recommend Council management perform housekeeping on the contracts register by performing the following:  46. Centralise the assignment of a contract number before a folder is created under the "Contract Management" directory on the shared drive;  47. Request staff across the organisation to provide the following information to the responsible officer if they are currently managing an active contract entered into by Council:  a. Description of the contract and what	M	44. Council will explore the opportunity to purchase a formal proprietary contract management software package for the organisation to compliment the contract management framework which will be developed over the next year.  45. In the meantime,	<b>Responsibility:</b>  <b>Action 41</b> Director, Operations  <b>Action 42</b> Director, Corporate Services  <b>Timeframe:</b> 41. November 2015 AC Meeting 42. Immediate implementation	<b>Status as at April 2018:</b>  <b>Partially Completed</b> Our review noted that:  <b>Action 41-42:</b> A new Contract management software/system is currently being explored to assist with addressing the observation.  In the meantime, a workaround had been established with respect to ensuring the manual contract register included key contract related

CONTENTS

Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
	<p>it is for;</p> <p>b. Name of the contractor;</p> <p>c. Date the contract was entered into and the date the contract expires;</p> <p>d. The value of the contract;</p> <p>e. Who is responsible for managing the contract;</p> <p>f. Location of the actual original copy of the full contract; and</p> <p>48. Update the contracts register accordingly and regularly.</p>		<p>the process for allocating contract numbers will be reviewed, and staff will be instructed to require the information included in this recommendation to be placed in a soft file in the relevant contract's directory.</p> <p><b>Action 43:</b> Software package.</p> <p><b>Action 44:</b> Improved process.</p>	<p><b>Status as at Feb 2017: Outstanding</b></p> <p>Our review noted that:</p> <p><b>Action 41:</b></p> <p>The electronic contract management system (eCMS) has not been implemented.</p> <p>The Project Management Coordinator is currently examining 2 eCMS that are tailored to the local government contracting, and are modular in nature, so that components can be purchased as and when needed, to be cost effective.</p> <p><b>Action 42:</b></p> <p>In the meantime, the existing contract register is maintained in Excel Spreadsheet by Corporate Services.</p> <p>We understand that a centralised identity/naming convention will be implemented with the electronic contract management system (eCMS).</p> <p><b>Management Response:</b></p> <p>Various electronic contract management systems are</p>	<p>information.</p> <p><b>Management Response:</b></p> <p>Management Agrees.</p> <p>Council is in the process of procuring a new corporate system. After awarding the contract, Council will be in a position to know whether the new system provides for an electronic contract management system. If not, Council will commence scoping software to address the gap.</p> <p><b>Revised Timeframe:</b></p> <p>30 November 2019</p>

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CONTENTS

Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
				being reviewed and a new system to be implemented which will have a centralised naming convention. <b>Responsible Officer:</b> Director Corporate Services <b>Revised Timeframe:</b> 31 December 2017	
Follow-Up Review (May 2017) – In relation to the Review of Succession Planning and Workforce Development (October 2015)					
34. An evidence based workforce strategy is not in place to align the Council's workforce with those of its needs and priorities in the short, medium and long term.	We recommend Council management: 49. Assess the need to establish a workforce strategy; 50. Appoint a responsible officer and required management support; 51. Establish a workforce strategy, which should address the shortcomings highlighted under <i>Observation</i> . A guide to workforce planning and management is included in <i>Appendix B, C and D</i> for information purposes;  (Note: It may not be feasible to develop strategies and initiatives for all identified gaps. The top three to six gaps may be prioritised and, for each of these, develop at least one strategy or initiative. The impediments to these strategies and	H	46. A Workforce Strategy will be developed for Council, as recommended.  47. Development of the strategy will be undertaken as a project with milestone dates set to reflect the Workforce Planning and Management Model at Appendix C.  <b>Action 45:</b> Stage 1 Context and	<b>Responsibility:</b> Action 43-47 Manager Organisational Development  <b>Timeframe:</b> 43. February 2016 AC Meeting 44. May 2016 AC Meeting 45. May 2016 AC Meeting 46. August 2016 AC Meeting 47. August 2016 AC Meeting	<b>Status as at April 2018:</b> <b>Outstanding</b> Our review noted: <b>Action 43-47:</b> The Workforce Strategy has not yet been developed. Management advised that an appropriate toolkit is being developed by the Council for the Loddon Shire Council in conjunction with 5 other Councils to assist in the development of the Workforce Strategy document.  <b>Management Response:</b> Management Agrees. A draft Workforce Strategy is almost

CONTENTS

Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
	<p>initiatives should be identified, as well as any additional benefits. Each strategy should be aligned with Council's objectives and behaviours, and assessed on the overall likelihood of their success in addressing the gaps.)</p> <p>52. Obtain adequate approval before implementing and executing of such workforce strategy;</p> <p>53. Monitor the progress of action plans to determine what activities have been completed and those still to be implemented in terms of achieving desired organisational goals; and</p> <p>54. Evaluate and adjust the workforce strategy regularly to ensure information remains current and is reviewed in light of any developments that may affect staffing issues in the organisation.</p>		<p>environment.</p> <p><b>Action 46:</b> Stage 2 Current workforce profile.</p> <p><b>Action 47:</b> Stage 3 Future workforce profile.</p> <p><b>Action 48:</b> Stage 4 Gap analysis and closing strategies.</p> <p><b>Action 49:</b> Stage 5 Review and evaluation.</p>	<p><b>Status as at Feb 2017: Outstanding</b></p> <p>Our review noted that:</p> <p><b>Action 43- 47:</b></p> <p>There was no Workforce Strategy developed for Council as yet.</p> <p>We understand that the Council has expressed interest in working with the Local Government Professionals (LGPro) on this project, together with 4 other Councils. LGPro is seeking funding for a sector wide local government approach to workforce planning.</p> <p><b>Management Response:</b></p> <p>The Manager Organisational Development is on the working group with LGPro to develop a template Workforce Strategy document for local Government, LGPro has sought funding for this project, it is envisaged that the document should be ready for distribution for Council's to use by the end of 2017.</p> <p><b>Revised Timeframe:</b></p> <p>31 December 2017</p>	<p>complete.</p> <p><b>Revised Timeframe:</b></p> <p>30 November 2018</p>



CONTENTS

Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
<b>Follow-Up Review (April 2018) – In relation to the Review of Building Management Services (March 2016)</b>					
34. A comprehensive, centralised and accurate register of public buildings was not maintained.	<p>We recommend that council management should:</p> <p>55. Undertake a review of all 3 separate registers of public buildings to ensure all public buildings for which the Council has direct or indirect responsibility for have been identified and captured;</p> <p>56. Consolidate these 3 registers into one comprehensive, centralised and accurate register of public buildings and distribute accordingly across the Council to relevant departments; and</p> <p>57. Implement a system of periodic review and update of the public building register by a delegated staff member to ensure ongoing completeness.</p>	H	<p>48. Council has been developing a centralised database of buildings in the past two years, and it is now ready for use throughout the organisation.</p> <p>49. It will be the "single point of truth" for land and building assets until Council purchases an asset management system to better manage land and building assets.</p> <p>50. The database will be "rolled out" to the broader staff with land and building asset responsibilities.</p> <p><b>Action 50:</b> Roll out of database to staff with land and buildings responsibilities.</p>	<p><b>Responsibility:</b> Action 48 Manager Information</p> <p><b>Timeframe:</b> 48. August 2016 AC Meeting</p> <p><b>Status as at Feb 2017: Outstanding</b> Our review noted that:</p> <p><b>Action 48:</b> The Council had combined the registers into one centralised list but had not completed the review of the list of buildings to ensure that it is comprehensive and accurate.</p> <p><b>Management Response:</b> The land and buildings database was replaced by Assetic in late 2016. A part of implementing Assetic a condition report and audit of buildings was completed by the Assets Engineer.</p> <p>A review of the BAMP outlining the issues with the current BAMP and changes revisions required will be completed by 30/6/2017, with a revised BAMP provided by October 2017.</p>	<p><b>Status as at April 2018: Partially Completed</b> Our review noted:</p> <p><b>Action 48:</b> The Council has a centralised Building Asset Register that includes the Valuations, Condition reports, and Ratings. However, the BAMP review process is still work in progress.</p> <p><b>Management Response:</b> Management Agrees. The BAMP is being finalised. An update on progress of the BAMP was presented at the June Council Forum.</p> <p><b>Revised Timeframe:</b> 30 November 2018</p>

CONTENTS

Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
				<p><b>Responsible Officer:</b> Manager Technical Services</p> <p><b>Revised Timeframe:</b> 31 October 2017</p>	
35. There was an absence of routine building condition inspections undertaken.	<p>We recommend that council management should:</p> <p>58. Ensure that routine building condition inspections are completed as per the requirements of the Building Asset Management Plan;</p> <p>59. Develop an appropriate building condition inspection schedule which outlines all required routine building condition inspections for all buildings which the Council has direct or indirect responsibility; and</p> <p>60. Review the building condition inspection schedule on an ongoing basis to ensure inspections occur as per the outlined timeframes (no longer than a 2-year cycle).</p>	H	<p>51. Agreed. Development of scheduled building inspection program will be earmarked as a priority for the new Building Maintenance Officer on commencement of employment.</p> <p>52. Scheduling of these inspections will also be reflected in the new building asset management system and reviewed periodically in accordance with the building hierarchy and risk.</p> <p><b>Action 51:</b> Initial building condition and maintenance audit.</p> <p><b>Action 52:</b> Scheduling of periodic follow up inspections in the asset management system after purchase of the system.</p>	<p><b>Responsibility:</b> Action 49-50 Asset Engineer</p> <p><b>Timeframe:</b> 49. May 2017 AC Meeting 50. August 2017 AC Meeting</p> <p><b>Status as at Feb 2017: In Progress</b> Our review noted that:</p> <p><b>Action 49:</b> An initial inspection of the building condition was conducted from Sept to Nov 2016.</p> <p>The results are currently being consolidated and will be presented to the Audit Committee.</p> <p><b>Action 50:</b> There is currently no scheduling of periodic follow up inspections.</p> <p>In the new Building Asset Management Plan (2017-2021) that is currently under development, it will establish routine building</p>	<p><b>Status as at April 2018:</b> <b>Partially Completed</b></p> <p>Our review noted:</p> <p><b>Action 49-50:</b> The BAMP is currently being reviewed and worked upon. This process will encompass the scheduling of periodic follow up building inspections.</p> <p><b>Management Response:</b> Management Agrees.</p> <p>The BAMP is being finalised. An update on progress of the BAMP was presented at the June Council Forum.</p> <p><b>Revised Timeframe:</b> 30 November 2018</p>

CONTENTS

Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
				condition inspections and ensure review of building condition inspection schedule on an ongoing basis to ensure inspections occurs as per the outlined timeframes.  <b>Management Response:</b> A review of the BAMP outlining the issues with the current BAMP and changes revisions required will be completed by 30/6/2017, with a revised BAMP provided by October 2017. The building inspection regime shall be encompassed in this document.  <b>Responsible Officer:</b> Manager Technical Services  <b>Revised Timeframe:</b> 31 October 2017	
36. The Building Asset Management Plan review cycle did not allow for appropriate legislative updates to be incorporated in a timely manner.	We recommend that council management should:  61. Implement a bi-annual review process which focuses on updating any legislative and/or regulatory changes in the Building Asset Management Plan, in addition to the 4-year review cycle of the Building Asset Management Plan as a whole.	M	53. Do not agree with a wholesale review and amendment on a two-year cycle.  54. However, can agree to an interim two-yearly review of any legislative changes that can be recognised as an appendix to the plan.  55. Note: any significant changes to legislation which affects Council's	<b>Responsibility:</b> Action 51 Manager Technical Services  <b>Timeframe:</b> 51. February 2017 AC Meeting  <b>Status as at Feb 2017: Outstanding</b> Our review noted that:  <b>Action 51:</b>	<b>Status as at April 2018: Partially Completed</b> Our review noted:  <b>Action 51:</b> The BAMP is currently being revised to address the observation.  <b>Management Response:</b> Management Agrees.  The BAMP is being finalised.  An update on progress of the BAMP was presented at the June Council

CONTENTS

Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
		M	<p>building policies or plans would be reported separately to Council.</p> <p>56. Council is in the process of updating the Building Asset Management Plan and will make allowance for this.</p> <p><b>Action 19:</b> Building Asset Management Plan update.</p>	<p>The Building Asset Management Plan had not been updated. We understand that in the updated Building Asset Management Plan, it will make allowance for an interim 2-yearly review of legislative changes. Significant changes to legislation which affects Council's building policies or plans would be reported separately to Council and updated by the effective date of the legislation.</p> <p><b>Management Response:</b> Council currently revises its asset management plans in 4-year cycle. However, a review can be conducted in 2-year cycle which will be encompassed in the new asset management policy.</p> <p><b>Responsible Officer:</b> Manager Technical Services</p> <p><b>Revised Timeframe:</b> 30 September 2017</p>	<p>Forum.</p> <p><b>Revised Timeframe:</b> 30 November 2018</p>
<p>37. Inadequate investment to meet identified future liability and a lack of follow up actions relating to previous gap analysis undertaken.</p>	<p>We recommend that council management should:</p> <p>62. Perform a comprehensive assessment as part of its budget preparations to formulate an accurate required investment figure based on:</p> <ul style="list-style-type: none"> <li>■ New and existing buildings to be maintained, upgraded, refurbished or</li> </ul>	M	<p>57. Agreed. Council is investing an annual \$400k which is in line with the current BAMP.</p> <p>58. It is recognised that more accurate investment modelling is required</p>	<p><b>Responsibility:</b> Action 52-53 Manager Technical Services</p> <p><b>Timeframe:</b> 52. February 2017 AC Meeting</p>	<p><b>Status as at April 2018:</b> <b>Partially Completed</b></p> <p>Our review noted:</p> <p><b>Action 52-53:</b> Financial models are being analysed to identify the investment needs to address the renewal gap in the</p>

CONTENTS

Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
	<p>have components replaced; and</p> <ul style="list-style-type: none"> <li>■ Existing assets identified for inclusion in special maintenance or capital works programs or scheduled for disposal.</li> </ul> <p>63. Develop a priority listing of works that can be undertaken with available funds, and plans to manage any buildings in need of works that cannot be undertaken due to insufficient funds; and</p> <p>64. Perform an annual review to identify if previous investment has been adequate and to update work priorities.</p>		<p>based upon pending condition audits to determine if this investment is adequate.</p> <p>59. Following completion of detailed building audit a rolling program of capital renewal and upgrade will also be established. This will form the basis of prioritising any future investment and the required allocations in the budget.</p> <p><b>Action 20:</b> Preparation of detailed gap analysis.</p> <p><b>Action 21:</b> Development of annual rolling program for buildings.</p>	<p>53. February 2017 AC Meeting</p> <p><b>Status as at Feb 2017: Outstanding</b></p> <p>Our review noted that:</p> <p><b>Action 52:</b> The Council had not completed the detailed gap analysis.</p> <p>We understand that the Council had met with the consultants and noted that the expenditure required is 2 to 3 times higher than the annual \$400K investment. The Council is reviewing and coming up with a new investment model.</p> <p><b>Action 53:</b> The annual rolling program of capital renewal and upgrade had not been established.</p> <p>The priorities of work and budget allocation will be included in the annual rolling program for buildings.</p> <p><b>Management Response:</b> Council recently undertook condition inspections of all building and is working towards financial modelling based on this audit. This shall form a part of the Building</p>	<p>building asset class. BAMP will also incorporate the Asset disposal policy to address the rising renewal demand.</p> <p>Council developed a rolling program for building assets to form part of the annual infrastructure program in 2017/18. It will be maintained until the new BAMP is adopted with the financial projection.</p> <p><b>Management Response:</b> Management Agrees. BAMP is being finalised.</p> <p>An update on progress of the BAMP was presented at the June Council Forum.</p> <p><b>Revised Timeframe:</b> 30 November 2018</p>

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CONTENTS

Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
				Asset Management Plan. <u>Responsible Officer:</u> Manager Technical Services <u>Revised Timeframe:</u> 30 September 2017	

CONTENTS

# TABLE B – COMPLETED / NOT APPLICABLE ACTION ITEMS

Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
<b>Review of Purchases and Issues from Council depot stores (including purchases made on credit cards) (August 2016)</b>					
1. Inadequate segregation of duties in the current procurement processes.	<p>We recommend that the Council management should:</p> <ol style="list-style-type: none"> <li>1. Review the current procurement processes and establish proper segregation of duties to prevent conflicting roles being carried out by the same individual (i.e. strengthening current manual processes or introduction of electronic systems to address shortfalls);</li> <li>2. Formally document established processes in relevant procurement policies and procedures; and</li> <li>3. Communicate and make available the above policies and procedures to all staff.</li> </ol>	H	<p>Agreed.</p> <ol style="list-style-type: none"> <li>1. Investigate Electronic Purchasing System to address shortfalls.</li> <li>2. Review relevant procurement policies to ensure relevance.</li> <li>3. All policies and procedures are to be made readily available to operations staff via electronic and paper means.</li> </ol>	<p><b>Responsibility:</b></p> <p><b>MA 1</b> Director, Corporate Services</p> <p><b>MA 2</b> Director, Corporate Services</p> <p><b>MA 3</b> Manager, Financial Services</p> <p><b>Timeframe:</b></p> <ol style="list-style-type: none"> <li>1. November 2016 AC Meeting</li> <li>2. November 2016 AC Meeting</li> <li>3. November 2016 AC Meeting</li> </ol>	<p><b>Status as at April 2018:</b></p> <p><b>Completed</b></p> <p>Our review noted:</p> <p><b>MA 1:</b></p> <p>That the current Finance System (Attache) was modified to enable purchase orders to be raised and approved electronically in April 2018. However the functionality has not been deployed yet.</p> <p><b>MA 2-3</b></p> <p>Relevant policies and procurement procedure has been updated which was communicated and made available to staff on the Council's Intranet.</p>

CONTENTS

Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
2. Instances where blanket POs were being raised and approved to initiate purchasing transactions, and the purchases did not fall within exemption categories where this was permitted	We recommend Council management: 4. Should reinforce the requirements to staff to ensure that blanket purchase orders are not to be raised and approved unless they fall within the exemption categories as per the Procurement Procedure.	M	Agreed. Requirement to complete purchase orders at time of ordering goods and services, unless where approved exemptions exist, shall be reinforced with staff through team meetings. 4. Reinforce requirements around blanket purchase orders.	<b>Responsibility:</b> MA 4 Manager Finance <b>Timeframe:</b> 4. November 2016 AC Meeting	<b>Status as at April 2018:</b> <b>Completed</b> Our review noted: <b>MA 4:</b> That Procurement procedure was updated and explicitly mentions that a Purchase order must be prepared unless the supply is for one of the following (exemption categories) – utilities, subscriptions, leases, and standard monthly charges. The updated document was communicated to staff via email and made available to them via the Intranet. Further, key internal requirements were also reinforced to staff via periodic team meetings.
3. Instances where purchase orders were raised after the tax invoice had been received from the supplier.	We recommend Council management: 5. Reinforce the best practice for purchase order processing, train all the relevant staff in these practices; and 6. Ensure that purchase orders are raised and approved by the appropriate financial delegate for all purchases prior to receipt of services/goods	M	Agreed. 5. Reinforce correct procedure for order processing through training. 6. Requirement to complete PO at time of ordering goods wherever possible will be reinforced with staff.	<b>Responsibility:</b> MA 5-6 Manager Finance <b>Timeframe:</b> 5. November 2016 AC Meeting 6. November 2016 AC Meeting	<b>Status as at April 2018:</b> <b>Completed</b> Our review noted that: <b>MA 5-6:</b> Key purchasing and procurement requirements were reinforced to staff verbally and via email. Further, staff are offered training where required for further clarification.



CONTENTS

Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
4. No register for tracking of movements of small equipment (e.g. hand tools, shovels, gears and equipment) at depot, including small equipment used by staff for personal use at home.	We recommend Council management: 7. Introduce a system (i.e. logbook or periodic stock take) for the recording and tracking of small equipment items movements, including small equipment used for personal use at home; and 8. The developed process/system should incorporate a checking mechanism to ensure that assets have been returned or are appropriately accounted for	M	Agreed. 7. Develop Asset Replacement Schedule to assist with identification of missing plant and equipment. 8. Implementation of recurrent, programmed inventory check of registered minor plant and equipment.	<b>Responsibility:</b> MA 7-8 Manager Operations <b>Timeframe:</b> 7. May 2017 AC meeting 8. August 2017 AC meeting	<b>Status as at April 2018:</b> <b>Completed</b> Our review noted that: <b>MA 7-8:</b> A separate register has been established for monitoring and tracking small/minor equipment. The items captured on the register are reviewed annually as part of the procurement plan. Further, the private use of the Council's equipment is no longer permitted.
5. Minimum stock levels had not been established to facilitate the on-going replenishment of materials.	We recommend Council management: 9. Formally analyse past stock data to identify the types of stock items with high turnover and that require management through minimum stock levels; and 10. Establish minimum stock levels for those stock items. The minimum stock levels should be reviewed on a regular basis to ensure they remain relevant	M	Agreed. 9. Analyse past stock data to identify high turnover stock. 10. Develop minimum stock level triggers.	<b>Responsibility:</b> MA 9-10 Manager Operations <b>Timeframe:</b> 9. November 2016 AC meeting 10. November 2016 AC meeting	<b>Status as at April 2018:</b> <b>Completed</b> Our review noted that: <b>MA 9-10:</b> The minimum stock levels were identified and established as triggers in February 2017 after analysing the historical inventory data.
6. Credit card processes were not guided by formally documented procedures.	We recommend Council management: 11. Formally document credit card processes to address the shortcomings highlighted under the "Observation" column; and 12. Communicate the procedures to staff and ensure they are made available for staff to access	M	Agreed. 11. Finance department to develop documented procedure for utilisation, reporting and approval of credit cards. 12. Procedures and policy to be disseminated to all relevant staff.	<b>Responsibility:</b> MA 11-12 Manager Finance <b>Timeframe:</b> 11. December 2016 12. November 2016 AC meeting	<b>Status as at April 2018:</b> <b>Completed</b> Our review noted that: <b>MA 11-12:</b> A new Credit Card policy and accompanying procedures have been developed by the Council and the documents were communicated and made available to staff in November

CONTENTS

Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
					2016 via email with the documents also being made available on the intranet.
<b>Review of Accounts Payable/Purchasing (including data interrogation) (October 2016)</b>					
7. Inadequate segregation of duties in the current procurement processes	<p>We recommend that the Council management should:</p> <p>13. Review the current procurement processes and establish proper segregation of duties to prevent conflicting roles being carried out by the same individual (i.e. strengthening current manual processes or introduction of electronic systems to address shortfalls);</p> <p>14. Formally document established processes in relevant procurement policies and procedures; and</p> <p>15. Communicate and make available the above policies and procedures to all staff.</p>	H	<p>Agreed.</p> <p>13. Investigate Electronic Purchasing System to address shortfalls.</p> <p>14. Review relevant procurement policies to ensure relevance.</p> <p>15. All policies and procedures are to be made readily available to operations staff via electronic and paper means.</p>	<p><b>Responsibility:</b></p> <p>MA 13 Director, Corporate Services</p> <p>MA 14 Director, Corporate Services</p> <p>MA 15 Manager, Financial Services</p> <p><b>Timeframe:</b></p> <p>13. November 2016 AC Meeting</p> <p>14. November 2016 AC Meeting</p> <p>15. November 2016 AC Meeting</p>	<p><b>Status as at April 2018:</b></p> <p><b>Completed</b></p> <p>Our review noted:</p> <p><b>MA 13:</b></p> <p>That the current Finance System (Attache) was modified to enable purchase orders to be raised and approved electronically in April 2018.</p> <p><b>MA 14-15</b></p> <p>Relevant policies and procurement procedure has been updated which was communicated and made available to staff on the Council's Intranet.</p>
8. Instances where purchase orders were not raised in line with Council's Purchase Order filling and matching Procedures	<p>We recommend that the Council management should:</p> <p>16. Reinforce required practice for purchase orders as per Council's Procurement policies and procedures, and train all relevant staff in these practices; and</p> <p>17. Ensure that purchase orders are raised and approved by the appropriate financial delegate for all purchases prior to receipt of services/goods.</p>	M	<p>Agreed.</p> <p>16. Reinforce correct procedure for order processing through training.</p> <p>17. Reinforce correct procedure for approving orders prior to delivery/receipt of goods</p>	<p><b>Responsibility:</b></p> <p>MA 16-17 Manager, Financial Services</p> <p><b>Timeframe:</b></p> <p>16. November 2016 AC Meeting</p> <p>17. November 2016 AC Meeting</p>	<p><b>Status as at April 2018:</b></p> <p><b>Completed</b></p> <p>Our review noted:</p> <p><b>MA 16:</b></p> <p>Key purchasing and procurement requirements were reinforced to staff verbally and via email. Further, staff are offered training where required for further clarification.</p>

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CONTENTS

Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
					<b>MA 17:</b> An email was also sent to the staff reinforcing the correct procedures for approving orders prior to delivery/receipt of goods.
9. Instances where the compliant supplier check was not performed before placing purchase orders	<p>We recommend that the Council management should:</p> <p>18. Reinforce the protocol of checking the Compliant Supplier Database before a purchase order is approved by relevant delegate; and</p> <p>19. Ensure that audit trails relating to the Compliant Supplier Database are created and maintained. Examples of processes could include: printing of the "Audit Form Suppliers" and attaching with purchase order; or note the Public Liability ID/Professional Indemnity ID /WorkCover ID/License ID and its expiry date on the Purchase Order and date of checking performed as evidence.</p>	M	<p>Agreed.</p> <p>18. Review the relevant procedures relating to purchasing and compliant supplier confirmation and that all staff that have a purchasing delegation have access to the database.</p> <p>19. Investigate a new finance system that would automate a supplier to be inactive when they become non-compliant and therefore would only enable staff to use compliant suppliers.</p>	<p><b>Responsibility:</b></p> <p>MA 18 Manager, Financial Services</p> <p>MA 19 Director, Corporate Services</p> <p><b>Timeframe:</b></p> <p>18. December 2016 19. December 2017</p>	<p><b>Status as at April 2018:</b></p> <p><b>Completed</b></p> <p>Our review noted that:</p> <p><b>MA 18:</b></p> <p>The Procurement procedure was reviewed and all staff with purchasing delegation authorities were advised of this procedure which was also placed on the Council intranet.</p> <p><b>MA 19:</b></p> <p>The finance system module (Attache) has been updated to pick up inactive suppliers. Further, management also instructed staff about compliant suppliers and how to identify and distinguish between compliant and non-compliant suppliers. This was also included in the Procurement procedure which has been made available to all staff.</p>

CONTENTS

Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
<p>10. Instances where credit card statements were not reviewed and approved in a timely manner.</p> <p>Further, credit card processes were not guided by formally documented procedures</p>	<p>We recommend that the Council management should:</p> <p>20. Re-inforce to relevant staff the need to review and approve credit card statements in a timely manner;</p> <p>21. Formally document credit card processes to address the shortcomings highlighted under the "Observation" column; and</p> <p>22. Communicate the newly formalised procedures to staff, and ensure they are made easily accessible</p>	M	<p>Agreed.</p> <p>20. Reinforce with relevant staff the need to review and approve credit card statements in a timely manner.</p> <p>21. Develop documented procedure for utilisation, reporting and approval of credit cards.</p> <p>22. Procedures and policy to be disseminated to all relevant staff.</p>	<p><b>Responsibility:</b> MA 20-22 Manager, Financial Services</p> <p><b>Timeframe:</b> 20. December 2016 21. December 2016 22. November 2016 AC meeting</p>	<p><b>Status as at April 2018:</b></p> <p><b>Completed</b></p> <p>Our review noted:</p> <p><b>MA 20-22:</b></p> <p>That staff have been reminded of the requirement to ensure that credit card statements are reviewed and approved in a timely manner.</p> <p>A new Credit Card policy and accompanying procedures have been developed by the Council and were communicated and made available to staff on the intranet.</p>

CONTENTS

Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
11. Maintenance of the vendor masterfile can be improved.	<p>We recommend Council management:</p> <p>23. Implement adequate processes and undertake a review of the current vendor masterfile to address the audit findings and ensure that details captured in the vendor masterfile are valid, complete and up-to-date;</p> <p>24. Ensure that the specific verification requirements (e.g. ABN /ACN check) and mandatory fields for creating new vendors are documented in related finance procedures as a means of reducing potential duplicated entries and capturing required vendor details; and</p> <p>25. Implement a process for ongoing periodic review/data cleansing of the vendor masterfile and ensure this process be formally documented</p>	M	<p>Agreed.</p> <p><b>Action 23:</b> Review of masterfile suppliers and archive any old and inactive listings that have no transactions attached.</p> <p><b>Action 24:</b> Review relevant procedures and communicate to relevant staff.</p> <p><b>Action 25:</b> Review of masterfile suppliers and delete any old and inactive listings that have no transactions attached and ensure that task is added as a yearly action to Advent Manager to occur when each new financial year is created.</p>	<p><b>Responsibility:</b> Action 23-25 Manager, Financial Services</p> <p><b>Timeframe:</b> 23. December 2016 24. December 2016 25. June 2017</p>	<p><b>Status as at April 2018:</b> <b>Completed</b></p> <p>Our review noted: <b>Action 23-25:</b> That an external consultant (Brighter Business) had been engaged and performed a cleansing exercise of the vendor masterfile to archive old and inactive suppliers.</p> <p>The relevant procedures had been updated, communicated to staff and uploaded onto the Intranet.</p> <p>The requirement to perform an annual review of the vendor masterful had been added to Advent Manager to ensure such a process occurs periodically.</p>
<b>Review of the Management of Privacy Responsibilities (February 2017)</b>					
12. A Complaints Handling Policy and accompanying procedures did not exist within the Council. Our enquiries with management noted that there had not been any complaints lodged against the Council or its staff relating to privacy and personal information.	<p>We recommend that the Council management should:</p> <p>26. Develop a formal Complaints Handling Policy and accompanying procedures. The documents should incorporate (but not limited to) the following:</p> <ul style="list-style-type: none"> <li>■ Objectives;</li> <li>■ Scope;</li> <li>■ Guidelines on what constitutes a complaint;</li> <li>■ Responsible Officers;</li> <li>■ Procedures over how complaints can be made (i.e. online forms,</li> </ul>	M	<p>Agreed.</p> <p>26. Develop Complaints Handling Framework, including policy and procedure.</p> <p>27. Obtain approvals for Framework including policy and procedures.</p> <p>28. Communicate Framework including policy and procedure</p>	<p><b>Responsibility:</b> Manager Financial Services</p> <p><b>Timeframe:</b> 26. August 2017 27. August 2017 28. August 2017</p>	<p><b>Status as at April 2018:</b> <b>Completed</b></p> <p>Our review noted that: <b>MA 26-28:</b> A new Complaints Handling Framework was developed and approved by the Council in November 2017. The documents were made available on the intranet and communicated to staff.</p>

CONTENTS

Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
	telephone, in person etc.); <ul style="list-style-type: none"> <li>■ Information required to be provided by person lodging the complaint;</li> <li>■ Procedures for recording of information with respect to complaints (i.e. maintenance of complaints register);</li> <li>■ The lead time for addressing complaints;</li> <li>■ Complaints assessments procedures;</li> <li>■ Procedures and/or flowchart surrounding when complaints should be escalated to different stakeholders (e.g. managers, Protected Disclosure Coordinator &amp; CEO etc.);</li> <li>■ Reporting to senior management, other departments and/or Audit Committee on a periodic basis;</li> </ul> 25. Obtain the appropriate approvals for the Complaints Handling Policy and accompanying procedures; and 26. Communicate and make available the above documents to staff.	M			
13. Ensure complaint handling procedures have been developed and communicated to all staff.	See Key Finding No. 12 above.	M	See Key Finding No. 12 above.	See Key Finding No. 12 above.	See Key Finding No. 12 above.

CONTENTS

Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
<p>14. New employees were not formally inducted to address the need to maintain and protect personal information and the relevant privacy requirements. Further, refresher privacy related training for existing staff had not been conducted in the last 3 years.</p>	<p>We recommend that the Council management should:</p> <p>27. Incorporate privacy related training within the induction process for new employees. The training should include (but not be limited to):</p> <ul style="list-style-type: none"> <li>■ Overview of PDPA requirements and IPP obligations;</li> <li>■ Overview of Council's Privacy Policy and accompanying procedures; and</li> <li>■ Individual's responsibilities relating to collection, processing, storage, security, use, disclosure and disposal of personal information.</li> </ul> <p>28. Provide refresher training and awareness programs on a consistent and periodic basis to staff on privacy related matters through various means, which may include (but not limited to) posters, regular email updates, updates through newsletters, structured workshops, completion of the free online privacy training module provided by the Office of the Commissioner surrounding the PDPA etc. The training should also highlight new changes to the relevant Acts/legislations (if any).</p>	<p>M</p>	<p>Agreed.</p> <p>29. Amend induction process to ensure privacy training is included.</p> <p>30. Include privacy refresher training in the corporate learning calendar to enable staff to complete a refresher every three years.</p> <p>31. Add reminder to Advent Manager regarding annual communications to staff on privacy related matters</p>	<p><b>Responsibility:</b></p> <p>MA 29-30 Manager Organisation Development</p> <p>MA 31 Director Corporate Services</p> <p><b>Timeframe:</b></p> <p>27. May 2017 28. May 2017 29. May 2017</p>	<p><b>Status as at April 2018:</b></p> <p><b>Completed</b></p> <p>Our review noted that:</p> <p><b>MA 29-30:</b></p> <p>The Council has purchased an Elearning module which incorporates organisation-wide induction and also covers off on privacy training. In November 2017, the online induction was officially rolled out.</p> <p>Privacy refresher training has also been incorporated in the learning calendar and reminder was set in Advent Manager regarding communications to staff members.</p>

CONTENTS

Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
15. Absence of organisation-wide formal training and awareness programs delivered to staff with respect to privacy related matters in the past 3 years.	See Key Finding No. 14 above.	M	See Key Finding No. 14 above.	See Key Finding No. 14 above.	See Key Finding No. 14 above.
16. Does the Privacy Contact Officer develop the agency's awareness of the need for privacy of personal information and how is this co-ordinated with the induction and ongoing training?	See Key Finding No. 14 above.	M	See Key Finding No. 14 above.	See Key Finding No. 14 above.	See Key Finding No. 14 above.
17. Ensure training is provided for new staff to ensure they understand their duties and responsibilities in terms of the PDPA (e.g. on the job training, seminars, self-study)	See Key Finding No. 14 above.	M	See Key Finding No. 14 above.	See Key Finding No. 14 above.	See Key Finding No. 14 above.
18. Ensure existing staff are provided with regular training to ensure they remain up to date with Privacy issues, particularly for legislative changes and guidelines issued by the Privacy Commissioner	See Key Finding No. 14 above.	M	See Key Finding No. 14 above.	See Key Finding No. 14 above.	See Key Finding No. 14 above.

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Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
19. The requirement to sign-off against a confidentiality agreement was not extended across all existing Council departments and new staff, to raise staff's awareness and re-enforce expectations.	<p>We recommend that the Council management should:</p> <p>29. Develop procedures to ensure that all existing Council staff and new Council staff are required to sign-off against a confidentiality agreement. The confidentiality agreement should include (but not be limited to) the following:</p> <ul style="list-style-type: none"> <li>■ Relevant Act/legislation that Council staff needs to comply with;</li> <li>■ Staff to maintain the privacy, confidentiality and security of personal information they come into contact or have access to and shall not divulge any such confidential information to any person or entity not expressly authorised by the Council; and</li> <li>■ Failure to comply may result in disciplinary action or prosecution by the law.</li> </ul>	M	<p>Partially Agree.</p> <p>32. Revise existing procedure regarding annual review of Position Description which includes a privacy clause to ensure privacy clause is up to date and procedures for signing is on an annual basis.</p> <p>33. Develop a confidentiality agreement for new Council staff to sign and ensure it is included in new starter packs as a requirement to be signed</p>	<p><b>Responsibility:</b> MA 32-33 Manager Organisation Development</p> <p><b>Timeframe:</b> 32 May 2017 33 May 2017</p>	<p><b>Status as at April 2018:</b> <b>Completed</b></p> <p>Our review noted that:</p> <p><b>MA 32-33:</b> All Position Descriptions ("PD") have a Privacy statement. The PD's are agreed and reviewed every year during the performance review process and the employee signs to indicate they agree.</p> <p>Further, a confidentiality agreement is a standard inclusion in new starter induction. A checklist is placed in each staff file to check that the confidentiality agreement is signed prior to the finalisation of paperwork for new starters.</p>
<b>Review of Salary Oncost Rate, Project Costing, and Budgeting Process (March 2017)</b>					
20. The salary oncost rate calculation was not updated.	<p>We recommend that Council's management should:</p> <p>30. Review the salary oncost rate calculations to ensure that they are updated and justifiable; and</p> <p>31. Institute a process to review the salary oncost calculations once every 2 to 3 years, or when there is a significant change in the components, to ensure that the percentage applied is up-to-date and justifiable.</p>	H	<p>Agreed.</p> <p>34. Undertake a salary oncost rate calculation review based on the 2017/18 Adopted Budget salaries and oncost charges.</p> <p>35. Formulate a calculation spread sheet to be used as part of the yearly budget process to ensure that the oncost rate is correct for the next financial year and each year has a</p>	<p><b>Responsibility:</b> MA 34-35 Manager, Financial Services</p> <p><b>Timeframe:</b> 34. 31 August 2017 35. 30 September 2017</p>	<p><b>Status as at April 2018:</b> <b>Completed</b></p> <p>Our review noted that:</p> <p><b>MA 34:</b> The council has undertaken an Oncost rate calculation based on the 2017/18 budget. The percentage remains close to 54% since the splits have altered significantly.</p>

CONTENTS

Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
			consistent approach.		<b>MA 35:</b> The calculation spreadsheet was formulated to be used as part of the yearly budget. The Manager (Financial Services) will review this procedure for any necessary amendments no later than 1 year after adoption of this current version.
21. The budget development and management process was centralised at Finance; and  The individual departments within the Council did not have visibility of their financial performances	We recommend that Council's management should:  32. Review the budget development and management process to ensure that individual departments take ownership of their own budget where possible; and  33. Reassign relevant costs/revenues by department whenever possible so that individual departments can have full visibility of their costs as compared to revenues and determine exactly if there is a surplus/deficit on projects/services and the department's overall financial performance.	H	Agreed.  36. Engage an external consultant to undertake and develop an action plan on the current financial reporting practice. This to include the current cost centre structures, system accessibility, performance expectations, department knowledge and capacity along with professional development and/or training requirements.  37. Develop an implementation plan around the results gathered from the actions in recommendation four.	<b>Responsibility:</b> MA 36-37 Manager, Financial Services  <b>Timeframe:</b> 36. 31 December 2017 37. 28 February 2018	<b>Status as at April 2018:</b>  <b>Completed</b>  Our review noted that:  <b>MA 36-37:</b>  The council had engaged an external consultant to perform a review on the current financial reporting practice. An implementation plan was developed as a result.

CONTENTS

Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
<b>Follow-Up Review (April 2018) – In relation to the Review of Contract Management (June 2014)</b>					
22. Procedure documents, which detail the tendering and contract management processes on how to achieve Council’s Procurement Policy requirements, have not been established.	<p>We recommend Council management:</p> <p>34. Establish procedure documents, which detail the tendering and contract management required to comply with Council’s Procurement Policy requirements;</p> <p>35. Develop checklists, forms and templates to guide the implementation of procedures;</p> <p>36. Obtain adequate approvals and endorsements from relevant stakeholders before implementation; and</p> <p>37. Review procedures on a regular basis (i.e. annually or biennially) to ensure they remain relevant, meet the needs of users, and address any emerging issues that arise.</p>	H	<p>Agreed.</p> <p>38. A Contract Management Framework will be developed and implemented for all Council areas that manage contracts. The framework will take into account the nature and size of different projects to determine the complexity of the required documentation and reporting requirements.</p> <p>39. The framework will incorporate formal policies, procedures and relevant checklists to govern the management of contracts.</p> <p>40. Publication, relevant training and review of the framework will follow Council’s Strategic Document, Policy and Procedure Framework.</p>	<p><b>Responsibility:</b> MA 38-40 Director, Operations</p> <p><b>Timeframe:</b> February 2016 AC Meeting</p> <p><b>Status as at Feb 2017: Outstanding</b> Our review noted that: The Contract Management Manual has not been implemented.</p> <p>We understand from the Project Management Coordinator that the development of new checklists, forms and workflows has commenced and existing templates are being reviewed, as project contract management process gaps are identified.</p> <p><b>Management Response:</b> A brief has been prepared to obtain external assistance which is required to progress the establishment of a Project Management Framework which will incorporate a</p>	<p><b>Status as at April 2018: Completed</b> Our review noted: <b>MA 38-40:</b> The Council developed a Project Management Framework in April 2018 that includes policies and procedures, and incorporates contract management. The Framework and key documents were subsequently communicated and made available to staff.</p>

CONTENTS

Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
				register, Contract Management Framework, Procurement Policy and procedures. <b>Responsible Officer:</b> Director Operations <b>Revised Timeframe:</b> 30 June 2017	
23. Key activities (including managing conflict of interest during tender assessment stage, contract mobilisation, KPIs and performance management, contract closure review, and regular reporting of contract information) that reflect good contract management practices under the <i>MAV Procurement – Contract Management Guidelines</i> are not currently performed by Council.	We recommend Council management: 38. Consider introducing activities as highlighted under Observation in its procedure documents, which detail the tendering and contract management processes that are yet to be established.	M	Agreed. 41. The proposed Contract Management Framework (ref. Action 1) to be developed by Council will address the items listed in this recommendation.	<b>Responsibility:</b> Director, Operations <b>Timeframe:</b> 41. February 2016 AC Meeting  <b>Status as at Feb 2017: Outstanding</b> Our review noted that: The Contract Management Manual has not been implemented. We understand from the Project Management Coordinator that the key activities that reflect good contract management practices under the <i>MAV Procurement – Contract Management Guidelines</i> , and the <i>Victorian Local Government Best Practice Procurement Guidelines</i>	<b>Status as at April 2018: Completed</b> <b>MA41:</b> See status of action against No.21 above.

CONTENTS

Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
				<p>will be incorporated into the new Contract Management Manual</p> <p>Meanwhile, the hardcopy Conflict of Interest Declaration &amp; Confidentiality Agreement is completed during tender assessment stage.</p> <p><b>Management Response:</b></p> <p>A brief has been prepared to obtain external assistance which is required to progress the establishment of a Project Management Framework which will incorporate a register, Contract Management Framework, Procurement Policy and procedures.</p> <p><b>Responsible Officer:</b></p> <p>Director Operations</p> <p><b>Revised Timeframe:</b></p> <p>30 June 2017</p>	
<p>24. In 2 of the 13 (or 15%) samples tested, tender opening procedures by 2 officers were not performed.</p>	<p>We recommend Council management:</p> <p>39. Reinforce the requirement that the tender opening process is performed by an opening panel of at least 2 persons; and</p> <p>40. Ensure this requirement is reflected in revised procedures to be developed.</p>	M	<p>Agreed.</p> <p>42. The proposed Contract Management Framework (ref. Action 1) to be developed by Council will address minimum requirements for opening tenders.</p> <p>43. In the meantime, staff will be instructed on the minimum</p>	<p><b>Responsibility:</b></p> <p>Director, Operations</p> <p><b>Timeframe:</b></p> <p>42. February 2016 AC Meeting</p> <p>43. Immediate action</p> <p><b>Status as at Feb 2017:</b></p>	<p><b>Status as at April 2018:</b></p> <p><b>Completed</b></p> <p>Our review noted:</p> <p><b>Action 42-43:</b></p> <p>The Council has developed a Project Management Framework that includes contact management and tendering procedures identified</p>

CONTENTS

Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
			<p>requirements for opening tenders.</p> <p><b>Action 38:</b> Framework to be developed.</p> <p><b>Action 39:</b> Verbal advice.</p>	<p><b>Outstanding</b></p> <p>Our review noted that:</p> <p><b>Action 42:</b></p> <p>The Contract Management Manual has not been implemented.</p> <p>We understand from the Project Management Coordinator that the procedure for opening and registration of tenders will be captured in the Contract Management Manual, and will vary depending on if an eCMS (including e-procurement portal) is implemented, and/or a physical tender box remains.</p> <p>However, we do acknowledge that the following actions had been implemented.</p> <p><b>Action 43:</b></p> <p>In the interim, the Project Management Coordinator is available to oversee all tender opening events to ensure officers are guided through the correct process and probity standards are maintained.</p> <p><b>Management Response:</b></p> <p>There is no need to wait for the Manual to be implemented to reinforce</p>	<p>in the observation.</p> <p>The Project Management Coordinator oversees the tender opening procedure to ensure that a minimum of two staff members are present during tender opening processes.</p>

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CONTENTS

Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
				the tender opening process requirements.  Project Management Co-ordinator will develop a tender submission procedure and a tender opening process in accordance with Audit Committee recommendations including minimum requirement of two staff including the Project Manager and an independent Officer.  <u><b>Responsible Officer:</b></u> Director Operations  <u><b>Revised Timeframe:</b></u> 30 June 2017	
25. Noted a range of 1 to 4 panel members were appointed for the assessment of tender responses.	We recommend Council management:  41. Develop guidelines which specifically address the required membership of assessment panels (e.g. number of members, and competencies); and  42. Ensure these requirements are appropriately communicated and enforced.	M	Agreed.  44. The proposed Contract Management Framework (ref. Action 1/1) to be developed by Council will address minimum requirements for evaluation panels.  45. In the meantime, staff will be instructed on the minimum	<u><b>Responsibility:</b></u> Director, Operations  <u><b>Timeframe:</b></u> 44. February 2016 AC Meeting  45. Immediate action	<u><b>Status as at April 2018:</b></u>  <b>Completed</b>  Our review noted:  <u><b>Action 44-45:</b></u>  The Council has developed a Project Management Framework that includes contract management and guidelines pertaining to the

CONTENTS

Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
			<p>requirements for evaluation panels.</p> <p><b>Action 40:</b> Framework to be developed.</p> <p><b>Action 41:</b> Verbal advice to be given to staff</p>	<p><b>Status as at Feb 2017: Outstanding</b></p> <p><b>Action 44: Partially Completed</b></p> <p>Our review noted that:</p> <p><b>Action 45:</b></p> <p>The Contract Management Manual has not been implemented.</p> <p>We understand from the Project Management Coordinator that the structure of the Contract Management Manual will include a tender evaluation section, incorporating the appointment of evaluation panels, the responsibilities of panel members, and all associated compliance controls.</p> <p>However, we acknowledged the following actions had been implemented:</p> <p>In the interim, the Project Management Coordinator is available to provide verbal advice to ensure officers are guided through the correct process and probity standards are maintained.</p> <p><b>Management Response:</b></p> <p>Project Management Co-ordinator will develop a</p>	<p>establishment of appropriate panel members during tendering and evaluation protocols. Key documents were communicated and made available to staff.</p>

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CONTENTS

Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
				tender submission procedure and a tender opening process in accord with Audit Committee recommendations including minimum requirement of two staff including the Project Manager and an independent Officer.  <b>Responsible Officer:</b> Director Operations  <b>Revised Timeframe:</b> 30 June 2017	
26. In 1 of the 13 (or 8%) samples tested, the purchase decision was not performed in accordance with the pre-determined tender assessment criteria in the RFT document because some tender responses were below the set threshold of \$200,000.	We recommend Council management: 43. Prohibit the change of purchasing method during tendering process; and 44. Incorporate the above requirement in the procedure documents in order to ensure the integrity of Council's procurement process in all instances.	M	46. The proposed Contract Management Framework (ref. Action 1/1) to be developed by Council will address the requirement to undertake the whole tendering process regardless of price.  47. In the meantime, staff will be instructed on the minimum requirements assessing tenders.  <b>Action 42:</b> Framework to be developed.  <b>Action 43:</b> Verbal advice to be given to staff.	<b>Responsibility:</b> Director, Operations  <b>Timeframe:</b> 46. February 2016 AC Meeting 47. Immediate action  <b>Status as at Feb 2017: Partially Completed</b> Our review noted that:  <b>Action 46:</b> The Contract Management Manual has not been implemented.  We understand from the Project Management Coordinator that a simplified variation approval form and associated procedure will	<b>Status as at April 2018: Completed</b>  Our review noted:  <b>Action 46-47:</b> The Council has developed a Project Management Framework that include contract management including guidelines regarding the RFT (Request for Tendering) process.  Staff members have been instructed about the procurement process and key documents have been made available on the intranet.

CONTENTS

Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
				<p>be incorporated in the Contract Management Manual. Effective regulation of this process will be available via the implementation of an eCMS (including reporting requirements of responsible officers).</p> <p>However, we acknowledged the following actions had been implemented:</p> <p><b>Action 47:</b></p> <p>In the interim, the Project Management Coordinator is available to provide verbal advice to ensure officers are guided through the correct process and probity standards are maintained.</p> <p><b>Management Response:</b></p> <p>Project Management Co-ordinator will develop a procurement procedure process in accordance with Audit Committee recommendations to ensure probity standards are maintained.</p> <p><b>Responsible Officer:</b></p> <p>Director Operations</p> <p><b>Revised Timeframe:</b></p> <p>30 June 2017</p>	

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CONTENTS

Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
27. We observed poor recordkeeping during our detailed testing where documents (both electronic and hardcopy) were not stored and labelled properly, and some evidentiary documents could not be located due to staff leaving the organisation.	<p>We recommend Council management:</p> <p>45. Reinforce the need for effective and comprehensive record keeping practices with relevant staff members;</p> <p>46. Introduce a contract management checklist to guide good contract administration across the organisation and to ensure each step of the contract management process has been completed and evidenced; and</p> <p>47. Conduct a periodic self-assessment or peer review on a sample of contract files to assess the performance of contract managers in relation to record keeping.</p>	M	<p>48. The proposed Contract Management Framework (ref. Action 1/1) to be developed by Council will address minimum requirements in relation to records management for contracts.</p> <p>49. Council intends to purchase a new electronic content management system this year, and it is believed that this will also help with records management compliance.</p> <p>50. In the meantime, staff will be instructed on the minimum requirements for records management of contracts.</p> <p><b>Action 44:</b> Framework to be developed.</p> <p><b>Action 45:</b> Verbal advice to be given to staff.</p> <p><b>Action 46:</b> Purchase and install ECMS.</p>	<p><b>Responsibility:</b> Action 48-49 Director, Operations Action 50 Manager Information</p> <p><b>Timeframe:</b> 48. February 2016 AC Meeting 49. Immediate action 50. November 2015 AC Meeting</p> <p><b>Status as at Feb 2017:</b> <b>Partially Completed</b> Our review noted that:</p> <p><b>Action 48:</b> The Contract Management Manual has not been implemented.</p> <p>We understand from the Project Management Coordinator that the updated record (electronic and physical) management process going forward would be captured in the Contract Management Manual, and enforce the recordkeeping activities prescribed in the current Records Management Policy. Procedural checklists will enable auditing for compliance.</p> <p>Additionally, to encourage</p>	<p><b>Status as at April 2018:</b> <b>Completed</b> Our review noted:</p> <p><b>Action 48-50:</b> The Council has developed a Project Management Framework that includes contract management and addresses the minimum requirements with respect to records management.</p> <p>Further, the project managers check the relevant data which is then verified by the Director for completeness.</p> <p>The Council utilises the Infovision system which stores all electronic information and documentation, including contract related documents.</p>

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CONTENTS

Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
				<p>a more compliant system, it is suggested that instances of non-compliance by responsible officers (relating to this risk action, and others) could be reported, and reviewed as part of the annual staff development review process.</p> <p><b>Action 49:</b></p> <p>The eCMS has not been implemented.</p> <p>We understand from the Project Management Coordinator that once implemented, the eCMS will assist in regulating this process.</p> <p>However, we do acknowledge that the following actions had been implemented:</p> <p><b>Action 50:</b></p> <p>In the interim, the Project Management Coordinator is available to provide verbal advice to ensure officers are guided through the correct process and probity standards are maintained.</p> <p><b>Management Response:</b></p> <p>A brief has been prepared to obtain external assistance which is required to progress the</p>	

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CONTENTS

Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
				establishment of a Project Management Framework which will incorporate a Contract Management Framework, including records required, checklist and compliance audit procedures. <b>Responsible Officer:</b> Director Operations <b>Revised Timeframe:</b> 30 June 2017	

# APPENDIX A – BASIS AND USE OF REPORT

We are engaged by Loddon Shire Council ("the client") to provide internal audit services and the scope of our activities is determined by management and reviewed by the Audit Committee.

This report has been prepared in accordance with the objectives and procedures agreed in the audit scope document and subject to the following limitations:

- Our procedures were designed to provide limited assurance which recognises that absolute assurance is rarely attainable, due to such factors as the use of judgement in gathering and evaluating evidence and forming conclusions, and the use of selective testing, and because much of the evidence available for review is persuasive rather than conclusive in nature.
- Because of the inherent limitations of any internal control structure, it is possible that errors or irregularities may occur and not be detected. Our procedures were not designed to detect all weaknesses in control procedures as they were not performed continuously throughout a specified period and any tests performed were on a sample basis.
- Any projection of the evaluation of the control procedures to future periods is subject to the risk that the systems may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.
- The matters raised in this report are only those which come to our attention during the course of performing our procedures and are not necessarily a comprehensive statement of all the weaknesses that exist or improvements that might be made. We cannot, in practice, examine every activity and procedure, nor can we be a substitute for management's responsibility to maintain adequate controls over all levels of operations and their responsibility to prevent and detect irregularities, including fraud. Accordingly, management should not rely on our report to identify all weaknesses that may exist in the systems and procedures under examination, or potential instances of non-compliance that may exist.
- Recommendations for improvement should be assessed by management for their full commercial impact, before they are implemented.
- This report is not to be used by any other party for any purpose nor should any other party seek to rely on the opinions, advice or any information contained within this report. In this regard, we recommend that parties seek their own independent advice. HLB Mann Judd disclaims all liability to any party other than the client for which it was prepared in respect of or in consequence of anything done, or omitted to be done, by any party in reliance, whether whole or partial, upon any information contained in this report. Any party, other than the client for which it was prepared, who chooses to rely in any way on the contents of this report, does it so at their own risk.

The information in this report and in any related oral presentation made by HLB Mann Judd is confidential between HLB Mann Judd and the client for which it was prepared and should not be disclosed, used or duplicated in whole or in part for any purpose except with the prior written consent of HLB Mann Judd. An electronic copy or print of this document is an uncontrolled copy



# Organisation Health Check

Loddon Shire Council

camms**strategy**

*Print Date: 27-Jul-2018*

Applied Filters

Date Select: From 01 Jul 2017 To 30 Jun 2018





**SCORECARD: Organisation Health Check**

FROM 01-JUL-2017 TO 30-JUN-2018

Linked Items	Unit	Trend	Period Performance		
			Target	Actual	Indicator
<b>Financials</b>					
<b>Comments :</b> N/A					
LPF-F Actual cash surplus / (deficit)	\$	↓	207,248.00	3,551,131.00	RED
<b>Comments :</b> Comment in calculated field					
LPF-F Budgeted cash surplus / (deficit)	\$	↔	207,248.00	1,785,089.00	RED
<b>Comments :</b> Comment in calculated field					
LPF-F Percentage (YTD Capital Grants Income) over (Total Revised Budget for Capital Grants Income)	%	↑	0.00	0.00	GREEN
<b>Comments :</b> Current Revised Budget \$5,714,914 following announcement of Grants Commission 50% prepayment for 2018/19 by 30 June 2018.					
LPF-F YTD Capital expenditure vs revised budget	\$	↑	15,075,531.00	8,381,624.00	RED
<b>Comments :</b> 56% complete, 100% year passed.					
LPF-F Working capital ratio	%	↓	300.00	740.18	GREEN
<b>Comments :</b> Higher cash on hand with no borrowings.					
LPF-F Rates debtors	%	↓	100.00	87.16	RED
<b>Comments :</b> Better collection rates than 2017					



LPF-F Labour budget comparison	%	↑	1.04	0.97	GREEN
<b>Comments :</b> Within required threshold					
Customer Service					
<b>Comments :</b> N/A					
LPF-CS Average 54941200 calls incoming per day	#	↓	70.00	70.05	GREEN
<b>Comments :</b> Slightly lower calls than the prior rolling 12 month average of 75 calls per day through reception and slightly lower than last months average.					
LPF-CS Percentage 5494 1200 incoming calls answered versus on hold/call waiting	%	↑	80.00	97.29	GREEN
<b>Comments :</b> At 97.29% of calls answered, this is again an even better result, and replaces last months previous best since the restructure. We have continued to ensure this is maintained well above the 90% mark on an ongoing basis through appropriate resourcing at front counter.					
LPF-CS Average duration (seconds) of 54941200 calls	#	↑	85.00	73.99	GREEN
<b>Comments :</b> Average Call duration was 74 seconds for the Month of June, better than our target of 85 secs and lower than last months average. With lower calls duration, we also saw reduced abandonment rates and higher percentage call answer rates.					
LPF-CS Average time (seconds) waiting for answered calls	#	↑	25.00	14.00	GREEN
<b>Comments :</b> We saw average time waiting for answer reduce slightly from 15 seconds last month to 14 seconds this month as we were fully resourced for most of the month at front reception and there have been reduced call volumes than in past months.					
Internal Business Processes					
<b>Comments :</b> N/A					
LPF-I IT Backups	%	↔	100.00	100.00	GREEN
<b>Comments :</b> All backups completed successfully for the month of June.					

LPF-I IT Helpdesk Tickets Logged	#	↑	40.00	39.00	 GREEN
<b>Comments :</b> We saw less items raised again this month, but these items are adding up as the IT Officer continues to work on other priorities..					
LPF-I IT Helpdesk Tickets Resolved	#	↑	20.00	9.00	 RED
<b>Comments :</b> Priority requests continue to be resolved quickly, but WIP continues to increase. Michael's focus has been on the roll out of the new phone system meaning day to day BAU is suffering. The recruitment of the additional IT Officer will help a great deal with this issue.					
LPF-I Number of system outages during business hours	#	↔	0.00	0.00	 GREEN
<b>Comments :</b> No outages during business hours in June 2018					
LPF-I Legislative Obligations (Advent) Outstanding at the end of month	#	↓	5.00	13.00	 RED
<p><b>Comments :</b> 1 - Governance, Finance and Trade Practices - VicLG PART 4 - COUNCIL ADMINISTRATION DIVISION 1 - THE MAYOR AND OTHER COUNCILLORS Section 74 Councillor and Mayoral Allowances</p> <p>PART 4 - COUNCIL ADMINISTRATION DIVISION 2 PROCEDURE AND PROCEEDINGS Council must maintain an Internet website</p> <p>PART 9 - SPECIFIC POWERS, FUNCTIONS AND RESTRICTIONS DIVISION 1 - GENERAL PROVISIONS Procurement Policy</p> <p>PART 9 - SPECIFIC POWERS, FUNCTIONS AND RESTRICTIONS DIVISION 3 - BEST VALUE PRINCIPLES Section 208D Quality and cost standards</p> <p>2 - Animal and Pest Control - Victoria PART 5A: DOMESTIC ANIMAL MANAGEMENT PLANS Councils to prepare domestic animal management plans</p> <p>PART 4: REGULATION OF DOMESTIC ANIMAL BUSINESSES AND RELATED MATTERS DIVISION 3 - REFUSAL TO REGISTER OR SUSPENSION OR REVOCATION OF REGISTRATION</p>					

Revocation or suspension of registration of animal shelter or pound by Minister

3 - Information and Privacy - Victoria  
 PART II: PUBLICATION OF CERTAIN DOCUMENTS AND INFORMATION  
 Publication of information concerning functions etc. of agencies







4 - Health and Human Services - Victoria  
 PART 7 - BIRTH NOTIFICATION  
 Section 43 Early notification of births







5 - Human Resources - Victoria  
 REPORTS  
 Annual report by public bodies that are not investigating entities

6 - Infrastructure and Essential Services - Victoria  
 ROAD MANAGEMENT PLANS  
 The making of a road management plan is voluntary  
 A road authority may develop and publish a road management plan in accordance with this Division.  
 ROAD MANAGEMENT PLANS  
 Availability of road management plan

PART 4 - RESPONSIBILITIES OF MUNICIPAL COUNCILS  
 Section 20 Municipal emergency management plan

PART 4 - RESPONSIBILITIES OF MUNICIPAL COUNCILS  
 Section 21A Audit of municipal emergency management plans

LPF-I Infovision Overdues	#		100.00	25.00	 GREEN
<b>Comments :</b> The InfoVision overdues are again at the lowest rate they have been all year - a fantastic result. It appears there has been significant focus in all areas on clearing the aged items.					
LPF-I Customer Request (Merit) Overdues	#		20.00	19.00	 GREEN
<b>Comments :</b> overdue tasks are a managable number					
LPF-I Strategic documents overdue	%		0.00	31.69	 RED

<b>Comments :</b> 141 policies and strategies filtered in register of 364 records; 49 overdue with filter applied to due date up to 31 May					
LPF-I Reported concerns regarding privacy	#	↔	0.00	0.00	 GREEN
<b>Comments :</b> None known					
LPF-I Number of privacy breaches	#	↔	0.00	0.00	 GREEN
<b>Comments :</b> None known					
LPF-I Losses of personal privacy data	#	↔	0.00	0.00	 GREEN
<b>Comments :</b> None known					
LPF-I Percentage of staff completing privacy training	%	↓	80.00	0.00	 RED
<b>Comments :</b> Work is continuing on promoting the need to complete privacy training.					
LPF-I High-Very High Risks Outstanding	#	↔	0.00	1.00	 RED
<b>Comments :</b> All the High risks have been reassessed which only leave 1 high risk					
LPF-I Number of high risk audit actions outstanding	%	↔	0.00	5.00	 RED
<b>Comments :</b> 5 High risk actions outstanding					
<p>FN02 30.2. No formal review process in place to ensure that the project costing prepared by individual departments was reasonable and justifiable.</p> <p>FN02-01 30.2.1 Develop and implement a process for Finance to review the project costing methodology, together with the relevant departmental manager, to ensure that the costing is reasonable and justifiable.</p> <p>30.2.2 Develop and implement process for finance to review the project costing methodology, together with the relevant departmental manager, to ensure that the costing is reasonable and justifiable.</p> <p>FN13 Review of Succession Planning and Workforce Development FN13-01 We recommend Council management:</p> <ol style="list-style-type: none"> <li>1. Assess the need to establish a workforce strategy;</li> <li>2. Appoint a responsible officer and required management support;</li> <li>3. Establish a workforce strategy, which should address the shortcomings highlighted under Observation.</li> </ol>					






- 4. Obtain adequate approval before implementing and executing of such workforce strategy;
- 5. Monitor the progress of action plans to determine what activities have been completed and those still to be implemented in terms of achieving desired organisational goals; and
- 6. Evaluate and adjust the workforce strategy regularly to ensure information remains current and is reviewed in light of any developments that may affect staffing issues in the organisation





FN14 Review of Building Management Services A comprehensive centralised and accurate register of public buildings was not maintained.

FN15 Review of Building Management Services (March 2016): There was an absence of routine building condition inspections undertaken.

Culture

Comments : N/A

LPF-C Number staff with excess leave balances (annual leave)	#	↑	0.00	0.00	 GREEN
<b>Comments :</b> Target is zero.					
LPF-C Number staff with excess leave balances (flexi leave)	#	↑	0.00	0.00	 GREEN
<b>Comments :</b> Target is zero.					
LPF-C Number staff with leave plans in place	#	↑	0.00	0.00	 GREEN
<b>Comments :</b> Actual should be equal to the number of staff with excess leave.					
LPF-C Percentage of sick leave hours taken over the period compared to total hours worked	%	↑	5.00	0.00	 GREEN
<b>Comments :</b> 929.16 hours taken, 20951.50 hours worked within tolerance level of 5%					
LPF-C Number of Workcover claims for the period	#	↔	0.00	0.00	 GREEN
<b>Comments :</b> No claims in June.					

LPF-C Number of WorkCover claims claiming weekly payments	#	↑	0.00	0.00	 GREEN
<b>Comments :</b> Target is zero.					
LPF-C Workcover Statistical Claims Estimate	\$	↔	0.00	769,404.00	 RED
<b>Comments :</b> THE SCE has dropped by \$158,981 for the month. Target is a declining trend.					
LPF-C Number of terminations for the month	#	↑	0.00	2	 GREEN
<b>Comments :</b> Tolerance is 5% to 20% representing sector range. 2 staff falls within this range.					
LPF-C Lost Time Injury (days)	#	↔	0.00	0.00	 GREEN
<b>Comments :</b> Target is zero.					



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## Local Government

### Delivering local government services

2018–19

**Objective** To determine whether councils effectively plan for and deliver cost-efficient services that meet community needs.

**Issues** Under the *Local Government Act 1989* councils prepare a council plan, strategic resource plan and budget, which provide strategic context for their service delivery.

Councils provide a wide range of statutory and other services including environment, health, emergency management, community and family services, infrastructure and planning. Decisions about which services to provide, how to provide them and how to fund them are made in various ways, such as through formal council decisions and service planning undertaken by council staff.

In 2015, the Victorian Government introduced the Fair Go Rates System (FGRS), which establishes caps that limit councils' ability to determine increases in rates and municipal charges each year, constraining this source of revenue growth. Under FGRS, councils need to ensure they continue to deliver services in a financially sustainable way while still meeting community need. Our 2011 audit report *Business Planning for Major Capital Works and Recurrent Services in Local Government* found little evidence that most councils appropriately review their services to inform their spending decisions.

This audit will examine the extent to which councils understand their community's service needs and know the full cost of delivering these services. We will also assess how effectively councils review the services they offer and the methods they use to ensure these services meet community needs in a sustainable way.

We will also undertake a detailed analysis of corporate services, as the first in a series of audits that will examine service efficiency. As all councils have common corporate services, this area is particularly well suited to comparative benchmarking.

**Proposed agencies** Department of Environment, Land, Water and Planning (DELWP), Bayside City Council, Indigo Shire Council, Moira Shire Council, City of Wodonga and Wyndham City Council.

### Local government assets: Asset management and compliance

2018–19

**Objective** To determine whether local councils accurately document infrastructure assets in their information systems and use this data in their asset management and planning.

**Issues** At 30 June 2017, the 79 Victorian councils controlled \$91.2 billion of fixed assets including land, roads, buildings, drains, footpaths and bridges. Our previous audits of councils' asset management practices over the past 15 years have identified persistent weaknesses in their asset management. Councils require accurate asset information to comply with state and federal disaster response programs—if their asset management programs are noncompliant, they risk being unable to access funding.



Outcomes of  
investing in  
regional Victoria  
2018–19

In the event of a disaster, Natural Disaster Financial Assistance (NDFA) for local councils provides assistance in the recovery process in accordance with Commonwealth–State Natural Disaster Relief and Recovery Arrangements (NDRRA). The Department of Treasury and Finance (DTF) has a role in administering NDFA.

This audit will help councils to identify possible areas for improvement and/or better practice in the way they capture accurate information about their assets and use this information to inform their asset planning and management.

**Proposed agencies** DTF, DELWP, Colac Otway Shire, Nillumbik Shire Council, City of Boroondara, Hindmarsh Shire Council and Mildura Rural City Council.

**Objective** To determine whether investment in regional Victoria, administered by Regional Development Victoria (RDV), has improved outcomes for regional economic development.

**Issues** RDV is the Victorian Government’s lead agency in developing rural and regional Victoria. Over the past decade, RDV has administered more than \$1 billion of funding through various funding programs including the Provincial Victoria Growth Fund (PVGf), Regional Growth Fund (RGF) and the Regional Jobs and Infrastructure Fund (RJIF).

Initiated in 2015, RJIF is the Victorian Government’s most recent overarching regional development package. The fund aims to create jobs, improve productivity and attract more people and businesses to regional areas. RDV—a statutory agency within the Department of Economic Development, Jobs, Transport and Resources (DEDJTR)—administers the \$500 million fund and distributes grants to regional and rural local councils, government agencies, not-for-profits, community groups and businesses.

Prior to RJIF, the Victorian Government implemented other investment funds. Our 2015 audit report *Regional Growth Fund: Outcomes and Learnings* found that the government could not demonstrate that its previous regional development fund was achieving its objectives or value for money. We made recommendations about evaluation, application processes and governance to help guide the implementation of RJIF. We made similar recommendations in our 2012 audit report *Management of the Provincial Victoria Growth Fund*.

This audit will examine whether RDV has acted on these recommendations and whether there are adequate governance and accountability mechanisms in place to ensure appropriate use of RJIF. The audit will also assess the regional outcomes achieved by the three different funds over the last 10 years.

**Proposed agencies** City of Greater Geelong, Surf Coast Shire, Warrnambool City Council, Latrobe City Council, Loddon Shire Council and RDV within DEDJTR.

Reporting on  
local government  
performance  
2018–19

**Objective** To determine the relevance, appropriateness and fair representation of key local government performance measures and the extent to which the Local Government Performance Reporting Framework (LGPRF) drives council performance and improvement.

**Issues** The *Local Government Act 1989* makes councils accountable to their local communities for the way they perform their functions, exercise their powers and use their resources.

The LGPRF, managed by Local Government Victoria (LGV), intends to promote consistent and transparent performance measurement. The LGPRF includes 83 measures that cover service performance, financial management and sustainability, with council performance results presented on the Know Your Council website.

This audit will review LGV, within DELWP, and councils' progress in improving the way they measure and report performance and use this information to drive improvements.

**Proposed agencies** DELWP, Moonee Valley City Council, City of Casey, Horsham Rural City Council, Baw Baw Shire Council and Borough of Queenscliffe.

Delivering local  
government  
services:  
Council libraries  
2019–20

**Objective** To determine whether local councils achieve value for money from their library services.

**Issues** In satisfaction surveys, residents consistently rate public libraries as one of best-performing areas of local government. However, the cost of delivering library services and the type of service varies between council areas.

Public library services are located in all 79 Victorian local government areas—41 councils operate their own library services, and 10 regional library corporations manage services across a number of municipalities.

Since 2012, successive reviews have sought to identify ways to make Victoria's library services more efficient, with a particular focus on potential cost savings through increased coordination between libraries, new technologies and the expansion of shared services.

This audit will examine how councils have responded to these reviews and assess whether councils' library services are achieving value for money.

**Proposed agencies** DELWP and a selection of local councils and library corporations.

Supporting  
communities  
through developer  
and infrastructure  
contributions  
2019–20

**Objective** To determine whether development and infrastructure contributions provide required infrastructure to new and growing communities as intended.

**Issues** Between 2015 and 2031, Victoria’s population is projected to grow by 1.8 million people to 7.7 million. Accommodating this population growth requires significant planning and development. It also requires councils to develop essential infrastructure to support the health, wellbeing, and social and economic participation of these growing communities.

Development and infrastructure contributions have been an important part of the Victorian planning system since the 1990s. In June 2015, the *Planning and Environment Amendment (Infrastructure Contribution) Act 2015* replaced the existing system of development contributions, to remove the complexity and difficulty in administering the current system.

The Victorian Government currently operates two contribution schemes—development and infrastructure—that help to fund essential works and services for new communities, such as roads, parks, local sports grounds and community facilities. Land developers provide contributions in cash or in kind to councils to help fund essential works and services for new communities including roads, parks and sporting facilities. Developer contributions generally apply to new developments, to support the infrastructure needs of future communities. Infrastructure contributions are a new scheme, introduced in 2016 and reviewed in 2018—they currently only apply to greenfield growth areas and strategic developments within existing urban areas.

The current development contribution schemes only apply to certain areas in Victoria, leaving many local government areas without formal programs to obtain funds for necessary infrastructure as they develop and grow.

This audit will examine how effectively the development and infrastructure contribution schemes support the creation of essential infrastructure to support new and growing communities. The audit will also examine the role of current programs of areas not covered by existing planning regimes.

**Proposed agencies** DELWP, State Revenue Office, Victorian Planning Authority, Melton City Council, Cardinia Shire Council and Golden Plains Shire.

Delivering local  
government  
services: Waste  
management  
services  
2020–21

**Objective** To determine whether councils’ waste management services are achieving value for money.

**Issues** In 2015–16, Victorian councils spent over \$700 million on the delivery of waste management services. These services include kerbside household, recycling and green waste collections, hard rubbish collections, and the operation of landfill and resource recovery centres. Local councils own and/or operate 254 landfills and transfer stations—201 of which are located in rural communities.

In addition to local councils, there are seven region-based waste and resource recovery groups established under the *Environment Protection Act 1970*, which support councils' waste management activities. The groups undertake a range of duties, including planning for the provision of waste and resource recovery infrastructure, and managing joint procurement and waste management contracts.

With the introduction of the FGRS in 2016, there is increased attention on the financial sustainability of councils and the efficiency of local government service delivery. However, waste charges are not subject to rate capping and make a considerable contribution to councils' revenue. In 2015–16, councils' recurrent revenue for waste management was over \$200 million, and 90 per cent of this came from user fees.

China's trade restrictions which came into effect in January 2018 are also starting to impact how local government manages waste.

This audit will examine whether local councils and waste and resource recovery groups are ensuring that waste management services deliver value for money for ratepayers.

**Proposed agencies** DELWP, Sustainability Victoria, Environment Protection Authority (EPA) and a selection of local councils, and waste and resource recovery groups.

### Implementing *Plan Melbourne* 2017–50 2020–21

**Objective** To determine whether actions to implement *Plan Melbourne 2017–50* are sustained and coordinated at a statewide, regional and local level.

**Issues** Melbourne is the fastest growing city in Australia. The city's population is projected to grow from 4.6 million to almost 8 million—with Victoria's total population set to top 10 million—by 2051. This growth, in combination with a changing climate and increased globalisation and congestion, is testing the resilience of Melbourne's built and natural environment.

*Plan Melbourne 2017–50* is the government's overarching policy for responding to this challenge. The plan is accompanied by a separate five-year Implementation Plan. The Implementation Plan outlines the necessary actions to realise *Plan Melbourne 2017–50*'s outcomes and allocates these actions to government departments and agencies. DELWP will oversee the Implementation Plan.

Implementing *Plan Melbourne 2017–50* will require coordinated action by all levels of government, the private sector and the community. As the plan does not sit with a central agency, it is not clear how DELWP will lead the implementation of the plan across agency lines, including ensuring other agencies accept responsibility and resource their allocated actions.

This audit will examine whether a sound and integrated governance framework underpins the implementation of this major statewide plan.

**Proposed agencies** DELWP and a selection of local councils.

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Local government  
assets: Maintaining  
local roads  
2020–21

**Objective** To determine whether local councils are achieving value for money in maintaining local roads.

**Issues** Victoria's 79 councils are responsible for the care and management of local roads under the *Local Government Act 1989*. Their specific obligations are set out in the *Road Management Act 2004*.

Across the state, there are 130 501 kilometres of local roads and 5 970 bridges. Local roads include both sealed and unsealed—unformed, formed or gravel—roads, and they account for approximately 85 per cent of the state's total road network. In 2016–17, councils have budgeted 25 per cent of their capital works expenditure on roads and bridges.

The introduction of rate capping and the Commonwealth's indexation freeze on its financial assistance grants have created challenges for local government, which may impact councils' ability to effectively manage local roads and meet their asset renewal obligations. Small rural councils, in particular, are facing an increasing risk that they may not be able to replace or build new assets as required due to their smaller number of ratepayers and lengthy road network.

This audit will examine whether councils are identifying efficiencies, managing costs appropriately and assessing how they can maintain their road networks in a financially sustainable way.

**Proposed agencies** DELWP, VicRoads and a selection of local councils.

**9.3 REVIEW OF PROCUREMENT POLICY**

**File Number:** 18/01/001  
**Author:** Deanne Caserta, Manager Financial Services  
**Authoriser:** Sharon Morrison, Director Corporate Services  
**Attachments:** 1. Procurement Policy v8

**RECOMMENDATION**

That Council adopts the Procurement Policy v8.

**CONFLICT OF INTEREST**

There is no conflict of interest for any Council staff member involved in the preparation of this report, or involved in the subject matter of the report.

**PREVIOUS COUNCIL DISCUSSION**

Council adopted version 7 of the Procurement Policy at the August 2017 Council Meeting.

**BACKGROUND**

It is a requirement of Section 186A (7) of the Local Government Act 1989 that “at least once in each financial year, a Council must review the current procurement policy and may, in accordance with this section, amend the procurement policy”.

**ISSUES/DISCUSSION**

The current version of the policy was adopted on 22 August 2017, and is due for review 22 August 2018 according to our policy review date.

The Procurement Policy addresses the important aspects of procurement including:

- consistency in procurement activities
- complying with legal obligations
- obtaining value for money
- supporting local and environmental sustainability
- managing procurement risks
- incorporating continuous improvement processes.

Council staff have reviewed the policy and are proposing to make no changes at this stage.

However over the next 12 months, this policy is expected to receive significant attention to include the recommended changes from the procurement service delivery review along with potential changes from the review of the Local Government Act.

This project will be undertaken by an experienced procurement staff member who is expected to be recruited within the next two months.

**COST/BENEFITS**

There are no direct costs associated with adoption of the policy.

**RISK ANALYSIS**

As one of the policy statements is that Loddon Shire Council will manage procurement risks when purchasing goods, services and works, application of the policy, along with supporting procedures and other supporting documents, should help to minimise risks.

**CONSULTATION AND ENGAGEMENT**

The document has been subject to many discussions at Management Executive Group and once the new procurement staff member has been recruited by Loddon, this policy will be reviewed in full. Normally Council would be provided with the policy at a Council Forum prior to presentation for adoption; however, as there are no changes the process has been streamlined to remove this step.



## PROCUREMENT POLICY

DOCUMENT TYPE:	Council policy
DOCUMENT STATUS:	Draft
POLICY OWNER POSITION:	Director Corporate Services
INTERNAL COMMITTEE ENDORSEMENT:	Not applicable
APPROVED BY:	Council
DATE ADOPTED:	<u><a href="#">22/08/2017</a></u> <u><a href="#">22/08/2017</a></u>
VERSION NUMBER:	<u><a href="#">78</a></u>
REVIEW DATE:	<u><a href="#">22/08/2018</a></u> <u><a href="#">22/08/2018</a></u>
DATE RESCINDED:	
RELATED STRATEGIC DOCUMENTS, POLICIES OR PROCEDURES:	Procurement Procedure Standard documentation for tendering and contract management Procurement Workflows Staff and Contractor's Code of Conduct Conflict of Interest – A Guide for Councillors Conflict of Interest – A Guide for Council Staff Anti-Fraud & Corruption Policy
RELATED LEGISLATION:	S186A of the Local Government Act 1989
EVIDENCE OF APPROVAL:	

\_\_\_\_\_  
Signed by Chief Executive Officer

FILE LOCATION: [K:\FINANCE\Policies\Procurement\POL Procurement Policy v8.docx](#)[K:\FINANCE\Policies\POL Procurement Policy v7.docx](#)

**Policy documents are amended from time to time, therefore you should not rely on a printed copy being the current version. Please consult the Loddon Shire website to ensure that the version you are using is up to date.**





## PROCUREMENT POLICY

### 1 PURPOSE

The purpose of this policy is to provide guidance on the procurement function of the Loddon Shire Council to help achieve objectives detailed in the Council Plan.

### 2 SCOPE

This policy applies to all procurement and contracting activities of the Loddon Shire Council, and is binding upon Councillors and staff, and contractors and consultants while engaged by the Loddon Shire Council.

The policy has been prepared under Section 186A of the Local Government Act 1989 (Act), which requires Council to prepare, approve, and comply with a Procurement Policy. For the purpose of the Act, the Procurement Policy includes principles, processes and procedures that will apply to all purchases of goods, services, and works by Council.

### 3 POLICY

When purchasing goods, services, and works Loddon Shire Council will:

1. Be consistent in procurement activities
2. Comply with legal obligations
3. Ensure ethical and fair behaviour
4. Obtain value for money
5. Support local sustainability
6. Support environmental sustainability
7. Manage procurement risks
8. Incorporate continuous improvement processes.

#### 3.1 Be consistent in procurement practices

Council will provide internal control mechanisms that ensure consistency in procurement activities.

Internal control resources available include:

- a Level of Authority document that provides authorisation levels for officers to undertake a range of procurement functions
- a standard document for tendering and contract management
- Procurement Workflows that guide officers through the entire procurement process, and set requirements for obtaining quotations and tendering for goods, services, and works.

#### 3.2 Comply with legal obligations

Council will comply with all legal obligations. Specific obligations in the Act include:

Section 186: Restriction on power to enter into contracts

Council will comply with Section 186 of the Act which outlines the requirements for competitive tendering when purchasing goods, services, or works over the legislated value. An Order in Council sets the thresholds periodically; the thresholds as set on 5 August 2008<sup>1</sup> are:

- \$150,000 for contracts for goods or services; and
- \$200,000 for contracts for the carrying out of works



## PROCUREMENT POLICY

### Section 208A: Best Value Principles to be followed

Council will comply with Section 208A of the Act which outlines Best Value Principles. They are:

- (a) Quality and standards of services
- (b) Services to be responsive to the needs of the community
- (c) Services to be accessible to members of the community
- (d) Continuous improvement in the provision of services
- (e) Regular consultation with the community in relation to services
- (f) Regular reporting on achievements relating to the principles.

### **3.3 Ensure ethical and fair behaviour**

Council will undertake procurement activities ethically and transparently, and in a manner able to withstand the closest possible scrutiny.

Resources and mechanisms available to support ethical behaviour and avoid conflicts of interest include:

- Staff and Contractor's Code of Conduct
- Conflict of Interest – A Guide for Councillors
- Conflict of Interest – A Guide for Council Staff
- Anti-Fraud & Corruption Policy
- Council's internal audit function, which will be used periodically to assess accountability and transparency, check Council's internal controls and compliance with Council's policies and procedures, and make recommendations for improvement.

### **3.4 Obtain value for money**

Council will undertake procurement activities on the basis of obtaining value for money.

Value for money includes minimising the cost of ownership over the life of goods, services, or works, while considering quality, reliability, availability, and delivery considerations.

Council accepts that lowest price does not also constitute the best value for money.

Mechanism to support value for money include:

- Ministerial approval for councils to access to Whole of Victorian Government Contracts and State Purchase Contracts<sup>2</sup>
- availability of joint tendering through purchasing groups such as MAV Procurement and Procurement Australia and other councils in the region
- availability of shared services with councils and other providers in the region
- Procurement Workflows that guide officers through the entire procurement process, and set requirements for obtaining quotations and tendering for goods, services, and works

### **3.5 Support local sustainability**

Council is committed to supporting local sustainability, and will purchase goods and services from local businesses where purchases can be justified on a value for money basis, and provide local economic benefit .

The application of local content will consider Best Value Principles of the Act and National Competition Policy Principles.



## PROCUREMENT POLICY

### 3.6 Support environmental sustainability

Council is committed to adopting an environmentally friendly procurement approach of supporting the principles of sustainable procurement within the context of purchasing on a value for money basis.

### 3.7 Manage procurement risk

Council will manage the many risks associated with the procurement of goods, services, and works.

Mechanisms available include:

- Council's Supplier Management Database which assesses risks associated with supplier groups and outlines the requirements for those groups
- Council's standard tendering documentation which requires information about tenderers' occupational health and safety, insurance and indemnity, plant and equipment, subcontracting and assignment intentions, and termination clauses.

### 3.8 Incorporate continuous improvement processes

Council is committed to continually improving procurement activities.

Mechanisms available include:

- Council representation on regional procurement networks
- access to the Local Government Procurement e-hub for resources and advice
- Council's Supplier Management Database:
  - Which provides spend analyses on individual suppliers and supplier groups that can be used to identify tendering opportunities
  - Which holds all suppliers on Council's financial management system; analysis of this information can be used to limit the number of suppliers and reduce administration costs.

## 4 DEFINITIONS OF TERMS OR ABBREVIATIONS USED

Term	Definition
Act	Local Government Act 1989
Council Plan	Council Plan 2010-2014
Value for money	Value for money refers to selecting goods, services, and works taking into account all factors, including: <ul style="list-style-type: none"> <li>• Cost factors: whole of life costing (cost of acquiring, using, holding, maintaining, and disposing of the goods, services, and works)</li> <li>• Quality, fitness for purpose, service, and support</li> <li>• Contribution to achieving Council's objectives</li> </ul>

## 5 HUMAN RIGHTS STATEMENT

It is considered that this policy does not impact negatively on any rights identified in the Charter of Human Rights Act (Vic). Loddon Shire Council is committed to consultation and cooperation between management and employees. The Council will formally involve elected employee Health and Safety Representatives in any workplace change that may affect the health and safety of any of its employees.



## PROCUREMENT POLICY

### 6 REVIEW

The Director Corporate Services will review the policy for any necessary amendments no later than 1 year after adoption of this current version.

### 7 ATTACHMENTS

Nil

### 8 REFERENCES

<sup>1</sup> Local Government Procurement Best Practice Guideline, Department of Planning and Community Development, August 2008

<sup>2</sup> Letter to councils from Local Government Victoria, 8 September 2009

**9.4 FINANCE REPORT FOR THE PERIOD ENDING 31 JULY 2018**

**File Number:** 08/06/001

**Author:** Deanne Caserta, Manager Financial Services

**Authoriser:** Sharon Morrison, Director Corporate Services

**Attachments:** 1. Finance Report for Period Ending 31 July 2018

**RECOMMENDATION**

That Council:

1. receives and notes the 'Finance report for the period ending 31 July 2018'
2. approves budget revisions included in the report for internal reporting purposes only.

**CONFLICT OF INTEREST**

There is no conflict of interest for any Council staff member involved in the preparation of this report, or involved in the subject matter of the report.

**PREVIOUS COUNCIL DISCUSSION**

Council is provided with Finance Reports on a monthly basis with the exception of when changes to the Council meeting timetable result in the Council meeting occurring before the completion of the end of month finance procedures.

**BACKGROUND**

The Finance Report for the period ended 31 July 2018 includes standard monthly information about budget variations, cash, investments, interest, debtors and creditors, and provides a comparison of year-to-date actual results to year-to-date budget (by dollars and percentage) and total revised budget (by percentage).

The information is in the format provided in the adopted 2018/19 Budget, and includes operating results, capital expenditure and funding sources.

The report this month does not provide explanation on budget timing variances as this timing work has not been completed for 2018/19. This will occur during August 2018.

**ISSUES/DISCUSSION**

**Budgeted Surplus** - Council's budgeted cash surplus has increased by \$1.52M to \$1.66M due to an increase in the expected carry forward amount from 2017/18.

**Income Statement (revenue)** - Council's year to date (YTD) operating revenue is at 496% of YTD budget. Revenue brought to account for July was \$11.02M. This includes rates of \$10.51M.

**Income Statement (expenditure)** - Council's operating expenditure is at 114% of YTD budget. Payments for this month totalled just over \$2.9M.

**Capital Works** - The revised budget for capital works is \$16.9M and is 2% complete in financial terms for the current financial year.

**Balance Sheet** - Council has a cash total of \$19.6M with \$2.6M in general accounts. Debtors are \$11.69M which is an increase of \$11.38M in the month primarily due to the raising of 2018/19 rates. Sundry debtors total \$0.41M with invoices outstanding for 60 or more days relating to community wellbeing debtors and local community groups totalling approximately \$77K.

**COST/BENEFITS**

The benefit to Council and the community is that accurate and regular financial reporting is being disclosed, along with an accurate representation of property valuations being reflected in Council's rating system and the distribution of rate notices for the year 2018/19.

Provision of financial reports on at least a quarterly basis is a requirement of the Local Government Act.

**RISK ANALYSIS**

The provision of regular and accurate finance reports to Council minimises the risk of Council not delivering projects within the approved budget. Council's risk exposure is also increased if the rating system does not reflect the valuation changes associated with supplementary valuations as Council will not be aware of the changes, which can alter the rate revenue in the current year and in future rating years.

**CONSULTATION AND ENGAGEMENT**

There has been considerable consultation internally with respective managers in understanding their budget responsibilities and keeping within budgetary constraints.

Consultation with ratepayers and authorities that act on behalf of ratepayers occurs when a change to a property is required or occurs by virtue of a sale.

External engagement with the community was undertaken during the submission period of the budget, and regular reporting provides a mechanism of monitoring the financial outcomes of Council against that expectation.

# LODDON SHIRE COUNCIL

## FINANCE REPORT FOR PERIOD ENDING 31 JULY 2018



## CONTENTS

<b>INTRODUCTION</b> .....	<b>3</b>
<b>1 CASH SURPLUS POSITION</b> .....	<b>3</b>
1.1 Budget revisions .....	3
1.1.1 Accumulated surplus carried forward .....	3
1.1.2 Capital expenditure reserve .....	4
1.1.3 Unspent grants reserve .....	4
1.1.4 Community planning reserve .....	4
1.1.5 Urban drainage reserve .....	4
1.2 Cash surplus / deficit year to date .....	4
<b>2 STANDARD INCOME STATEMENT</b> .....	<b>4</b>
2.1 Operating revenue .....	4
2.1.1 Interest income .....	4
2.2 Operating expenditure.....	5
2.2.1 Payments .....	5
2.3 Operating surplus.....	5
2.4 Capital expenditure .....	5
<b>3 STANDARD BALANCE SHEET</b> .....	<b>6</b>
3.1 Cash .....	6
3.2 Receivables .....	6
3.2.1 Debtors.....	6
3.2.2 Rates debtors .....	7
3.2.3 Sundry debtors .....	7
3.2.4 Supplementary valuations .....	8
3.2.5 Water rights .....	8
<b>APPENDIX 1: STANDARD INCOME STATEMENT</b> .....	<b>9</b>
<b>APPENDIX 2: STANDARD CAPITAL WORKS STATEMENT</b> .....	<b>10</b>
<b>APPENDIX 3: STANDARD BALANCE SHEET</b> .....	<b>11</b>
<b>APPENDIX 4: INVESTMENTS</b> .....	<b>12</b>
<b>APPENDIX 5: CAPITAL WORKS</b> .....	<b>13</b>



## INTRODUCTION

Figures in this report include the adopted 2018/19 Original Budget and the adjusted 2018/19 Revised Budget.

Initial budget revisions have been undertaken during the month to commence reversing amounts out of various reserves and back into the current financial reporting year. Approved 2018/19 capital works projects have also had budgets allocated. Further works are required to reverse further funds out of the remaining reserves.

From 16 to 20 July, Council's external auditors, Crowe Horwath, visited the Wedderburn Office to undertake their audit process in order to finalise the 2017/18 financial statements. At the time of preparing this report the statements were close but had not yet been signed off. Council has received a draft management letter and management is working on a response.

The budget figures within this report have not had any timing adjustment, currently the expenditure and income is set as monthly. For this reason there will be no variance reporting on the YTD budget versus actual. These timing adjustments will commence in August once meetings with Responsible Officers are undertaken and variance reporting will be included in the next finance report.

## 1 CASH SURPLUS POSITION

### 1.1 Budget revisions

There has been a large amount of budget variations undertaken during July. These are mainly to bring carry over project amounts out of reserve and back into the financial system.

These revisions are summarised below:

Item	Original Budget	July Finance Report	Change \$
Operating revenue	\$25,391,787	\$26,657,315	\$1,265,528
Operating expenditure	(\$30,115,830)	(\$31,613,646)	(\$1,497,816)
Transfers from reserves	\$7,401,594	\$12,525,591	\$5,123,997
Transfers to reserves	(\$2,151,749)	(\$2,351,749)	(\$200,000)
Other funding decisions	\$379,427	\$579,427	\$200,000
Capital expenditure	(\$11,755,835)	(\$16,903,449)	(\$5,147,614)
Other non cash adjustments	\$9,200,989	\$9,200,989	\$0
Accumulated surplus carried forward	\$1,785,085	\$3,561,131	\$1,776,046
<b>Closing surplus (deficit) as reported in Appendix 2</b>	<b>\$135,468</b>	<b>\$1,655,609</b>	<b>\$1,520,141</b>

For the purpose of this report the variations will not be reported by expenditure/income item but rather by the particular group of movements undertaken.

#### 1.1.1 Accumulated surplus carried forward

The Original Budget expected a carried forward surplus of \$1,785,085 to be included in the opening balance for 2018/19 financial year.

The actual carried forward surplus was \$3,561,131 which is an additional \$1,776,046 and an increase in available surplus for the 2018/19 financial year.

#### 1.1.2 Capital expenditure reserve

At the end of the 2017/18 financial year an actual amount of \$3.5M was carried over via Capital Expenditure Reserve. This amount has now been returned in full to the various related projects.

#### 1.1.3 Unspent grants reserve

At the end of the 2017/18 financial year an actual amount of \$7.7M was carried over via the Unspent Grants Reserve. This amount has now been returned in full to the various related projects.

#### 1.1.4 Community planning reserve

At the end of the 2017/18 financial year an actual amount of \$503K was carried over via the Community Planning Reserve. This amount has now been returned in full to the various related projects.

#### 1.1.5 Urban drainage reserve

At the end of the 2017/18 financial year uncompleted projects worth \$350K were carried over via the Urban Drainage Reserve. This amount has now been returned in full to the various related projects.

### **1.2 Cash surplus / deficit year to date**

The current cash surplus is \$8.6M. This is mainly due to the raising of \$10.5M in rates during July.

## **2 STANDARD INCOME STATEMENT**

Due to no adjustments in timing being undertaken, there will be no reporting on major variances, but there will be reporting on the actual results.

### **2.1 Operating revenue**

Total revenue brought to account for the month of July was \$11M.

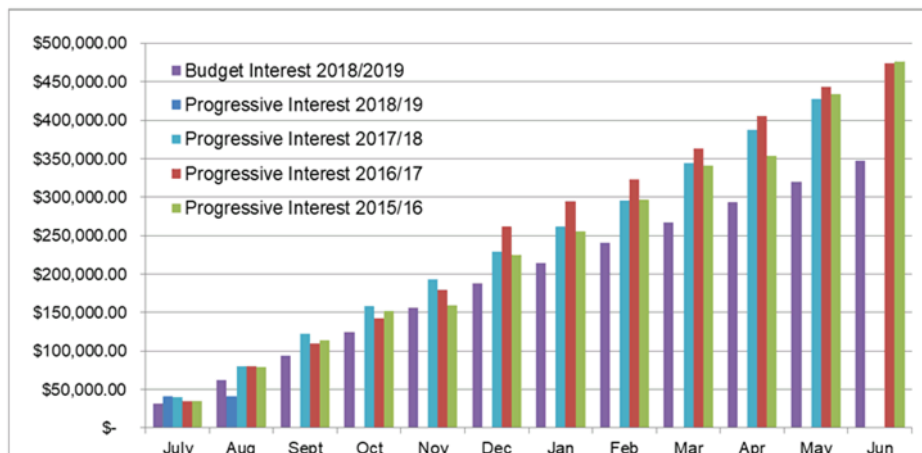
Revenue TYD is at 496% compared to YTD budget.

#### 2.1.1 Interest income

Interest received and accrued on investments and rates for the month of July 2018 was \$43K.

The total investment interest received and accrued to date is \$42K, and rates interest amounted to \$1K. Year to date represents 11% of the year revised budget amount of \$375K (\$347K for investments only).

Progressive interest from investments for the years 2014/15 to 2018/19 are:



The appendices of this report include a table that shows all investments for the financial year to date for 2018/19. All investments are term deposits and are currently with National Australia Bank, the Bendigo Bank, Bank of Melbourne and the ME Bank. Due to the short term nature of the term deposits, those deposits which have not reached maturity are included as cash in the Balance Sheet. Interest realised, and interest accrued on non-matured deposits, are shown separately on the appendix.

**2.2 Operating expenditure**

Total operating expenditure for July was \$2.9M.

Expenditure YTD is at 114% compared to YTD budget.

**2.2.1 Payments**

During the month the following payments were made:

Creditor payments - cheque	\$30,340.78
Creditor payments - electronic funds transfer	\$2,357,249.81
Payroll (2 pays)	\$593,191.70
<b>TOTAL</b>	<b><u>\$2,980,782.29</u></b>

**2.3 Operating surplus**

The operating surplus to date is \$8.12M.

**2.4 Capital expenditure**

Total capital works expenditure for July was \$318K.

The total revised budget for the 2018/19 capital works program is \$16.9M.

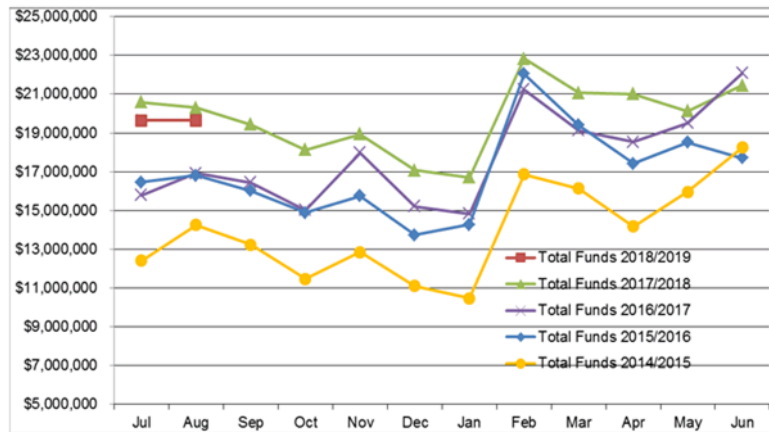
The total capital works expenditure is 2% complete in financial terms.

### 3 STANDARD BALANCE SHEET

#### 3.1 Cash

At the end of the month, Council's overall cash total was \$19.6M which includes a balance of \$2.6M in general accounts.

Month end balances for Council's cash, from July 2015 until the current month, are reflected in the graph that follows:



#### 3.2 Receivables

##### 3.2.1 Debtors

Monthly balances of the various categories of debtors for the financial year are:

Category of debtor	July 2017	April 2018	May 2018	June 2018	July 2018
Rates	\$ 195,006	\$ 921,947	\$ 403,472	\$ 258,208	\$ 10,534,777
Fire Services Property Levy	\$ 35,213	\$ 135,395	\$ 68,543	\$ 49,038	\$ 1,153,547
<i>Total Rates &amp; Fire Services Property Levy</i>	<i>\$ 230,219</i>	<i>\$ 1,057,342</i>	<i>\$ 472,015</i>	<i>\$ 307,246</i>	<i>\$ 11,688,324</i>
Sundry debtors	\$ 596,102	\$ 405,602	\$ 632,652	\$ 568,813	\$ 408,175
Community loans/advances	\$ 5,800	\$ 5,800	\$ 5,800	\$ 5,572	\$ 3,600
Long term loans/advances	\$ 160,000	\$ 80,000	\$ 80,000	\$ 78,570	\$ 80,000
Employee superannuation	\$ -	\$ 5,500	\$ 2,660	\$ -	\$ 7,625
Magistrates court fines	\$ 101,663	\$ 100,703	\$ 100,319	\$ 100,319	\$ 100,319
LESS provision for doubtful debts	\$ (110,620)	\$ (92,370)	\$ (92,370)	\$ (112,950)	\$ (112,950)
<b>Total</b>	<b>\$ 983,165</b>	<b>\$ 1,562,577</b>	<b>\$ 1,201,075</b>	<b>\$ 947,569</b>	<b>\$ 12,175,092</b>

3.2.2 Rates debtors

Outstanding rates and the Fire Services Property Levy at the end of selected months were:

	July 2017 (1/8/2017)	April 2018 (3/05/2018)	May 2018 (4/06/2018)	June 2018 (4/07/2018)	July 2018 (3/08/2018)
2006/07	\$ 600	\$ 261	\$ 261	\$ 265	\$ 266
2007/08	\$ 734	\$ 410	\$ 410	\$ 417	\$ 418
2008/09	\$ 766	\$ 428	\$ 428	\$ 435	\$ 437
2009/10	\$ 1,976	\$ 1,687	\$ 1,683	\$ 1,699	\$ 1,700
2010/11	\$ 6,068	\$ 3,105	\$ 3,098	\$ 3,119	\$ 3,123
2011/12	\$ 10,045	\$ 6,014	\$ 5,303	\$ 5,335	\$ 5,345
2012/13	\$ 11,808	\$ 7,061	\$ 6,253	\$ 6,242	\$ 6,152
2013/14	\$ 14,880	\$ 8,010	\$ 7,017	\$ 6,997	\$ 6,747
2013/14 Fire Services Property Levy	\$ 3,465	\$ 1,949	\$ 1,823	\$ 1,763	\$ 1,709
2014/15	\$ 31,362	\$ 19,519	\$ 18,129	\$ 17,986	\$ 18,098
2014/15 Fire Services Property Levy	\$ 5,373	\$ 3,521	\$ 3,221	\$ 3,125	\$ 3,026
2015/16	\$ 64,557	\$ 30,884	\$ 29,290	\$ 30,147	\$ 29,815
2015/16 Fire Services Property Levy	\$ 9,136	\$ 5,123	\$ 4,840	\$ 4,839	\$ 4,738
2016/17	\$ 69,750	\$ 73,600	\$ 70,589	\$ 66,601	\$ 64,177
2016/17 Fire Services Property Levy	\$ 26,375	\$ 10,652	\$ 10,023	\$ 9,620	\$ 9,198
2017/18	\$ (26,674)	\$ 222,030	\$ 261,012	\$ 118,965	\$ 178,243
2017/18 Fire Services Property Levy	\$ -	\$ 20,468	\$ 48,638	\$ 29,691	\$ 24,319
2018/19	\$ -	\$ -	\$ -	\$ -	\$ -
2018/19 Fire Services Levy	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Sub-total: arrears</b>	<b>\$ 230,219</b>	<b>\$ 414,723</b>	<b>\$ 472,015</b>	<b>\$ 307,246</b>	<b>\$ 357,510</b>
Current year (outstanding but not due)	\$ -	\$ 548,938	\$ -	\$ -	\$ 10,220,257
Fire Services Property Levy	\$ -	\$ 93,681	\$ -	\$ -	\$ 1,110,557
<b>Total outstanding</b>	<b>\$ 230,219</b>	<b>\$ 1,057,342</b>	<b>\$ 472,015</b>	<b>\$ 307,246</b>	<b>\$ 11,688,324</b>
<i>Summary</i>					
Rates in arrears	\$ 195,006	\$ 373,010	\$ 403,472	\$ 258,208	\$ 314,520
FSPL in arrears	\$ 35,213	\$ 41,713	\$ 68,543	\$ 49,038	\$ 42,990
<b>Total arrears</b>	<b>\$ 230,219</b>	<b>\$ 414,723</b>	<b>\$ 472,015</b>	<b>\$ 307,246</b>	<b>\$ 357,510</b>

Rate notices were despatched on 20 July 2018, with the first instalment due on 30 September 2018.

3.2.3 Sundry debtors

Outstanding sundry debtors at the end of the month consist of:

Current	\$56,128	30%
30 days	\$54,029	28%
60 days	\$36,848	20%
90 + days	\$40,150	21%
<b>Sub total routine debtors</b>	<b>\$187,156</b>	<b>100%</b>
Government departments	\$103,059	
GST	\$117,961	
<b>Total</b>	<b>\$408,175</b>	
60 + days consists of:		
Community Wellbeing debtors	\$58,898	
Local community groups	\$9,105	
Others	\$8,996	
<b>Total</b>	<b>\$76,998</b>	

Total outstanding for sundry debtors as at 31 July 2018 is \$0.4M.

The mainstream sundry debtors of \$187K have been broken into the amount of time they have been outstanding. At present \$77K or 41% of that total has been outstanding for more than 60 days. All debtors are contacted as a matter of routine.

### 3.2.4 Supplementary valuations

All rateable and non-rateable supplementary valuations are included in this report.

No supplementary valuations were completed in July 2018, however a number of files have been received which will be processed in August 2018.

The current balances at end of July 2018 were:

Valuation type	Opening balances	Supplementary changes	Closing balances
Site value	\$ 1,125,747,600	\$ -	\$ 1,125,747,600
Capital improved value	\$ 1,817,578,800	\$ -	\$ 1,817,578,800
NAV	\$ 93,538,448	\$ -	\$ 93,538,448

The total rateable CIV at the end of July 2018 remains at \$1.82B.

### 3.2.5 Water rights

As of 30 June 2018 Council owned Water Rights have a current valuation of \$1,979,130. The rights are revalued to market value at the end of each financial year; the latest valuation was at 30 June 2018.

The majority of water was purchased to guarantee that there would be sufficient water to maintain a tourism interest in the Boort Lake catchments, along with maintenance of the grounds for two of the major caravan parks within the Shire.

Purchases have been progressive since June 2004 and Council now has rights to 797.30ML (high reliability of 653.40ML and low reliability of 143.90 ML). Actual cash expenditure to purchase the water rights was \$943,963.

There have been no additional purchases in 2017/18 and no future purchases are budgeted in 2018/19.

Storage operating costs for 2016/17 was \$19,140, and YTD for 2017/18 is \$16,471. Invoices are expected to be received for 2018/19 storage operating costs during August 2018.

## APPENDIX 1: STANDARD INCOME STATEMENT

	2018/19 Original Budget	2018/19 Revised Budget	YTD Budget	YTD Actual	Variance of YTD Actual & YTD Budget	% YTD Actual to YTD Budget	% YTD Actual to Revised Budget
<b>REVENUE FROM ORDINARY ACTIVITIES</b>							
Rates	\$10,723,126	\$10,723,126	\$893,590	\$10,509,126	\$9,615,536	1176%	98%
Revenue grants	\$5,890,114	\$5,784,159	\$482,013	\$293,387	(\$188,627)	61%	5%
Capital grants	\$5,491,143	\$6,860,262	\$571,686	\$0	(\$571,686)	0%	0%
Vic Roads	\$534,064	\$534,064	\$44,505	\$41,079	(\$3,426)	92%	8%
User fees	\$1,734,539	\$1,734,539	\$144,537	\$112,079	(\$32,458)	78%	6%
Capital contributions	\$0	\$2,364	\$197	\$0	(\$197)	0%	0%
Recurrent contributions	\$310,000	\$310,000	\$25,833	\$0	(\$25,833)	0%	0%
Interest income	\$375,000	\$375,000	\$31,250	\$42,637	\$11,387	136%	11%
* Reversal of impairment losses	\$0	\$0	\$0	\$1,658	\$1,658	0%	0%
* Library equity	\$0	\$0	\$0	\$0	\$0	0%	0%
Reimbursements	\$333,801	\$333,801	\$27,817	\$22,918	(\$4,899)	82%	7%
<b>Total revenue</b>	<b>\$25,391,787</b>	<b>\$26,657,315</b>	<b>\$2,221,428</b>	<b>\$11,022,884</b>	<b>\$8,801,456</b>	<b>496%</b>	<b>41%</b>
<b>EXPENDITURE FROM ORDINARY ACTIVITIES</b>							
Labour	\$10,604,210	\$10,604,210	\$815,585	\$584,537	\$231,048	72%	6%
Materials & services	\$7,956,609	\$9,286,935	\$742,694	\$1,052,814	(\$310,120)	142%	11%
Depreciation	\$9,200,989	\$9,200,989	\$766,747	\$766,749	(\$2)	100%	8%
Utilities	\$466,503	\$466,503	\$38,874	\$33,073	\$5,801	85%	7%
Contract payments	\$1,581,347	\$1,748,837	\$145,735	\$447,288	(\$301,553)	307%	26%
Loan interest	\$0	\$0	\$0	\$0	\$0	0%	0%
Auditor costs	\$85,083	\$85,083	\$7,091	\$0	\$7,091	0%	0%
Councillor costs	\$221,089	\$221,089	\$18,424	\$17,022	\$1,402	92%	8%
Loss on sale of assets	\$0	\$0	\$0	\$0	\$0	0%	0%
* Impairment losses	\$0	\$0	\$0	\$0	\$0	0%	0%
Bad debts expense	\$0	\$0	\$0	\$0	\$0	0%	0%
<b>Total expenditure</b>	<b>\$30,115,830</b>	<b>\$31,613,646</b>	<b>\$2,535,150</b>	<b>\$2,901,484</b>	<b>(\$366,334)</b>	<b>114%</b>	<b>9%</b>
<b>NET RESULT FOR THE PERIOD</b>	<b>(\$4,724,043)</b>	<b>(\$4,956,331)</b>	<b>(\$313,722)</b>	<b>\$8,121,400</b>	<b>(\$8,435,122)</b>	<b>-2589%</b>	<b>-164%</b>
The operating expenditure shown above is represented in Council's key direction areas as follows:							
	2018/19 Original Budget	2018/19 Revised Budget	YTD Budget	YTD Actual	Variance of YTD Actual & YTD Revised Budget	% YTD Actual to YTD Budget	% YTD Actual to Revised Budget
<b>EXPENSES FROM ORDINARY ACTIVITIES</b>							
Economic development & tourism	\$1,436,315	\$1,436,315	\$115,659	\$84,804	\$30,855	73%	6%
Leadership	\$1,946,465	\$1,984,250	\$156,800	\$422,902	(\$266,102)	270%	21%
Works & infrastructure	\$13,421,963	\$13,421,963	\$1,093,651	\$1,142,855	(\$49,204)	104%	9%
Good management	\$4,274,482	\$4,324,016	\$347,480	\$537,737	(\$190,257)	155%	12%
Environment	\$2,396,268	\$2,482,636	\$205,020	\$208,336	(\$3,316)	102%	8%
Community services & recreation	\$6,640,337	\$7,964,466	\$616,540	\$504,850	\$111,690	82%	6%
Loss on sale of assets	\$0	\$0	\$0	\$0	\$0	0%	0%
<b>Total operating expenditure</b>	<b>\$30,115,830</b>	<b>\$31,613,646</b>	<b>\$2,535,150</b>	<b>\$2,901,484</b>	<b>(\$366,334)</b>	<b>114%</b>	<b>9%</b>
<b>NET RESULT FOR THE PERIOD</b>	<b>(\$4,724,043)</b>	<b>(\$4,956,331)</b>	<b>(\$313,722)</b>	<b>\$8,121,400</b>	<b>(\$8,435,122)</b>	<b>-2589%</b>	<b>-164%</b>

\* Income and expense items required by Australian Accounting Standards (AAS)

APPENDIX 2: STANDARD CAPITAL WORKS STATEMENT

	2017/18 Original Budget	2017/18 Revised Budget	YTD Budget	YTD Actual	Variance of YTD Actual & YTD Budget	% YTD Actual to YTD Budget	% YTD Actual to Revised Budget
<b>FUNDING DECISIONS</b>							
Add loan interest accrued	\$0	\$0	\$0	\$0	\$0	0%	0%
Less loan repayments	\$0	\$0	\$0	\$0	\$0	0%	0%
Add transfer from reserves	\$7,401,594	\$12,525,591	\$1,043,795	\$0	\$1,043,795	0%	0%
Less transfer to reserves	(\$2,151,749)	(\$2,351,749)	(\$195,979)	\$0	(\$195,979)	0%	0%
Add proceeds from sale of assets	\$379,427	\$579,427	\$48,285	\$52,141	(\$3,856)	108%	9%
<b>TOTAL FUNDING DECISIONS</b>	<b>\$5,629,272</b>	<b>\$10,753,269</b>	<b>\$896,101</b>	<b>\$52,141</b>	<b>\$843,960</b>	<b>6%</b>	<b>0%</b>
<b>NET FUNDS AVAILABLE FOR CAPITAL</b>	<b>\$905,229</b>	<b>\$5,796,938</b>	<b>\$582,379</b>	<b>\$8,173,541</b>	<b>(\$7,591,162)</b>	<b>1403%</b>	<b>141%</b>
<b>CAPITAL EXPENDITURE BY ASSET TYPE</b>							
Furniture and office equipment	\$777,780	\$777,780	\$64,815	\$46,625	\$18,190	72%	6%
Land and buildings	\$3,779,670	\$5,061,791	\$421,814	\$27,956	\$393,858	7%	1%
Plant and equipment	\$1,427,213	\$1,427,213	\$118,934	\$161,464	(\$42,530)	136%	11%
Roadworks	\$2,735,679	\$3,530,977	\$292,170	\$1,159	\$291,011	0%	0%
Urban and road drainage	\$350,000	\$700,031	\$58,336	\$0	\$58,336	0%	0%
Recreation, leisure and community facilities	\$1,263,000	\$2,199,584	\$183,153	\$3,508	\$179,645	2%	0%
Parks, open space and streetscapes	\$250,000	\$1,581,580	\$131,799	\$26,481	\$105,318	20%	2%
Footpaths	\$1,172,493	\$1,624,493	\$135,373	\$50,810	\$84,563	38%	3%
<b>TOTAL CAPITAL EXPENDITURE PAYMENTS</b>	<b>\$11,755,835</b>	<b>\$16,903,449</b>	<b>\$1,406,394</b>	<b>\$318,002</b>	<b>\$1,088,392</b>	<b>23%</b>	<b>2%</b>
<b>NON CASH ADJUSTMENTS</b>							
Less depreciation	\$9,200,989	\$9,200,989	\$766,747	\$766,749	(\$2)	100%	8%
Add reversal of impairment losses	\$0	\$0	\$0	(\$1,658)	\$1,658	0%	0%
Less loss on sale of assets	\$0	\$0	\$0	\$0	\$0	0%	0%
Less bad debts expense	\$0	\$0	\$0	\$0	\$0	0%	0%
<b>TOTAL NON CASH ADJUSTMENTS</b>	<b>\$9,200,989</b>	<b>\$9,200,989</b>	<b>\$766,747</b>	<b>\$765,091</b>	<b>\$1,656</b>	<b>100%</b>	<b>8%</b>
Accumulated surplus brought forward	(\$1,785,085)	(\$3,561,131)	(\$296,760)	\$0	(\$296,760)	0%	0%
<b>NET CASH (SURPLUS)/DEFICIT</b>	<b>(\$135,468)</b>	<b>(\$1,655,609)</b>	<b>(\$239,492)</b>	<b>(\$8,620,630)</b>	<b>\$8,381,138</b>	<b>3600%</b>	<b>521%</b>



## APPENDIX 3: STANDARD BALANCE SHEET

	July 2018 As per trial balance	June 2018 As per financial statements	July 2017 As per trial balance
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$19,635,000	\$21,453,507	\$ 20,577,586
Trade and other receivables	\$12,095,092	\$785,569	\$ 829,454
Financial assets	\$650	\$3,405,167	\$ 1,391,410
Inventories	\$40,765	\$43,490	\$ 60,453
Non-current assets classified as held for sale	\$690,322	\$690,322	\$ 865,424
<b>TOTAL CURRENT ASSETS</b>	<b>\$32,461,829</b>	<b>\$26,378,055</b>	<b>\$23,724,327</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	\$80,000	\$162,000	\$ 162,000
Financial assets	\$3,392,094	\$271,480	\$ 274,045
Intangible assets	\$1,979,130	\$1,979,130	\$ 1,668,430
Property, infrastructure, plant and equipment	\$337,607,408	\$338,108,296	\$ 309,055,458
<b>TOTAL NON-CURRENT ASSETS</b>	<b>\$343,058,632</b>	<b>\$340,520,906</b>	<b>\$ 311,159,933</b>
<b>TOTAL ASSETS</b>	<b>\$375,520,461</b>	<b>\$366,898,961</b>	<b>\$334,884,263</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	\$175,152	\$801,793	\$ 172,120
Trust funds and deposits	\$1,503,369	\$375,762	\$ 373,799
Provisions	\$1,720,903	\$1,721,770	\$ 1,567,058
Interest bearing loans and borrowings	\$0	\$0	\$ -
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$3,399,424</b>	<b>\$2,899,325</b>	<b>\$ 2,112,977</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	\$2,324,221	\$2,324,221	\$ 2,324,221
Interest bearing loans & borrowings	\$0	\$0	\$ -
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>\$2,324,221</b>	<b>\$2,324,221</b>	<b>\$2,324,221</b>
<b>TOTAL LIABILITIES</b>	<b>\$5,723,645</b>	<b>\$5,223,546</b>	<b>\$ 4,437,198</b>
<b>NET ASSETS</b>	<b>\$369,796,816</b>	<b>\$361,675,415</b>	<b>\$330,447,064</b>
<b>EQUITY</b>			
Accumulated Surplus	\$103,475,874	\$95,354,473	\$ 93,699,710
Asset Revaluation Reserve	\$247,387,367	\$247,387,367	\$ 217,168,524
Other Reserves	\$18,933,575	\$18,933,575	\$ 19,578,830
<b>TOTAL EQUITY</b>	<b>\$369,796,816</b>	<b>\$361,675,415</b>	<b>\$330,447,064</b>

APPENDIX 4: INVESTMENTS

LODDON SHIRE COUNCIL INVESTMENT SCHEDULE											
	Establishment date	Status	Maturity date	Investment days	Interest rate	Investment amount	Interest last year (accrued)	Interest this year	Current investments	Interest received to date	Accrued Interest
NAB 55-839-5005 (LSL)	16/01/2018	Closed	16/07/2018	181	2.54%	\$ 1,791,312	\$ 20,569	\$ 1,994		\$ 1,994	
NAB -33-755-3209	19/02/2018	Closed	19/07/2018	131	2.48%	\$ 2,000,000	\$ 17,802	\$ 2,582		\$ 2,582	
NAB 44-441-8766	26/03/2018	Closed	24/07/2018	120	2.62%	\$ 2,000,000	\$ 13,782	\$ 3,445		\$ 3,445	
BGO 2658853	26/06/2018	Open	26/07/2018	30	2.20%	\$ 1,000,000	\$ 241	\$ 1,567		\$ 1,567	
11:am Account BGO	at 30/6/2018	Open	N/A		1.50%	\$ 1,000,000	\$ -		\$ 1,000,000	\$ -	
NAB 35-640-3396	12/02/2018	Open	13/08/2018	182	2.50%	\$ 1,000,000	\$ 9,452	\$ 3,005	\$ 1,000,000	\$ -	\$ 2,123
BGO 2588669	16/04/2018	Open	14/08/2018	75	2.65%	\$ 1,000,000	\$ 5,445	\$ 3,267	\$ 1,000,000	\$ -	\$ 2,251
BGO 2623540	22/05/2018	Open	21/08/2018	91	2.60%	\$ 2,000,000	\$ 5,566	\$ 7,390	\$ 2,000,000	\$ -	\$ 4,416
NAB 64-792-7106	21/05/2018	Open	18/09/2018	120	2.62%	\$ 2,000,000	\$ 5,742	\$ 11,485	\$ 2,000,000	\$ -	\$ 4,450
Bank of Melbourne	21/06/2018	Open	20/09/2018	91	2.70%	\$ 2,000,000	\$ 13,463	\$ 11,658	\$ 2,000,000	\$ -	\$ 4,586
BGO 2658858	26/06/2018	Open	24/09/2018	90	2.75%	\$ 2,000,000	\$ 149	\$ 13,413	\$ 2,000,000	\$ -	\$ 4,671
NAB Deal 10543763	26/06/2018	Open	24/10/2018	120	2.80%	\$ 2,000,000	\$ 202	\$ 18,411	\$ 2,000,000	\$ -	\$ 4,756
BME - CNO33817	26/07/2018	Open	26/10/2018	92	2.80%	\$ 2,000,000	\$ -	\$ 14,115	\$ 2,000,000	\$ -	\$ -
BGO (Lsl)	18/07/2018	open	18/01/2019	184	2.78%	\$ 1,800,000	\$ -	\$ 25,226	\$ 1,800,000	\$ -	\$ 4,250
BGO	18/07/2018	Open	18/01/2019	184	2.78%	\$ 200,032	\$ -	\$ -	\$ 200,032	\$ -	\$ -
Interest on Kinder account						\$ 2,803	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on general bank accounts						\$ -	\$ -	\$ 485	\$ -	\$ 485	\$ -
<b>Totals</b>							<b>\$ 92,463</b>	<b>\$ 118,043</b>	<b>\$ 17,000,032</b>	<b>\$ 10,073</b>	<b>\$ 31,503</b>
Interest earned											\$ 41,576
Interest transferred to/from externally funded projects											\$ -
Net interest on investments											\$ 41,576
National Australia Bank current investments									\$ 5,000,000		
Bank of Melbourne									\$ 2,000,000		
ME Bank									\$ 2,000,000		
Bendigo Bank current investments									\$ 8,000,032		
<b>Totals</b>									<b>\$ 17,000,032</b>		

APPENDIX 5: CAPITAL WORKS

Account	Original Budg	Revised Budg	YTD Budgets	YTD Actuals	YTD variance actual to Budg	YTD variance actual to Budg	Actual to total Budget
<b>CAPITAL EXPENDITURE - AS PER APPENDIX C IN 2018/19 BUDGET</b>							
<b>Economic development &amp; tourism</b>							
Eucy Museum Rd access - feasibility study	\$50,000	\$50,000	\$4,167	\$0	(\$4,167)	0%	0%
Caravan park improvements	\$1,083,000	\$1,083,000	\$90,250	\$0	(\$90,250)	0%	0%
Wedderburn Caravan Park entrance	\$15,000	\$15,000	\$1,250	\$0	(\$1,250)	0%	0%
Caravan Park trees	\$15,000	\$15,000	\$1,250	\$0	(\$1,250)	0%	0%
Purchase Caravan Parks	\$0	\$778,322	\$64,860	\$0	(\$64,860)	0%	0%
Council properties fencing	\$5,000	\$5,000	\$417	\$0	(\$417)	0%	0%
Council land and buildings sales and purchases	\$0	\$0	\$0	\$427	\$427	0%	#DIV/0!
<b>Works &amp; infrastructure</b>							
Reseal program	\$603,725	\$603,725	\$50,118	\$0	(\$50,118)	0%	0%
Safety program	\$45,000	\$45,000	\$3,750	\$0	(\$3,750)	0%	0%
Local road construction program	\$1,350,000	\$2,119,298	\$175,056	\$1,159	(\$173,897)	1%	0%
Local road gravel resheet program	\$380,000	\$406,000	\$33,561	\$0	(\$33,561)	0%	0%
Local road shoulder sheet program	\$315,000	\$315,000	\$25,961	\$0	(\$25,961)	0%	0%
Local bridges and culverts program	\$950,700	\$1,402,700	\$116,892	\$50,810	(\$66,082)	43%	4%
Township street improvement program	\$221,793	\$221,793	\$18,481	\$0	(\$18,481)	0%	0%
Urban drainage works program	\$350,000	\$700,031	\$58,336	\$0	(\$58,336)	0%	0%
Roads to Recovery - unallocated	\$15,207	\$15,207	\$1,495	\$0	(\$1,495)	0%	0%
Salathiel's Pit clean up	\$11,747	\$11,747	\$979	\$0	(\$979)	0%	0%
Reseal Wedderburn depot	\$0	\$40,000	\$3,333	\$0	(\$3,333)	0%	0%
Boundary entrance signage park and locality	\$15,000	\$15,000	\$1,250	\$0	(\$1,250)	0%	0%
Fleet replacement	\$254,460	\$254,460	\$21,205	\$0	(\$21,205)	0%	0%
Plant replacement	\$1,152,753	\$1,152,753	\$96,062	\$161,464	\$65,402	168%	14%
Minor plant and equipment - capital	\$20,000	\$20,000	\$1,667	\$0	(\$1,667)	0%	0%
<b>Good management</b>							
Building Asset Management Plan	\$0	\$58,579	\$4,882	\$0	(\$4,882)	0%	0%
Building safety audit stage 1	\$0	\$0	\$0	\$6,993	\$6,993	0%	#DIV/0!
BAMP allocated projects	\$290,000	\$310,493	\$25,873	\$5,332	(\$20,541)	21%	2%
BLD East Loddon Pre school	\$0	\$14,750	\$1,229	\$13,114	\$11,885	1067%	89%
BLD Dingee Pre School office refurbishment	\$0	\$1,217	\$101	\$0	(\$101)	0%	0%
Server replacement	\$50,000	\$50,000	\$4,167	\$23,482	\$19,315	564%	47%
Asset edge devices	\$14,280	\$14,280	\$1,190	\$0	(\$1,190)	0%	0%
Photocopier / scanner	\$0	\$0	\$0	\$6,670	\$6,670	0%	#DIV/0!
PC replacement	\$53,500	\$53,500	\$4,458	\$0	(\$4,458)	0%	0%
Corporate IT Package	\$0	\$0	\$0	\$9,000	\$9,000	0%	#DIV/0!
IT strategy implementation	\$660,000	\$660,000	\$55,000	\$7,473	(\$47,527)	14%	1%
<b>Environment</b>							
Flood mitigation works Boort	\$0	\$485,000	\$40,417	\$0	(\$40,417)	0%	0%
<b>Community services &amp; recreation</b>							
PGC17 IW Town Hall landscape	\$49,980	\$49,980	\$4,092	\$0	(\$4,092)	0%	0%
PGC18 Boort Lake view BBQ	\$20,020	\$20,020	\$1,639	\$0	(\$1,639)	0%	0%
Swimming pool solar power	\$0	\$122,841	\$10,237	\$3,508	(\$6,729)	34%	3%
PGC19 tree replacement	\$30,000	\$30,000	\$2,456	\$0	(\$2,456)	0%	0%
Community planning strategic fund	\$500,000	\$500,000	\$41,666	\$0	(\$41,666)	0%	0%
BGP17 Lake Boort outdoor furniture	\$0	\$16,568	\$1,381	\$0	(\$1,381)	0%	0%
BGP Community plan capital	\$50,000	\$62,876	\$5,240	\$0	(\$5,240)	0%	0%
WCP Community plan capital	\$50,000	\$110,233	\$9,186	\$0	(\$9,186)	0%	0%
KCP11 Bridgewater Streetscape	\$0	\$39,500	\$3,292	\$0	(\$3,292)	0%	0%
ICP13 Inglewood Eucy Museum annex	\$0	\$21,000	\$1,750	\$0	(\$1,750)	0%	0%
ICP15 Engine display Eucy Museum	\$0	\$20,000	\$1,667	\$0	(\$1,667)	0%	0%
ICP17 Sports power UG	\$0	\$4,200	\$350	\$0	(\$350)	0%	0%
ICP17 Inglewood Eucy Museum annex	\$0	\$20,000	\$1,667	\$0	(\$1,667)	0%	0%
ICP Community plan capital	\$50,000	\$58,215	\$4,851	\$0	(\$4,851)	0%	0%
TeCP14 Pyramid Hill Caravan Park	\$0	\$16,330	\$1,361	\$0	(\$1,361)	0%	0%
TeCP17 Pyramid Hill Hall power upgrade	\$0	\$19,091	\$1,591	\$0	(\$1,591)	0%	0%
TeCP Community plan capital	\$50,000	\$50,000	\$4,167	\$0	(\$4,167)	0%	0%
TaCP17 Laanecoorie boat ramp	\$0	\$99,280	\$8,273	\$0	(\$8,273)	0%	0%
TaCP Community plan capital	\$50,000	\$81,066	\$6,755	\$0	(\$6,755)	0%	0%
Wedderburn Community Centre	\$0	\$0	\$0	\$186	\$186	0%	#DIV/0!
LGIP Wedderburn streetscape	\$0	\$348,200	\$29,017	\$0	(\$29,017)	0%	0%
LGIP Pyramid Hill streetscape	\$0	\$110,000	\$9,167	\$0	(\$9,167)	0%	0%
FRRR Bridgewater foreshore stage 2	\$0	\$343,744	\$28,645	\$4,420	(\$24,225)	15%	1%
Upgrade public toilets	\$0	\$7,500	\$625	\$1,904	\$1,279	305%	25%
Pyramid Hill Community Centre	\$120,000	\$120,000	\$10,000	\$0	(\$10,000)	0%	0%
Donaldson Park pavilion upgrade	\$2,814,670	\$3,311,232	\$275,935	\$0	(\$275,935)	0%	0%
Newbridge public toilets septic replacement	\$0	\$92,820	\$7,735	\$0	(\$7,735)	0%	0%
Livestock and domestic pound	\$50,000	\$50,000	\$4,167	\$0	(\$4,167)	0%	0%
Inglewood Pool upgrade	\$0	\$253,690	\$21,141	\$22,061	\$920	104%	9%
Pyramid Hill Kelly St playground	\$0	\$8,208	\$684	\$0	(\$684)	0%	0%
<b>Total capital expenditure</b>	<b>\$11,755,835</b>	<b>\$16,903,449</b>	<b>\$1,406,394</b>	<b>\$318,003</b>	<b>(\$1,088,391)</b>	<b>23%</b>	<b>2%</b>

**9.5 PROVISION OF REGIONAL ASBESTOS AND HAZARDOUS MATERIALS AUDIT SERVICES**

**File Number:** 10/01/001  
**Author:** Peter Sporn, Building Maintenance Officer  
**Authoriser:** David Southcombe, Assets and Buildings Coordinator  
**Attachments:** Nil

**RECOMMENDATION**

That Council

1. resolve to appoint City of Greater Bendigo as lead agent for Contract No CT000386 – Regional Asbestos & Hazardous Materials Audit Services on behalf of Loddon Shire Council
2. resolve to award the contract to Safety Systems Pty Ltd.
3. authorise the Chief Executive Officer to affix the common seal of the Council to related contract documentation.

**CONFLICT OF INTEREST**

There is no conflict of interest for any Council staff member involved in the preparation of this report, or involved in the subject matter of the report.

Tender Evaluation Panel Members have signed a *Conflict of Interest Declaration* and *Confidentiality Agreement*.

**PREVIOUS COUNCIL DISCUSSION**

There has been no discussion at Council in relation to this contract. However, joint procurement and regional partnership has been discussed on numerous occasions.

**BACKGROUND**

Council approved a Business Case in 2017 for funding of \$66,000 per annum for Asbestos Audits and Removals over a 5 year period (\$330,000 over 5 years).

Council agreed to participate collaboratively with a number of councils for the purpose of advertising and receiving tender submissions for both Asbestos Audits and Asbestos Removals. The City of Greater Bendigo acted as the lead council during the tender process.

The following Councils entered into the collaborative tender process:

- City of Greater Bendigo (Lead Council)
- Loddon Shire Council
- Ararat Rural City Council
- Buloke Shire Council

**ISSUES/DISCUSSION**

A Public Tender for Asbestos Audits was posted on 24 February 2018 via local newspapers and Tenderlink.

A compulsory briefing session was held on 15 March 2018.

Eight tender responses were received, namely:

- JTA Health, Safety & Noise Specialists

- ESP – Environmental & Safety Professionals
- Edge Group Pty Ltd
- Safety Systems Pty Ltd
- Australian Safety Services Pty Ltd
- BB Risk Solutions
- Bureau Veritas HSE
- Presna Pty Ltd

The tender evaluation panel consisted of the following representatives:

- City of Greater Bendigo – Linda McNeill, Tony Gellatly, Stephen Van Der Werf
- Ararat Rural City Council – Rebecca Rodger
- Loddon Shire Council – Peter Sporn
- Buloke Shire Council – Paul Fernee
- External Consultant – David Eltringham (DJE Consulting)

The tender evaluation panel deemed *JTA Health, Safety & Noise Specialists'* submission as non-conforming.

Each Panel Member individually assessed each compliant tender application and provided a score in accordance with the Tender Document. The evaluation scoring was averaged out to provide a single score, thus each Council shared 25% of the total score.

The final scoring for each tender is as follows:

<b>Tender</b>	<b>Score</b>
Safety Systems Pty Ltd	8.20
Edge Group Pty Ltd	7.63
Presna Pty Ltd	7.52
BB Risk Solutions	6.75
ESP – Environmental & Safety Professionals	5.87
Australian Safety Services Pty Ltd	4.48
Bureau Veritas HSE	3.63

The evaluation panel interviewed the 3 highest scoring tenderers, namely:

- Safety Systems Pty Ltd
- Edge Group Pty Ltd
- Presna Pty Ltd

Although all three tenderers provided quality presentations, the evaluation panel recommend Safety Systems Pty Ltd be appointed Contractor for City of Greater Bendigo Contract No: CT000386 based on submission of the highest scored conforming tender and that they have demonstrated sufficient capability and capacity to undertake the requirements of the contract.

Safety Systems Pty Ltd is based in Bendigo. They have conducted asbestos audits in the past for three of the participating Councils, City of Greater Bendigo, Loddon Shire and Buloke Shire.

Tender pricing was based on a Percentage Differential (plus or minus) for each Council based on City of Greater Bendigo being 100%.

Loddon Shire Council's rate is quoted as the same as City of Greater Bendigo.

Safety Systems Pty Ltd overall score in the price comparison ranked No. 1.

Safety Systems Pty Ltd has conducted 36 audits for Loddon Shire Council over the past 2 years.

Two urgent audits were required in 2017 (Inglewood Town Hall public toilets) and 2018 (Serpentine Recreation reserve). Both were responded to immediately and relevant documentation was supplied to Council within 24 hours.

They have a good understanding of Loddon Shire and our building portfolio and have established a strong working relationship with Council officers.

Access to our Asbestos Register is currently provided by Safety Systems through an on-line portal and this will be enhanced by introducing a QR Code system for further ease of access.

### **COST/BENEFITS**

The tender prices were sought on a unit rate basis and Council has allocated a total of \$66,000 for the current financial year towards audit and removal of asbestos, the allocated annual budget will be used to fund the contract. The contract is a 3 year contract with a possible 2 year extension.

The benefit of the contract is that Council will comply with its obligation to conduct an asbestos audit and keep an up-to-date register for Council owned buildings. It will also inform Council of any requirement to remove friable asbestos from the buildings, identified as a part of the audit.

Worksafe Victoria has raised concerns formally with Council in relation to absence of an asbestos register in Council owned buildings. This contract will address the concerns raised by Worksafe Victoria.

### **RISK ANALYSIS**

<b>Risk Identified</b>	<b>Likelihood of Occurrence</b>	<b>Potential Impact</b>	<b>Mitigating Action</b>
Safety Systems non-ability to manage audits for 4 Councils	Low	Audits may not be completed within the required time-frames	Generally audits are not urgent. Safety Systems currently service 3 of the 4 participating Councils.  A package of buildings will be given to Safety Systems in Aug 2018 to be completed in this financial year which should provide sufficient time for completion.  Previous experience with Safety Systems has seen urgent requests completed within 24 hours.
Safety Systems not developing a working relationship with the 4 asbestos removalist companies.	Low	Timing of air-monitoring impacting on the companies completing asbestos removal	Safety Systems have a good working relationship already with 2 of the 4 companies. Previous experience indicates there will not be any issues.

**CONSULTATION AND ENGAGEMENT**

The following stakeholders were engaged throughout the tendering process:

- Individual Council Representatives. (The Panel)
- DJE Consulting
- Tenderers (during the compulsory briefing session and tendering presentations)

**9.6 MAV STATE COUNCIL MEETING**

**File Number:** 02/04/003  
**Author:** Lynne Habner, Manager Executive and Commercial Services  
**Authoriser:** Phil Pinyon, Chief Executive Officer  
**Attachments:** 1. MAV Strategic Work Plan 2017-19  
2. MAV State Council Motion Template

**RECOMMENDATION**

That Council:

1. Advise which Councillors wish to attend the MAV State Council meeting in October 2018
2. Advise any motions that it wishes to be raised at the MAV State Council.

**CONFLICT OF INTEREST**

There is no conflict of interest for any Council staff member involved in the preparation of this report, or involved in the subject matter of the report.

**PREVIOUS COUNCIL DISCUSSION**

Nil.

**BACKGROUND**

In May 2017 the Municipal Association of Victoria (MAV) State Council resolved on a changed motion process that included detailing whether the subject matter of a motion is included in the MAV Strategic Work Plan. This requirement is incorporated in the motion template.

The intent of the changed process is to discourage the submission of motions that effectively duplicate items in the Strategic Work Plan or that have already been adopted at a previous meeting of State Council. Resolutions adopted at previous meetings can be accessed here on the MAV website.

The MAV Strategic Work Plan 2017 - 19 (SWP) is attached.

**ISSUES/DISCUSSION**Attendance

The next MAV State Council Meeting will be held on Friday 19 October 2018, 9.30am to 2:30pm at the Auditorium, Sofitel Melbourne on Collins, 25 Collins Street.

If the MAV Representative or Substitute Representative is unable to attend, Council may resolve to appoint another councillor to attend the meeting and vote by submitting a Notification of Appointment Form to the MAV prior to the State Council meeting.

Councillors are requested to advise whether they wish to attend the State Council meeting.

Motions

MAV members may submit motions in writing for consideration by State Council.

The MAV Rules require that motions be of state-wide significance to local government.

As decisions of State Council constitute policy directions of the MAV and remain active until the issue is resolved, motions should relate to either new, or variations to, existing policy directions.



All motions are due to be submitted to the MAV by no later than 21 September 2018. Early motions, received by 13 September, will be distributed to MAV representatives on 14 September (i.e. five weeks before State Council).

Submitters may amend their motions via email no later than 28 September 2018.

The business papers for State Council will be emailed to MAV Representatives and CEOs on Friday 5 October 2018.

**COST/BENEFITS**

No significant costs or benefits have been identified in association with the content of this report.

**RISK ANALYSIS**

There are no risks identified with the content of this report.

**CONSULTATION AND ENGAGEMENT**

No consultation has been undertaken in the preparation of this report.

Implementing the  
STRATEGIC WORK PLAN  
**2017-19**



# MAV OVERVIEW

## OUR PURPOSE:

To protect and promote the democratic status, autonomy and efficient carrying out of local government in Victoria through advocacy and capacity building.

The Municipal Association of Victoria was established in 1879 to protect the interests and rights of local government.

In Victoria, local government is made up of 79 councils representing over five-and-a-half million people.

Councils operate with a legislative and electoral mandate to manage local issues and plan for the community's needs.

Local government is closely interwoven in the fabric of community life. It is the most trusted level of government and has a vital leadership role to play in facilitating economic development and improving quality of life for the people it serves.

The MAV protects the interests of local government through advocacy, provision of services to improve efficiency and productivity of councils; and promotion of the value of local government to a diversity of stakeholders.

What we do	Who does it	How it is funded
<b>POLICY &amp; ADVOCACY</b> MAV advocacy represents and advances the interests of councils; influences policy, legislation and funding decisions; and builds capability in councils across a range of policy areas: <ul style="list-style-type: none"> <li>• Community Services</li> <li>• Emergency Management</li> <li>• Environment</li> <li>• Governance, Economics &amp; Finance</li> <li>• Planning &amp; Building</li> <li>• Public Health &amp; Safety</li> <li>• Transport &amp; Infrastructure.</li> </ul>	9 staff	MAV member subscriptions
<b>MEMBER SERVICES</b> MAV services help to improve the efficiency and productivity of councils by providing best practice policy advice, training for council staff and councillors and cost-saving collaborative opportunities in areas including: <ul style="list-style-type: none"> <li>• Insurance (<i>Liability Mutual, Commercial Crime, LGE Health, MAV WorkCare</i>)</li> <li>• Procurement</li> <li>• Local Government Funding Vehicle</li> <li>• Training &amp; Events.</li> </ul>	13.4 staff	Self-funded
<b>COMMUNICATIONS &amp; MEDIA</b>	4.7 staff	MAV member subscriptions
<b>GOVERNANCE &amp; CORPORATE SERVICES</b> Human resources, policy compliance, governance, and administrative support.	13.8 staff	MAV member subscriptions
<b>GRANT-FUNDED PROJECTS</b> MAV delivers specific projects and programs to councils in areas including: <ul style="list-style-type: none"> <li>• Community Services</li> <li>• Environment</li> <li>• Planning &amp; Building</li> <li>• Public Health &amp; Safety</li> </ul>	10 staff	Victorian and Australian Government grants
<b>HOSTED ORGANISATIONS</b> <ul style="list-style-type: none"> <li>• Public Libraries Victoria Network</li> <li>• Council Alliance for a Sustainable Built Environment (CASBE)</li> <li>• Association of Bayside Municipalities.</li> </ul>	5 part-time staff	Self-funded

# CONTENTS

A sharper focus for higher value member outcomes.

## **MAV OVERVIEW** **PAGE 2**

The purpose and structure of the Municipal Association of Victoria.

## **THE STRATEGIC WORK PLAN 2017-19** **PAGE 4-5**

Our objectives, priorities, targets, actions and measures for 2017-19, as identified through extensive consultation with our members.

## **PLANNING PROCESS** **PAGE 6-7**

How we ensure that this strategic plan represents the views of our member councils, and how it relates to our State Council and annual reporting processes.

## **OUR WORK AREAS** **PAGE 8-9**

An overview of the council business and policy support services provided by the MAV.

## **SUPPORTING ACTIVITIES** **PAGE 10-25**

How the supporting activities of each MAV work area will contribute to addressing our priorities and objectives for 2017-19.

## **MEMBERSHIP BENEFITS** **PAGE 26-27**

The role, capability, processes and business areas of the MAV and the benefits they provide for our members.

## **ACKNOWLEDGMENTS** **PAGE 28-29**

Details of the member consultation that contributed to the development of this plan.

We acknowledge Aboriginal people as the traditional owners of the land and we pay our respects to their Elders, past and present.

We support local government's capacity and knowledge to strengthen relationships with Victoria's Aboriginal communities and for it to encourage greater unity, knowledge, cultural awareness and respect for the first occupants of our land – through its strong community links and local representation.

# STRATEGIC WORK PLAN 2017-19

## OBJECTIVE 1: HELP COUNCILS ACHIEVE FINANCIAL SUSTAINABILITY

PRIORITY	TARGET	METHOD	MEASURE
1 Secure funding certainty	Ongoing Commonwealth funding secured for provision of 15 hours of kindergarten	Advocacy to Commonwealth Government	Achieved?
	State Government take over the funding of SES, Surf Life Saving and Coastguard	Complete negotiations with State Government	Achieved?
	Country roads and bridges funding is reinstated	Advocacy to Commonwealth & State Governments, including Opposition	Achieved?
	School crossings funding model is reformed	Advocacy to the State Government	Achieved?
	HACC model and funding post-2019 is agreed	Advocacy and negotiation with Commonwealth Government	Achieved?
	FAGs indexation is reintroduced in 2017	Advocacy through ALGA	Achieved?
	Roadside weeds and pests funding secured	Advocacy to State Govt, including Opposition	Achieved?
2 Reduce red tape reporting costs	State Govt reporting costs on local government is quantified	Undertake comprehensive review of cost of State Government reporting to councils	Achieved?
	20% reduction in State Govt reporting costs by mid-2018	Develop and implement advocacy campaign informed by review data	Achieved?
	Rate-cap exemption process is streamlined	Advocacy to State Govt, including Opposition	Achieved?
3 Explore new funding streams and savings opportunities	New funding options, palatable to councils are identified	Review in partnership with ALGA and test with members	Achieved?
	Council savings achieved through aggregation	WorkCover Self Insurance Scheme Identify and facilitate aggregated procurement opportunities	Achieved?
	Develop detailed understanding of impact of cost shifting on LG and seek funding to ensure minimum level of community service provision in all communities	Review cost shifting impacts on LG Advocacy to State Govt, including Opposition	Achieved?
	Achieve access to Landfill Levy revenue to fund decommissioning and establishment of landfill sites, and climate change mitigation	Review the Waste Levy impacts on LG Advocacy to State Govt, including Opposition	Achieved?

## OBJECTIVE 2: IMPROVE THE REPUTATION OF LOCAL GOVERNMENT

PRIORITY	TARGET	METHOD	MEASURE
4 Raise the profile and influence of local government	Influence is increased with State and Commonwealth Governments	Initiate policy and legislative changes to Commonwealth and State Governments	Engagement & response rates
	Community understanding of the breadth and value of council services has increased	Support initiatives that raise awareness of councils' role, services and performance	Social media & web analytics
	Communities better understand issues affecting financial sustainability of LG	Monitor and communicate the impact of rate capping on council services	
	More resources are available to help councils meet community expectations	Undertake perception of LG research and develop a MAV and member engagement strategy that includes a focus on improving the reputation of the sector	Achieved?
5 Influence the LG Act and MAV Act reviews	A more contemporary LG Act with increased council autonomy and a contemporary MAV Act that expands and clarifies the objects, functions and powers of the MAV	Make submissions and advocate to government on the form, content and draft legislation of the Acts	Achieved?
6 Review and amend the MAV Rules	The performance and potential of the MAV (including State Council) is maximised	Undertake a comprehensive review of the governance structure of the MAV, including the role of State Council & MAV committees	Achieved?

**OBJECTIVE 3: INCREASE SECTOR PRODUCTIVITY AND EFFICIENCY**

	PRIORITY	TARGET	METHOD	MEASURE
7	<b>Improve procurement practices and outcomes</b>	Data analysis drives efficiencies, savings and compliance as well as local and regional economic development and collaboration outcomes including shared services.	Ongoing delivery of the LEAP procurement development program, including participation from additional councils.	Participation in the LEAP program and tracking of council and regional benefits.
8	<b>Encourage and facilitate sharing of services, technology and business processes</b>	Implementation of a sector-led business solution that enables more efficient and effective collaboration, cooperation and innovation through shared technology and processes.	Showcase shared services opportunities. Victorian Local Government Enablement Platform proof-of-concept. Development of production, governance and resourcing model for LG Digital Transformation Centre. Encourage use of common data standards and business processes.	Achieved?
9	<b>Address local government capacity, capability and credibility challenges</b>	Councils leverage information, experiences, business processes and innovation initiatives of other councils, advisory groups, all levels of government, the education sector and the private sector.	Host forums, conferences, workshops and training courses to improve knowledge and skills development of councillors and council officers. Develop digital solutions for sharing of information, skills and experience.	Stakeholders participating in MAV events and programs. Survey outcomes.

**OBJECTIVE 4: INCREASE INNOVATION AND COLLABORATION**

	PRIORITY	TARGET	METHOD	MEASURE
10	<b>Drive business transformation</b>	Facilitate opportunities to improve business processes by providing data and training, and by removing roadblocks.	Procurement LEAP program. Best practice guidelines.	Number of improved business processes.
		Councils are collaborating to implement more efficient and consistent business process.	Implement the recommendations of the Local Government Digital Transformation Task Force. Facilitate collaboration on energy efficiency.	Achieved?
		Data quality, standards, management and analysis capability is increased.	Encourage and support initiatives that help councils make better use of data to inform business decisions and influence funding submissions.	Number of collaborative data initiatives.
11	<b>Address digital access and equity issues</b>	Councils have access to affordable, reliable ICT infrastructure.	Work with ALGA to influence ICT access issues including high-quality, high-speed broadband and mobile phone coverage.	Councils with affordable access to critical ICT infrastructure.
		Councils better understand the challenges and opportunities of the digital era.	Deliver and support initiatives that improve digital maturity of councils.	Digital maturity survey outcomes.
12	<b>Enable innovation partnerships</b>	Local government knowledge, capability and capacity is increased through effective partnerships with government, business, education and civic stakeholders.	Strengthen partnerships between councils and with other levels of government. Explore opportunities for PPPs. Address legislative and regulatory barriers to innovation initiatives.	Partnerships established. Barriers removed.

MAV STRATEGIC WORK PLAN 2017-19

# PLANNING PROCESS

Addressing our objectives through consultation, strategic planning, State Council and annual reports.

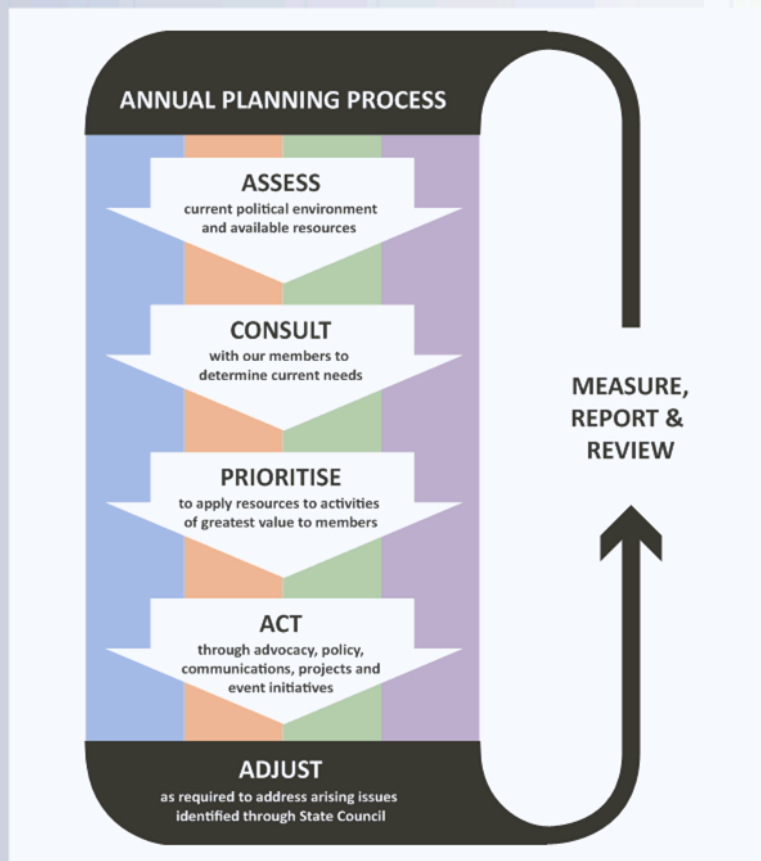
## CONSULTING WITH OUR MEMBERS

The MAV's annual strategic work plan sets out the MAV's work program for the year. The issues and actions within it are identified in consultation with our member councils.

Formal consultation opportunities include CEO Forums and strategic planning consultation sessions held in Bendigo, Gippsland\*, Melbourne, Warracknabeal, Benalla, Geelong and Warrnambool.

MAV staff members also have significant input into development of the plan. The staff are informed by constant interaction with member councils in their areas of expertise, as well as by input and advice from more than 20 expert committees established and supported by the MAV to inform major policy and project areas.

\*The Gippsland region consultation session was held in Melbourne.



## CONSULTATION

Eight strategic planning sessions were conducted at seven locations during February and March 2017.

Participants were also asked to consider and propose three or four priority activities that would be of greatest value to members over the next 24 months.

This framework, which was introduced last year, again produced fewer ad hoc activity suggestions and better consensus on the few activities that would be of greatest benefit to members.

Supporting activities were identified through the consultation sessions, as well

as through MAV work area council networks and CEO forums.

MAV work areas identified one key activity for each objective, thus eliminating non-aligned activities from the plan.

MAV consultation networks are vast and varied. The MAV team consult with council staff on matters of policy and process on a daily basis. The MAV also coordinates more than a hundred policy and project committees, task forces, advisory committees and groups to ensure our processes and policies are consultative and representative of our members' needs.

At Board and CEO level, our networks include elected and appointed members,

as well as representatives from all levels of government, unions, industry, service providers and fellow local government and member associations.

The strength of MAV relationships is critical to providing the best outcomes for our members. In order to be a strong voice for local government, we must ensure that short-term gains for the sector do not come at the expense of longer-term stakeholder relations. The value of this advocacy foundation is difficult to quantify, but fundamental to our success.

### ENGAGEMENT SURVEY

Member feedback from our 2016 engagement survey was a key driver in determining the priority issues in this plan.

### PLAN FEEDBACK

The proposed Strategic Work Plan 2017-19 is distributed in draft form to all councils via their nominated MAV representative for further feedback.

Input from councils is collated and considered for inclusion in the plan according to alignment with the strategic objectives, the number of councils supporting the change, and the resources available to deliver it.

For each council submission, the MAV provides a written acknowledgment, followed by an explanation of how their submission was actioned.

### STATE COUNCIL

The final draft of the Strategic Work Plan is distributed to MAV council representatives for the consideration of councils, two weeks prior to State Council.

The draft plan is formally presented for the endorsement by members at State Council. If accepted, the draft is adopted as the MAV work plan for the 2017-19 year.

Half-way through the term of the plan, State Council presents a further opportunity for councils to submit suggested changes to the plan. These requested changes may be in response to an arising issue or a change in operating environment.

State Council resolutions are considered for inclusion in the current work plan by the MAV Board. Resolutions are assessed against the same criteria used for developing the plan, as well as the impact the requested change would have on the delivery of the approved plan.

**Note:** During 2017, the MAV Rules will be comprehensively reviewed. The review will include examination of the role, purpose and alignment of our strategic planning process, State Council, Board Committees and other MAV advisory committees. Outcomes may affect the structure and implementation of this plan.

### MEASURING PERFORMANCE

Each activity included in the MAV Strategic Work Plan 2017-19 includes a target outcome for the year, an outline of proposed process and nomination of specific measures to assess the effectiveness of the outcome. (See box on this page for further information)

### REPORTING

The new strategic framework will result in simpler, more meaningful reporting for our members. The aim is to ensure that all MAV activities contribute to the delivery of our strategic objectives. Using the measures identified for each activity, we will assess and report on the outcomes in our Annual Report to members. We will also report on the factors influencing the outcome.

The strengths or weaknesses of the outcomes will inform the activities of our next strategic plan, demonstrating continual assessment and review of how the MAV provides maximum value for its members.

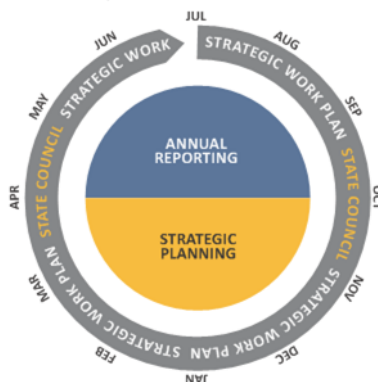
### REVIEW

Progressive outcomes will be presented to our members at State Council.

Annual outcomes are reviewed by the MAV Board, Executive and staff in preparation for the development of the next strategic work plan.

The review process seeks to:

- understand and address any shortcomings in our planning and implementation processes;
- identify opportunities and develop strategies for improvement;
- review and confirm the value of our objectives;
- review the effectiveness of our success measures; and
- build upon our successes.



## MEASURING OUR PERFORMANCE

In response to recommendations of the 2015 VAGO report "Effectiveness of Support for Local Government", the MAV Strategic Work Plan 2017-19 features activities and priorities that align with objectives supported by our members.

Extensive consultation determined that each MAV work area will focus on an activity that produces specific, measurable and deliverable outcomes to support each of the agreed objectives.

Each plan activity includes a target, a brief description of the intended delivery process and specific outcome measures.

The outcomes derived from the quantitative and qualitative measures of this plan will influence future strategic work plan activities.



# OUR WORK AREAS

## GOVERNANCE



MAV work to support the development, adoption and implementation of high-quality governance processes, protocols, conduct and relationships across the local government sector. Work in this area included providing sector-wide advice on governance issues and assisting individual councils on a broad range of internal and external governance matters.

## COUNCILLOR & WORKFORCE TRAINING



MAV's Councillor & Workforce Training team delivers a Councillor Fundamentals program to metropolitan, rural and regional locations; identifies barriers to participation; hosts Councillor Development Weekends; partners with Swinburne University to provide Graduate Diploma of Management opportunities; provides online training packages to support remote access; delivers in excess of 50 training programs; and works with key stakeholders to help councils address employment costs and workforce development challenges. We also help councils increase employment of Torres Strait Islander and Aboriginal people.

## FINANCE & PRODUCTIVITY



The MAV works with councils to help the sector secure its financial future. The work includes advocating for the sector's economic and financial needs, and arguing for greater recognition of local government's role in a range of government funding programs. We also work with our members to improve their financial autonomy.

## SECTOR DEVELOPMENT



The Future of Local Government (FOLG) group works with councils to identify and implement preferred future directions for the sector. We seek to achieve the vision of 'A more productive local government delivering better outcomes to a more engaged community' by addressing capacity, capability and credibility challenges. The MAV is working with our members towards a "smart councils" approach (do more with less via collaboration and innovation).

8 | MAV STRATEGIC WORK PLAN 2017-19

## TECHNOLOGY & DIGITAL



MAV Technology aims to demonstrate leadership in information and communications technology (ICT) to support effective delivery of council and community services.

MAV Technology delivers collaborative ICT resources and best practice reports for councils, drives sector-wide open data initiatives; hosts ICT forums and conferences, and an extensive Yammer network to facilitate the sharing of ICT resources, ideas and solutions. MAV Technology encourages innovation through the MAV Technology Awards for Excellence and Innovation Fellowship, and delivers group ICT procurement savings in partnership with MAV Procurement.

A key focus for 2017-19 will be to progress the digital transformation of the sector to improve customer experience.

## ENVIRONMENT



The MAV Environment team influence State policy, legislative and funding decision in relation to a range of environmental management issues, including climate change adaptation and mitigation, whole-of-water-cycle management, biodiversity management, waste and resource recovery, roadside weeds and pest management, and energy. We also provide management support to the Council Alliance for a Sustainable Built Environment (CASBE) and the Association of Bayside Municipalities (ABM).

The 2017-2019 period will see the finalisation of numerous reviews and reforms, including in relation to marine and coastal management, renewable energy, energy efficiency, biodiversity, climate change adaptation and water management. The MAV will continue to represent councils' interests in each of these processes.

## EMERGENCY MANAGEMENT



The MAV represents councils on Victoria's peak crisis and emergency management advisory body, the State Crisis and Resilience Council, and its subcommittees. We also work with councils and the State on a range of policy issues and projects, covering all hazards and all

phases of emergencies. In 2017-19 there will be a particular focus on defining the role of councils in emergency management, building capability and capacity through supporting collaborations and supporting systems, and seeking to resolve long-standing funding issues including the natural disaster funding arrangements, VicSES volunteer units and fire plugs.

## COMMUNITY SERVICES



The MAV negotiates with the State and Commonwealth governments to reform and fund community services provided by councils, and provide leadership for councils in the promotion of arts, culture and diversity. We also engage in activities to assist councils in supporting vulnerable children (including Aboriginal children and those in out-of-home care), young people and families.

The MAV works to develop strong and respectful partnerships between all levels of government to provide the best possible services for our communities.

The pace of reform at national and state level in key areas of Victorian local government community service delivery - in particular for aged & disability services and early childhood & family services, is continuing to accelerate. While reforms such as the National Disability Insurance Scheme (NDIS) are generally positive for some members of the community, in aged care significant effort is being directed by the MAV to ensuring that the quality and level of service in Victoria is not reduced to a national 'lowest common denominator'. In a constrained fiscal environment councils are reviewing how best to advocate and continue public sector oversight on behalf of their citizens, and maintain the high level of service in Victoria of which councils are justifiably proud. The Victorian Royal Commission into Family Violence recommendations are also predicted to be a major game changer in potentially harnessing local government in developing better coordinated place based solutions to complex community problems. The MAV continues to advocate for partnership agreements and innovative solutions which councils are well placed to lead - given their universal service involvement and extensive reach at the community and home based level, in conjunction with the governments, key providers and the community.

The MAV is committed to providing leadership in the creation of opportunities for arts, culture and libraries and to further the realisation of Creative State and its uptake across Victoria.

### PLANNING & BUILDING



MAV's Planning and Building team aims to influence the government's policy and reform agenda, while building the capacity of the sector through our annual work plan.

The planning system is complex and often contentious. Planning for and providing basic and essential infrastructure is an ongoing challenge for councils and heavily influences how well an area performs economically and the health and wellbeing of residents. Development contributions are vital to providing appropriate infrastructure at the appropriate time in the development cycle. The MAV and councils will continue to need to be well positioned in negotiating the implementation details of the new standard levy system. The SMART planning reforms will present both opportunities and challenges this area will be a key focus. Proactive sector-led planning reform that positions councils to do more with less will assist in promoting a positive image of planning in local government.

The building system is at the crossroads, with an increasingly visible number of major compliance issues. New legislation is likely to redress some of the system failings identified and for Municipal Building Surveyors role clarity in the enforcement space is a priority. Building surveyor shortages continue to plague some rural areas. Positioning the sector for the next wave of reform will be critical during the year ahead.

### PUBLIC HEALTH & SAFETY



The MAV advocates for more adequate funding and resources to address critical public health and safety issues including climate change impacts, food safety regulation, immunisation services, tobacco education and enforcement activities, Aboriginal employment and gender equality.

The MAV provides leadership in preventive health, gambling reform, gender equity, preventing violence against women and positive ageing. We also represent local government on the Victorian Food Regulators Forum to strengthen and improve health and safety services.

### TRANSPORT & INFRASTRUCTURE



MAV's Infrastructure team aims to influence the Government's policy and reform agenda, while building capacity of the sector through our annual work plan.

A disjointed and short term approach to infrastructure planning at a Federal and State level has greatly impacted our infrastructure network and our capacity to plan for the renewal and provision of new infrastructure into the future.

For Victoria to become more internationally competitive, we need to achieve greater productivity involving improved integration between land use and transport. A partnership between Infrastructure Victoria and local government could provide us with this opportunity.

Rate capping is likely to create serious issues for local government in the future and affect the overall quality of Victoria's Infrastructure network. The conclusion of the state Country Roads and Bridges program and cuts to the federal Financial Assistance Grants (FAGs) program have also placed significant funding pressure on local government.

### MEMBER SERVICES



MAV's Member Services team incorporates MAV Procurement and MAV Events. Both business units are not-for-profit units of the MAV focused on achieving better outcomes for local government.

MAV Procurement established the Local Government Funding Vehicle (LGFV) - Australia's first aggregated funding vehicle for local government and provides LEAP - a low-cost ongoing continuous improvement procurement development program for Victorian councils, and procurement training and professional development sessions for councils.

MAV Events aims to increase the capability and effectiveness of the sector by delivering events that provide professional development opportunities, collaboration between member councils and an understanding of emerging services.

### CORPORATE SERVICES



MAV's Corporate Services team provides administration, ICT, human resources and corporate policy services to ensure the MAV operates efficiently and transparently.

### COMMUNICATIONS



MAV's Communications and Media team facilitates the sharing of knowledge from all MAV work areas to our members and other stakeholders. They strive to influence commentary as the voice of local government; and improve community understanding and appreciation of the value of local government.

### INSURANCE



MAV Insurance schemes are operated entirely for the benefit of members. Their not-for-profit structure means any excess revenue is kept in the fund to help keep premiums down, rather than used to pay dividends to shareholders.

With over 20 years' experience representing the sector in insurance matters, MAV Insurance is able to provide cover that best meets the unique needs of local government at the best possible cost. MAV Insurance works with its members to help reduce their risks by providing them with a comprehensive and integrated risk solution – risk management, claims management, legal advice, underwriting, policy advocacy and insurance coverage advice – at no extra cost.

Its extensive suite of risk management services include targeted appraisals, compliance reviews, tailored programs to address factors causing claims for individual members, regular best-practice forums, seminars and conferences.

# OUR ACTIVITIES

The following pages provide an overview of the priority and supporting activities that will be delivered to address our objectives during 2017-19.

## HONORING OUR PURPOSE

The MAV works to maintain the independence of democratically elected local government, including its ability to manage and resource infrastructure and services on behalf of local communities.

## ADDRESSING OUR OBJECTIVES

Despite our limited resources, by focusing our activities, we aim to deliver even higher value outcomes for our members in 2017-19.

### COMMON PRIORITIES

Local government is facing some serious and fundamental challenges. This MAV Strategic Work Plan acknowledges the common challenges identified through our consultation with councils, and proposes to focus on high value activities that we believe can positively impact the environment in which councils operate.

### UNLOCK EVIDENCE TO INFORM ACTIVITIES

Local government collects a huge amount of data. Part of our approach to implementing our priority activities will be to explore how we can better leverage this data to influence funding submissions, forge new partnerships, facilitate sector self-assessment and improve community sentiment.

### ENGAGE RESIDENTS

As part of our approach in helping councils to manage community expectations and improve the perception of local government, we will investigate ways to help councils engage with their communities. We will do this by exploring initiatives including service delivery co-design, open data provision, sharing of goals and objectives, and more transparent reporting.

### PROVIDE HIGH-VALUE SERVICES & RESOURCES

Using our small but capable team, we focus on providing a limited number of high-value services and resources for councils that will help them to improve customer experience, increase efficiency, save costs and improve customer understanding and appreciation of local government.

### ADVOCACY FOR COUNCIL PROGRAMS & PRIORITIES

In addition to developing and delivering advocacy and capacity building programs, the MAV will encourage and support campaigns and programs implemented by councils – particularly when they have the potential for replication by other councils.

### IDENTIFY NEW COLLABORATION & FUNDING OPPORTUNITIES

We will seek to enhance our available resources by identifying new opportunities to partner with other levels of government, the private sector, civic society organisations and the community to provide tools, resources and community outcomes that are of mutual benefit to all stakeholders.

### COORDINATE SECTOR ACTIVITIES

We will place a greater emphasis on collecting and sharing council case studies and planned activities to enable more promotion of council achievements and better opportunities to learn from the best practice developments underway across the sector.

### MEASURE RESULTS

In addition to the information that can be provided by better quantitative data management and analysis, we will also investigate practical and affordable ways to measure community sentiment across a range of local government issues.

### LEARN AND MAKE CORRECTIONS

We commit to be open and transparent as the strengths and weakness of our activities are assessed against agreed measures.

We will approach any disappointing results as opportunities for improvement and build upon our successes to deliver maximum value to our members and the communities they serve.

Priorities are highlighted in bold

OBJECTIVE 1:

# HELP COUNCILS ACHIEVE FINANCIAL SUSTAINABILITY

ACTIVITY	TARGET	METHOD	MEASURE
<b>COMMUNITY SERVICES</b>			
<b>P1&gt;</b> Secure funding certainty.	Ongoing Commonwealth funding secured for provision of 15 hours of kindergarten. <b>HACC model and funding post-2019 is agreed.</b>	<ul style="list-style-type: none"> <li>• <b>Advocacy to Commonwealth Government for kindergarten funding.</b></li> <li>• <b>Advocacy and negotiation with Commonwealth Government for HACC model and funding.</b></li> </ul>	Funding achieved. Agreements reached.
<b>1a&gt;</b> Advocate to sustain operational and capital funding.	Operational and capital funding levels from the State and Commonwealth are maintained or increased.	<ul style="list-style-type: none"> <li>• Provide options and support for councils if post-2019 HACC funding is inadequate to maintain current service levels.</li> <li>• Advocate for expansion of funding for the Enhanced Maternal &amp; Child Health (MCH) service by the State, and for partnership resourcing for the MCH Child Development Information System (CDIS).</li> <li>• Identify, plan and support capital funding priorities and opportunities for early childhood facilities.</li> <li>• Advocate for sustained funding youth services, and for building community inclusion for people with disabilities.</li> <li>• Support councils to review services to people with disabilities as the National Disability Insurance Scheme (NDIS) is rolled out.</li> <li>• Advocate for Commonwealth Home Support program funding and service agreements to be maintained to local government.</li> <li>• Advocate for more funding for development and maintenance of cultural assets.</li> <li>• Advocate to implement policies and influence social norms around the integration of arts and culture especially with regard to council strategic planning and delivery.</li> <li>• Build capacity within MAV and the sector so that opportunities for advancement and resourcing pressures are understood.</li> </ul>	Support initiatives delivered. Total percentage increase/decrease in operational and capital funding. New investment negotiated by MAV for additional program areas.
<b>PLANNING &amp; BUILDING</b>			
<b>1b&gt;</b> Influence planning and building reform agenda.	Local government voice is heard in reform initiatives.	Work with councils to develop sector positions on: <ul style="list-style-type: none"> <li>• Planning fees</li> <li>• Infrastructure contributions</li> <li>• Building legislation</li> <li>• Maintaining quality open space in urban and growth areas</li> <li>• Balancing protection of heritage buildings with pressure for intense development.</li> </ul>	Number of opportunities for member input to MAV.

OBJECTIVE 1: HELP COUNCILS ACHIEVE FINANCIAL SUSTAINABILITY (CONTINUED)

ACTIVITY	TARGET	METHOD	MEASURE
<b>EMERGENCY MANAGEMENT</b>			
<b>P1&gt;</b> Secure funding certainty.	<b>State Government take over the funding of SES, Surf Life Saving and Coastguard.</b>	<ul style="list-style-type: none"> <li>Complete negotiations with the State Government.</li> </ul>	<b>State Govt funds SES, Surf Life Saving and Coastguard.</b>
<b>1c&gt;</b> Advocate for a more equitable and effective allocation of resources.	Influence State – Commonwealth negotiations on natural disaster funding models.	<ul style="list-style-type: none"> <li>Secure confirmation that responsibility for fire plugs sits with water authorities, not councils</li> <li>Review the State Fire Services Levy model to ensure equitable distribution across the State</li> <li>Use multiple advocacy approaches, including Ministerial correspondence, media stories, influencing State stakeholders through positions on SCRC committees and leveraging ALGA's networks at the Federal level.</li> </ul>	MAV inclusion on State inter-departmental funding committee(s).
<b>ENVIRONMENT</b>			
<b>P1&gt;</b> Secure funding certainty.	<b>Secure funding for roadside weeds and pest management.</b>	<ul style="list-style-type: none"> <li>Advocacy to State Government regarding funding for roadside weeds and pest management.</li> </ul>	<b>Funding secured.</b>
<b>P3&gt;</b> Explore new funding streams and savings opportunities.	<b>Achieve access to Landfill Levy revenue to fund decommissioning and establishment of landfill sites, and climate change mitigation.</b>	<ul style="list-style-type: none"> <li>Review the Waste Levy impacts on local government.</li> <li>Advocacy to State Government (including the Opposition) regarding access to Landfill Levy revenue.</li> </ul>	<b>Impacts assessed. Access to levy funds achieved.</b>
<b>1d&gt;</b> Advocate local government interests in State environment-related reviews and reforms, including climate change mitigation policy and actions.	The sector's position in response to State reviews and reform initiatives is clearly articulated.	<ul style="list-style-type: none"> <li>In consultation with the sector, develop and advance our position in relation to the various reviews and reforms underway via written submissions, participation in reference and advisory groups, meetings with relevant departments and ministers.</li> <li>Encourage the development of State Climate Change Policy and associated investment in coastal adaptation, mitigation and coastal infrastructure maintenance.</li> </ul>	Number of written submissions, extent of input from members and substantive meetings with State.
<b>TECHNOLOGY &amp; DIGITAL</b>			
<b>1e&gt;</b> Explore new funding streams and savings opportunities.	Inefficiency reduced through digital transformation initiatives.	<ul style="list-style-type: none"> <li>Support, promote and facilitate evidence-based business transformation initiatives.</li> </ul>	Achieved? (Y/N)
<b>1f&gt;</b> Improve ICT procurement practices. Develop and support shared services.	Participation in collaborative ICT procurement is increased.  Shared services plans and opportunities are increased.	<ul style="list-style-type: none"> <li>Identify and develop high value ICT procurement opportunities.</li> <li>Encourage participation in collaborative ICT procurement opportunities.</li> <li>Develop, support and promote shared service opportunities.</li> </ul>	Number of councils participating in collaborative ICT contracts.  Number of shared services opportunities delivered or progressed.

## OBJECTIVE 1: HELP COUNCILS ACHIEVE FINANCIAL SUSTAINABILITY (CONTINUED)

ACTIVITY	TARGET	METHOD	MEASURE
<b>GOVERNANCE, ECONOMICS &amp; FINANCE</b>			
<b>P1&gt;</b> Secure funding certainty.	FAGs indexation is reintroduced in 2017.	<ul style="list-style-type: none"> <li>Advocate through the ALGA to ensure FAGs indexation is reintroduced in 2017</li> </ul>	Achieved? (Y/N)
<b>P2&gt;</b> Reduce red tape reporting costs.	<p>State Govt reporting costs on local govt is quantified.</p> <p>20% reduction in State Govt reporting costs by mid-2018.</p> <p>Rate cap exemption process is streamlined.</p>	<ul style="list-style-type: none"> <li>Undertake comprehensive review of cost of State Government reporting to councils.</li> <li>Develop and implement advocacy campaign informed by review data.</li> <li>Advocacy to the State Government (including the Opposition) to streamline the rate-cap exemption.</li> </ul>	<p>Achieved? (Y/N)</p> <p>Achieved? (Y/N)</p> <p>Achieved? (Y/N)</p>
<b>P3&gt;</b> Explore new funding streams and savings opportunities.	New funding options, palatable to councils are identified.	<ul style="list-style-type: none"> <li>Review in partnership with ALGA and test with members.</li> </ul>	Achieved? (Y/N)
<b>PUBLIC HEALTH &amp; SAFETY</b>			
<b>1g&gt;</b> Advocate for investment in local government to prevent and address public health and safety issues.  Advocate for investment in local government leadership to prevent family violence and violence against women and children.	<p>Continued support from the State Government for funding for the tobacco control service agreements.</p> <p>State Government continue to support community safety initiatives.</p> <p>State Government recognises local government as a key setting for prevention activity.</p>	<ul style="list-style-type: none"> <li>Maintain constructive relationship with the Tobacco Unit of the Department of Health and Human Services.</li> <li>Administer the service agreements accountably and efficiently.</li> <li>Participation in assessment processes for funding initiatives.</li> <li>Advocate for funding of local government to develop and deliver activities to prevent family violence and violence against women and children.</li> </ul>	<p>Tobacco activity service agreements are operating and any issues raised by DHHS or councils are attended to.</p> <p>Councils funded through community crime prevention initiatives.</p> <p>Councils funded through preventing family violence initiatives.</p>
<b>TRANSPORT &amp; INFRASTRUCTURE</b>			
<b>P1&gt;</b> Secure funding certainty.	Reinstatement of funding for country roads and bridges.	<ul style="list-style-type: none"> <li>Advocacy to Commonwealth and State Governments (including Opposition).</li> </ul>	Achieved? (Y/N)
<b>P3&gt;</b> Explore new funding streams and savings opportunities.	School crossings funding model is reformed.	<ul style="list-style-type: none"> <li>Advocacy to State Government to reform school crossings funding.</li> </ul>	Achieved? (Y/N)
<b>1h&gt;</b> Support shared services (including freight transport planning); and advocate at State and Federal levels to address infrastructure renewal funding gap issues.	<p>Double Roads to Recovery funding.</p> <p>Infrastructure renewal funding gap issues are progressed.</p>	<p>Work with councils to develop sector positions on:</p> <ul style="list-style-type: none"> <li>Transport Network Pricing</li> <li>Safety around schools review</li> <li>Freight plans and priorities</li> <li>Rail infrastructure priorities, including support for Metro Rail and its integration with existing public transport network.</li> <li>Road safety initiatives and funding.</li> </ul>	<p>Percentage of councils participating in regional freight plans and priorities.</p> <p>Roads to Recovery funding increases.</p>

## OBJECTIVE 1: HELP COUNCILS ACHIEVE FINANCIAL SUSTAINABILITY (CONTINUED)

ACTIVITY	TARGET	METHOD	MEASURE
<b>PROCUREMENT</b>			
<b>P3&gt;</b> Explore new funding streams and savings opportunities.	<b>Council savings achieved through aggregation.</b>	<ul style="list-style-type: none"> <li>Identify and facilitate aggregated procurement opportunities to generate savings for councils.</li> </ul>	<b>Achieved? (Y/N)</b>
<b>1i&gt;</b> Drive council savings through aggregated procurement; and actively promote aggregated procurement opportunities.	<p>Continue to deliver high quality and relevant contracts to councils.</p> <p>Increased council awareness of aggregated procurement opportunities.</p>	<ul style="list-style-type: none"> <li>Conduct sector-wide tenders including (but not limited to):               <ul style="list-style-type: none"> <li>- Fuel &amp; Lubricants</li> <li>- Electricity</li> <li>- Library Management System</li> <li>- Library Materials</li> <li>- Local Government Funding Vehicle</li> <li>- Waste Management Services</li> <li>- General Hardware</li> <li>- Civil Construction and Road Maintenance.</li> </ul> </li> </ul>	Council utilisation of contracts, cost and process savings (where measurable).
<b>EVENTS &amp; TRAINING</b>			
<b>1j&gt;</b> Ensure financial sustainability for councils is discussed in key MAV events and training programs.	<p>Councils better understand financial sustainability challenges and potential solutions.</p> <p>Training and professional development pathway opportunities are available.</p>	<ul style="list-style-type: none"> <li>Ensure event program content and exhibition participants assist councils to address capacity, capability and credibility challenges.</li> <li>Work with facilitators/sector experts to ensure relevant content for training workshops/sessions.</li> <li>Improve the capacity and capability of councillors and mayors to achieve financial sustainability for their councils.</li> </ul>	<p>Event survey outcomes.</p> <p>Participation in MAV events and training initiatives.</p> <p>Councillor participation in training and development events.</p>
<b>INSURANCE</b>			
<b>P3&gt;</b> Explore new funding streams and savings opportunities.	<b>Council savings achieved through aggregation.</b>	<ul style="list-style-type: none"> <li>Implement the WorkCover Self-Insurance Scheme to generate savings for councils.</li> </ul>	<b>Achieved? (Y/N)</b>
<b>1k&gt;</b> Provide not-for-profit, high-value, low cost insurance schemes for members.	Continue to deliver high quality and relevant insurance schemes for councils.	<ul style="list-style-type: none"> <li>Place a comprehensive reinsurance program at optimum limits.</li> </ul>	Number of Liability Mutual, Commercial Crime and LGE Health insurance scheme members.
<b>COMMUNICATIONS &amp; MEDIA</b>			
<b>1l&gt;</b> Facilitate and coordinate communications and media to support this objective. Support advocacy activities with evidence-based reports, resources and campaigns.			
<b>CORPORATE SERVICES</b>			
<b>1m&gt;</b> Manage MAV human resources, policy compliance, hosted meetings and administration services to support this objective.			

Priorities are highlighted in bold

OBJECTIVE 2:

# IMPROVE THE REPUTATION OF LOCAL GOVERNMENT

ACTIVITY	TARGET	METHOD	MEASURE
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**COMMUNITY SERVICES**

<b>P4&gt;</b> <b>Raise the profile and influence of local government.</b>	<b>Influence is increased with State and Commonwealth Governments.</b>	<ul style="list-style-type: none"> <li>• <b>Initiate policy and legislative changes to Commonwealth and State Governments.</b></li> </ul>	<b>Engagement &amp; response rates.</b>
<b>2a&gt;</b> Increase profile of universal services and community and stakeholder awareness of services provided by councils. Continue to promote councils' civic leadership role.	Community and stakeholder awareness of services has increased. Local Government leads community in promoting / addressing social issues.	<ul style="list-style-type: none"> <li>• Collect, share and promote council service case studies.</li> <li>• Strengthen councils' kindergarten central enrolment capacity to support families across the State.</li> <li>• Collaborate with the State to feature local government universal early childhood services in the Education State Plan.</li> <li>• Work with the State to identify and value LG investment across arts and culture assets and activities, and promote to community.</li> <li>• Promote advocacy campaign with councils in regard to gambling legislation reform and community safety initiatives.</li> <li>• Promote age friendly communities concept and increase profile of LG activities.</li> <li>• Promote promising practice local government is undertaking to prevent violence against women and to promote gender equality via the MAV website.</li> <li>• Support councils' advocacy efforts to increase the supply of social and more affordable housing.</li> </ul>	Improved kindergarten central enrolment polices and processes promote equity of access. Education State Plan includes LG universal services. Number of written submissions, extent of input from members. Increase in number of councils signed up to Age Friendly Declaration. Web visits analysis.

**EMERGENCY MANAGEMENT**

<b>P4&gt;</b> <b>Raise the profile and influence of local government.</b>	<b>Influence is increased with State and Commonwealth Governments.</b>	<ul style="list-style-type: none"> <li>• <b>Initiate policy and legislative changes to Commonwealth and State Governments.</b></li> </ul>	<b>Engagement &amp; response rates.</b>
<b>2b&gt;</b> Work with councils and the State on an agreed role for local government aligning with capability and capacity.	An agreed role statement for local government in emergency management.	<ul style="list-style-type: none"> <li>• Work closely with LGV and provide input to their local government capability and capacity project.</li> <li>• Utilise seat on the projects working group to influence the project and other stakeholders.</li> <li>• Work with councils to disseminate State emergency management information.</li> </ul>	An agreed role statement is developed and communicated throughout the emergency management sector and the community.



OBJECTIVE 2: IMPROVE THE REPUTATION OF LOCAL GOVERNMENT (CONTINUED)

ACTIVITY	TARGET	METHOD	MEASURE
<b>ENVIRONMENT</b>			
<b>2c&gt;</b> Increase awareness of environmental services provided by councils.	Better community understanding of environmental services provided by councils.	<ul style="list-style-type: none"> <li>Support council initiatives that promote local government environmental issues and services including management of roadside weeds and pests, landfills, renewable energy and energy efficiency initiatives, marine and coastal management, biodiversity, climate change adaptation, water management, and waste and resource recovery.</li> <li>Support investigation into collaborative renewable energy initiatives.</li> </ul>	<p>Awareness of council services survey outcomes.</p> <p>Facilitation of council collaborations on environmental issues.</p>
<b>GOVERNANCE, ECONOMIC &amp; FINANCE</b>			
<b>P4&gt;</b> Raise the profile and influence of local government.	<p>Influence is increased with State and Commonwealth Governments.</p> <p>Communities better understand issues affecting financial sustainability of LG</p>	<ul style="list-style-type: none"> <li>Initiate policy and legislative changes to Commonwealth and State Governments.</li> <li>Monitor and communicate the impact of rate capping on council services.</li> </ul>	<p>Engagement &amp; response rates.</p> <p>Social media &amp; web analytics.</p>
<b>P5&gt;</b> Influence the LG Act and MAV Act reviews.	A more contemporary LG Act with increased council autonomy and a contemporary MAV Act that expands and clarifies the objects, functions and powers of the MAV.	<ul style="list-style-type: none"> <li>Make submissions and advocate to government on the form, content and draft legislation of the Acts.</li> </ul>	Achieved? (Y/N)
<b>P6&gt;</b> Review and amend the MAV Rules.	The performance and potential of the MAV (including State Council) is maximised.	<ul style="list-style-type: none"> <li>Undertake a comprehensive review of the governance structure of the MAV, including the role of State Council and MAV committees.</li> </ul>	Achieved? (Y/N)
<b>2d&gt;</b> Continue to improve standards of MAV governance and organisational performance.	Better practice is achieved in MAV governance, performance and management.	<ul style="list-style-type: none"> <li>Further review policies and management practices to ensure better practice is achieved in board governance and organisational performance.</li> </ul>	<p>Achieved? (Y/N)</p> <p>Number of reviews of policies undertaken and number of new policies developed.</p>

## OBJECTIVE 2: IMPROVE THE REPUTATION OF LOCAL GOVERNMENT (CONTINUED)

ACTIVITY	TARGET	METHOD	MEASURE
<b>PUBLIC HEALTH &amp; SAFETY</b>			
<b>P4&gt;</b> Raise the profile and influence of local government.	<b>Influence is increased with State and Commonwealth Governments.</b>	<ul style="list-style-type: none"> <li>Initiate policy and legislative changes to Commonwealth and State Governments.</li> </ul>	<b>Engagement &amp; response rates.</b>
<b>2e&gt;</b> Increase community awareness of local government public health and safety services.	Communities are aware of public health and safety issues and activities.	<ul style="list-style-type: none"> <li>Advocating on councils' behalf about the implementation of the new outdoor dining smoking laws due to commence in 2017.</li> <li>Advocate councils' priorities identified in municipal health and wellbeing plans to other levels of government e.g. harm from gambling.</li> <li>Promote councils' preventing violence against women and gender equality strategies.</li> </ul>	<p>Resources and advice are available to councils.</p> <p>Councils evaluations published.</p> <p>Council plans and strategies are published on the MAV website.</p>
<b>TRANSPORT &amp; INFRASTRUCTURE</b>			
<b>P4&gt;</b> Raise the profile and influence of local government.	<b>Influence is increased with State and Commonwealth Governments.</b>	<ul style="list-style-type: none"> <li>Initiate policy and legislative changes to Commonwealth and State Governments.</li> </ul>	<b>Engagement &amp; response rates.</b>
<b>2f&gt;</b> Strengthen advocacy role to increase influence on transport-related policies and programs.	Influence is increased.	<ul style="list-style-type: none"> <li>Work to raise the profile of the MAV to increase our influence on transport-related policies and programs.</li> </ul>	Member survey outcomes.
<b>TECHNOLOGY &amp; DIGITAL</b>			
<b>P4&gt;</b> Raise the profile and influence of local government.	<b>Influence is increased with State and Commonwealth Governments.</b>	<ul style="list-style-type: none"> <li>Initiate policy and legislative changes to Commonwealth and State Governments.</li> </ul>	<b>Engagement &amp; response rates.</b>
<b>2g&gt;</b> Develop and support collaborative technical solutions for customer-facing service delivery. Facilitate community input to deliver co-designed solutions.	Customer satisfaction rates are improved.	<ul style="list-style-type: none"> <li>Collect and share learning and expertise from leading councils and stakeholders.</li> <li>Develop a whole of sector roadmap for digital transformation.</li> </ul>	<p>Number of councils engaged in digital transformation planning.</p> <p>Available resources.</p>
<b>PROCUREMENT</b>			
<b>2h&gt;</b> Improve council procurement processes and supplier engagement through procurement training and professional development.	Delivery of procurement and contract management training to councils.	<ul style="list-style-type: none"> <li>Ongoing delivery of procurement and contract management training, including the rollout and ongoing development of eLearning modules.</li> <li>Development of a standard suite of tender documents for councils will simplify the engagement process for councils and reduce costs.</li> </ul>	<p>Participation rates and qualitative assessment of participants (i.e. conduct surveys).</p> <p>Assessment of eLearning uptake and outcomes.</p> <p>Take up of standard documents.</p>

## OBJECTIVE 2: IMPROVE THE REPUTATION OF LOCAL GOVERNMENT (CONTINUED)

ACTIVITY	TARGET	METHOD	MEASURE
<b>EVENTS &amp; TRAINING</b>			
<b>P4&gt;</b> Raise the profile and influence of local government.	<b>Community understanding of the breadth and value of council services has increased.</b>	<ul style="list-style-type: none"> <li>Support initiatives that raise awareness of councils' role, services and performance.</li> </ul>	<b>Social media &amp; web analytics.</b>
<b>2i&gt;</b> Ensure prospective and new Councillors are aware of the roles and responsibilities of local government.	Public perception of councillor capability improves.	<ul style="list-style-type: none"> <li>Conduct a range of training and events to increase the capability and capacity of councillors and mayors, including a Councillor Development Weekend, councillor induction program, councillor fundamentals and other training programs.</li> </ul>	Measure participation in events and seek qualitative feedback from participants via surveys.
<b>INSURANCE</b>			
<b>2j&gt;</b> Help members to reduce liability risks for employees and communities.	<p>Reduce number of claims per member revenue.</p> <p>Increase member participation in risk management training programs.</p>	<ul style="list-style-type: none"> <li>Deliver a comprehensive risk management program.</li> </ul>	<p>Number of claims per member revenue.</p> <p>Member participation in risk management training programs.</p>
<b>COMMUNICATIONS &amp; MEDIA</b>			
<b>P4&gt;</b> Raise the profile and influence of local government.	<p><b>Influence is increased with State and Commonwealth Governments.</b></p> <p><b>Community understanding of the breadth and value of council services has increased.</b></p> <p><b>More resources are available to help councils meet community expectations.</b></p>	<ul style="list-style-type: none"> <li>Initiate policy and legislative changes to Commonwealth and State Governments.</li> <li>Support initiatives that raise awareness of councils' role, services and performance.</li> <li>Undertake perception of LG research and develop a member engagement strategy that includes a focus on improving the reputation of the sector.</li> </ul>	<p><b>Engagement &amp; response rates.</b></p> <p><b>Social media &amp; web analytics.</b></p> <p><b>Number of resources available to councils.</b></p>
<b>2k&gt;</b> Develop and deliver resources to help councils manage community expectations.	Communications resources and initiatives are leveraged by councils to help manage community expectations.	<ul style="list-style-type: none"> <li>Improve presence of Victorian councils through social media, including National Twitter Day campaign, and other digital channels.</li> <li>Work with media stakeholders to identify positive local government story opportunities.</li> <li>Review and restructure the MAV website.</li> <li>MCH Centenary celebration initiatives.</li> </ul>	<p>Social media analytics.</p> <p>Member use of resource materials.</p> <p>Member satisfaction survey outcomes.</p>

Priorities are highlighted in bold

OBJECTIVE 3:

# INCREASE PRODUCTIVITY AND EFFICIENCY

ACTIVITY	TARGET	METHOD	MEASURE
<b>COMMUNITY SERVICES</b>			
<b>P9&gt;</b> Address local government capacity, capability and credibility challenges.	Councils leverage information, experiences, business processes and innovation initiatives of other councils, advisory groups, all levels of government, the education sector and the private sector.	<ul style="list-style-type: none"> <li>• <b>Host forums, conferences, workshops and training courses to improve knowledge and skills development of councillors and council officers.</b></li> <li>• <b>Develop digital solutions for sharing of information, experience and innovation initiatives.</b></li> <li>• <b>Encourage use of common data standards and business processes.</b></li> </ul>	<p>Stakeholders participating in MAV events and programs.</p> <p>Survey outcomes.</p> <p>Use of common standards and practices.</p>
<b>3a&gt;</b> Build on intergovernmental partnerships to support councils innovation and ongoing investment in community priorities. Develop and support program, process and infrastructure improvements.	<p>Local Government supported to plan, coordinate and deliver services for older people, people with disabilities and families.</p> <p>Improved coordination between universal/ secondary and tertiary services for vulnerable families.</p>	<ul style="list-style-type: none"> <li>• Facilitate Trilateral Community Care Officials Group with Commonwealth &amp; State to support effective outcomes from Aged and Disability reforms.</li> <li>• Lead the revision of the Maternal &amp; Child Health (MCH) guidelines, and develop guidance on records keeping / risk management.</li> <li>• Councils actively contribute to the design of the child protection / family violence prevention strategy &amp; response, including the design of Support and Safety Hubs / Networks.</li> <li>• Advocate for the MCH CDIS platform’s place as foundational to Family Violence Royal Commission reforms on information sharing.</li> <li>• Support the implementation of the Creative State as outlined in the MoU with the MAV.</li> </ul>	<p>Improved collective outcomes negotiated in comparison to individual councils dealing one by one with governments.</p> <p>LG input reflected in the Victorian Prevention Strategy, the design of Safety Hubs, information sharing reforms &amp; MCH review.</p> <p>Creative State strategies and activities promoted with LG.</p>
<b>ENVIRONMENT</b>			
<b>3b&gt;</b> Build council capacity and collaboration through information and best practice sharing.	Councils accessing and contributing to MAV events and online resources in order to gather and share information and learnings.	<ul style="list-style-type: none"> <li>• Publish monthly MAV Environment bulletin.</li> <li>• Restructure and improve content of MAV website environment pages.</li> <li>• Convene forums for councils to share information and showcase best practice.</li> </ul>	<p>MAV Bulletin subscription base.</p> <p>Web page analysis.</p> <p>Number of delegates at forums survey outcomes.</p>
<b>GOVERNANCE, ECONOMICS &amp; FINANCE</b>			
<b>3c&gt;</b> Support the standardisation of policies and governance frameworks, where practicable.	Increased standardisation and improved capacity and capability.	<ul style="list-style-type: none"> <li>• Work with LGV and the sector to develop guidelines/templates for policies and governance frameworks, where practicable.</li> <li>• Engage with all new councillors and mayors and encourage them to participate in MAV training and events to improve their capability and capacity.</li> </ul>	<p>Number of guidelines/template developed.</p> <p>Rate of engagement with councillors and mayors.</p>

OBJECTIVE 3: INCREASE PRODUCTIVITY AND EFFICIENCY (CONTINUED)

ACTIVITY	TARGET	METHOD	MEASURE
<b>PLANNING &amp; BUILDING</b>			
<b>3d&gt;</b> Support councils to improve services.	Develop a business case for future improvement projects.	<ul style="list-style-type: none"> <li>Establish a task force(s) to inform the development of future improvement programs.</li> </ul>	Development of business case. Council participation levels.
<b>PUBLIC HEALTH &amp; SAFETY</b>			
<b>3e&gt;</b> Improve health and safety service delivery processes.	Local government's contribution to the food safety regulatory system is recognised.	<ul style="list-style-type: none"> <li>MAV participation on the Victorian Food Regulators Forum and maintain dialogue with councils over reform proposals.</li> </ul>	MAV has attended meetings and liaised with councils on food safety matters.
<b>TECHNOLOGY &amp; DIGITAL</b>			
<b>P8&gt;</b> Encourage and facilitate sharing of services, technology and business processes.	Implementation of a sector-led business solution that enables more efficient and effective collaboration, cooperation and innovation through shared technology and processes.	<ul style="list-style-type: none"> <li>Deliver Victorian Local Government Enablement Platform proof-of-concept.</li> <li>Develop production, governance and resourcing model for Local Government Digital Transformation Centre.</li> <li>Showcase share services opportunities.</li> </ul>	Achieved? (Y/N) Achieved? (Y/N) Achieved? (Y/N)
<b>P9&gt;</b> Address local government capacity, capability and credibility challenges.	Councils leverage information, experiences, business processes and innovation initiatives of other councils, advisory groups, all levels of government, the education sector and the private sector.	<ul style="list-style-type: none"> <li>Develop digital solutions for sharing of information, experience and innovation initiatives.</li> <li>Host forums, conferences, workshops and training courses to improve knowledge and skills development of councillors and council officers.</li> <li>Encourage use of common data standards and business processes.</li> </ul>	Stakeholders participating in MAV events and programs. Survey outcomes. Use of common standards and practices.
<b>3f&gt;</b> Standardise, simplify and share ICT systems and processes.  Develop and support business solutions enabled by digital.	ICT and digital capability is improved.	<ul style="list-style-type: none"> <li>Produce research and best practice guidelines to increase ICT knowledge and development of new skills.</li> </ul>	Number of councils engaged in initiatives to standardise systems and processes. Number of councils engaged in ICT skills development initiatives. Councils participating in events and programs. Survey outcomes.

## OBJECTIVE 3: INCREASE PRODUCTIVITY AND EFFICIENCY (CONTINUED)

ACTIVITY	TARGET	METHOD	MEASURE
<b>TRANSPORT &amp; INFRASTRUCTURE</b>			
<p><b>3g&gt;</b> Support councils to improve transport and infrastructure services, including advocacy to support the development of rail infrastructure and services.</p> <p>Advocate for sustainable community transport services in rural areas.</p>	<p>All councils reach STEP "core" status.</p> <p>Local and regional community transport services attract State funding investment.</p>	<ul style="list-style-type: none"> <li>Work with councils to develop sector positions on:               <ul style="list-style-type: none"> <li>Infrastructure Victoria 30 year strategy</li> <li>School Crossing Program reform</li> <li>Transport Network Pricing</li> <li>Parliamentary Enquiry into VicRoads' Management of Country Roads.</li> </ul> </li> <li>Promote STEP program to remaining councils.</li> <li>Advocate for the development of a community transport policy and investment program by the State, particularly in rural areas.</li> <li>Continue to support and advocate for the road/rail interchange upgrades.</li> </ul>	<p>Number of interactions and participation in State Government working groups.</p> <p>Percentage of councils that have attained STEP "core" status.</p> <p>Number of interactions with State Government.</p>
<b>PROCUREMENT</b>			
<p><b>P7&gt;</b> Improve procurement practices and outcomes.</p>	<p>Data analysis drives efficiencies, savings and compliance as well as local and regional economic development and collaboration outcomes including shared services.</p>	<ul style="list-style-type: none"> <li>Ongoing delivery of the LEAP procurement development program, including participation from additional councils.</li> <li>LEAP provides data to councils and regions through online 'Dashboards' that can be interrogated at individual council and regional levels. The data enables analysis that assists in driving efficiencies, savings and compliance as well as local and regional economic development and collaboration outcomes including shared services.</li> </ul>	<p>Participation in the LEAP program and tracking of council and regional benefits.</p>
<p><b>P8&gt;</b> Encourage and facilitate sharing of services, technology and business processes.</p>	<p>Implementation of a sector-led business solution that enables more efficient and effective collaboration, cooperation and innovation through shared technology and processes.</p>	<ul style="list-style-type: none"> <li>Deliver Victorian Local Government Enablement Platform proof-of-concept.</li> <li>Develop production, governance and resourcing model for Local Government Digital Transformation Centre.</li> <li>Showcase share services opportunities.</li> </ul>	<p>Achieved? (Y/N)</p> <p>Achieved? (Y/N)</p> <p>Achieved? (Y/N)</p>
<p><b>P9&gt;</b> Address local government capacity, capability and credibility challenges.</p>	<p>Councils leverage information, experiences, business processes and innovation initiatives of other councils, advisory groups, all levels of government, the education sector and the private sector.</p>	<ul style="list-style-type: none"> <li>Develop digital solutions for sharing of information, experience and innovation initiatives.</li> <li>Host forums, conferences, workshops and training courses to improve knowledge and skills development of councillors and council officers.</li> <li>Encourage use of common data standards and business processes.</li> </ul>	<p>Stakeholders participating in MAV events and programs.</p> <p>Survey outcomes.</p> <p>Use of common standards and practices.</p>

OBJECTIVE 3: INCREASE PRODUCTIVITY AND EFFICIENCY (CONTINUED)

ACTIVITY	TARGET	METHOD	MEASURE
<b>EVENTS &amp; TRAINING</b>			
<b>P9&gt;</b> Address local government capacity, capability and credibility challenges.	Councils leverage information, experiences, business processes and innovation initiatives of other councils, advisory groups, all levels of government, the education sector and the private sector.	<ul style="list-style-type: none"> <li>Host forums, conferences, workshops and training courses to improve knowledge and skills development of councillors and council officers.</li> </ul>	Stakeholders participating in MAV events and programs. Survey outcomes.
<b>3h&gt;</b> Provide training and events for councillors and council officers that address capability, capacity and credibility challenges in local government.	Councils are informed of and inspired to act upon productivity and efficiency challenges and solutions.	<ul style="list-style-type: none"> <li>Provide training and events to increase the capability and capacity of new and returning councillors.</li> <li>Provide training and events to increase the capability and capacity of new and returning mayors.</li> </ul>	Number of mayors and councillors participating in MAV training and events Member and delegate survey outcomes.
<b>INSURANCE</b>			
<b>3i&gt;</b> Provide seamless and comprehensive insurance services for local government.	Member efficiency and productivity gains are realised.	<ul style="list-style-type: none"> <li>Provide liability cover, claims and risk management and legal advice.</li> </ul>	Efficiency and productivity benefits as determined by member survey.
<b>COMMUNICATIONS &amp; MEDIA</b>			
<b>P9&gt;</b> Address local government capacity, capability and credibility challenges.	Councils leverage information, experiences, business processes and innovation initiatives of other councils, advisory groups, all levels of government, the education sector and the private sector.	<ul style="list-style-type: none"> <li>Develop digital solutions for sharing of information, experience and innovation initiatives.</li> </ul>	Stakeholders participating in MAV events and programs. Survey outcomes.
<b>3j&gt;</b> Support and share resources with councils, offer communications training opportunities, and positively profile MAV and council case studies.  Progressive improvements to be made to MAV communications channels, informed by results of member surveys and user analytics.	Councils leverage information, experiences, business processes and innovation initiatives of other stakeholders.	<ul style="list-style-type: none"> <li>Trial of MAV member services six-monthly tailored reports.</li> <li>Implementation of Patchwork communications plan.</li> <li>Bulletin analytics and communications survey results. to inform format and design improvements to MAV communications channels.</li> <li>New MAV website design.</li> </ul>	Members' use of resources. Member feedback through survey outcomes.

Priorities are highlighted in bold

OBJECTIVE 4:

# INCREASE INNOVATION AND COLLABORATION

ACTIVITY	TARGET	METHOD	MEASURE
<b>COMMUNITY SERVICES</b>			
4a> Support councils to maintain a leadership role.	Levels of State and Commonwealth consultation with local government are maintained or increased. Councils community leadership role strengthened.	<ul style="list-style-type: none"> <li>Support the implementation of 10 year Early Years Compact with DHHS &amp; DET and MAV on behalf of councils.</li> <li>Support and promote council leadership in diversity and social cohesion initiatives and programs.</li> <li>Promote councils innovation in preventing violence against women activities and increasing gender equality.</li> <li>Strengthen councils' capacity to implement, integrate and leverage sustainable arts and culture programs.</li> <li>Increase collaboration between councils and Aboriginal Community Controlled Organisations (ACCOs).</li> <li>Advocate for State support to councils for 'Patchwork' and 'Casserole' programs.</li> <li>Build on Age Friendly Partnership with the State and development of local government positive ageing initiatives.</li> <li>Support councils in developing their four-year Municipal Public Health &amp; Wellbeing Plans and influence into the State Plan priorities.</li> <li>Support gender equity / Preventing Violence Against Women initiatives.</li> </ul>	<p>Increase in local government representation and influence in targeted areas.</p> <p>Councils share their innovation and progress through MAV survey.</p> <p>MAV / VACCHO protocol signed off on behalf of councils and ACCOs.</p>
<b>ENVIRONMENT</b>			
4b> Encourage and promote council initiatives to address climate change.	Councils are working together to address climate change impacts.	<ul style="list-style-type: none"> <li>Hold events and host networks to encourage collaboration on environmental issues.</li> <li>Support collaboration to improve the environmental impacts of councils.</li> <li>Support collaboration in addressing climate change.</li> </ul>	<p>Participation in collaborative networks and events.</p>
<b>EVENTS &amp; TRAINING</b>			
4c> Work with councils to identify and implement preferred future directions for the sector.	Innovation and collaboration is encouraged.	<ul style="list-style-type: none"> <li>Deliver events and training opportunities that encourage whole-of-government collaboration and builds partnerships with other local government associations and stakeholders.</li> <li>Deliver events and training opportunities that encourage and promote better engagement with the private sector.</li> <li>Deliver events and training opportunities address local government capacity, capability and credibility challenges.</li> <li>Deliver events and training opportunities that challenge entrenched business practices and cultures in local government.</li> </ul>	<p>Participation in MAV events and training.</p> <p>Partnerships, collaborations and projects supported by MAV events.</p> <p>Event and training effectiveness via participant surveys.</p>



## OBJECTIVE 4: INCREASE COLLABORATION AND INNOVATION (CONTINUED)

ACTIVITY	TARGET	METHOD	MEASURE
<b>GOVERNANCE, ECONOMIC &amp; FINANCE</b>			
<b>P10&gt;</b> Drive business transformation.	Data quality, standards, management and analysis capability is increased.	<ul style="list-style-type: none"> <li>Encourage and support initiatives that help councils make better use of data to inform business decisions and influence funding submissions.</li> </ul>	Number of collaborative data initiatives.
<b>P12&gt;</b> Enable innovation partnerships.	Local government knowledge, capability and capacity is increased through effective partnerships with government, business, education and civic stakeholders.	<ul style="list-style-type: none"> <li>Address legislative and regulatory barriers to innovation initiatives.</li> </ul>	Barriers removed.
<b>4d&gt;</b> Develop and implement annual collaboration plans with LGV.	Collaborate with LGV to improve support to the sector.	<ul style="list-style-type: none"> <li>Identify sector priorities for inclusion in the joint collaboration plan with LGV.</li> </ul>	Development and implementation of an annual collaboration plan.
<b>INSURANCE</b>			
<b>4e&gt;</b> Develop and support insurance shared services opportunities.	Increase in best practice.	<ul style="list-style-type: none"> <li>Deliver innovative claims-reduction programs.</li> </ul>	Member participation in best practice programs. Claims-reduction.
<b>PLANNING &amp; BUILDING</b>			
<b>P10&gt;</b> Drive business transformation.	Data quality, standards, management and analysis capability is increased.	<ul style="list-style-type: none"> <li>Encourage and support initiatives that help councils make better use of data to inform business decisions and influence funding submissions.</li> </ul>	Number of collaborative data initiatives.
<b>4f&gt;</b> Build capacity through sharing innovation and best practice.	Increase participation and engagement in events.	<ul style="list-style-type: none"> <li>Increase participation and engagement in events.</li> </ul>	Number of delegates and conference event evaluation survey.
<b>PUBLIC HEALTH &amp; SAFETY</b>			
<b>4g&gt;</b> Facilitate and support innovation that improves collaboration.	Increased participation in Streatrader program. Strategic stakeholder partnerships established or strengthened.	<ul style="list-style-type: none"> <li>Improve the Streatrader registration system.</li> <li>Strengthen partnerships between councils and key stakeholders in health &amp; safety.</li> </ul>	Number of registrations. Number and influence of partnerships.
<b>COMMUNICATIONS &amp; MEDIA</b>			
<b>4h&gt;</b> Improve accountability and transparency to our members. Improve digital presence of MAV to showcase positive sector stories.	Member satisfaction levels have increased.	<ul style="list-style-type: none"> <li>Improve planning and reporting frameworks, processes and documentation.</li> <li>Provide new opportunities and platforms to showcase sector innovation.</li> <li>Redevelop MAV website to better profile and showcase Victorian local government innovation.</li> </ul>	Survey outcomes. Pilot of biannual tailored member services reports. Member use of resources.

OBJECTIVE 4: INCREASE COLLABORATION AND INNOVATION (CONTINUED)

ACTIVITY	TARGET	METHOD	MEASURE
<b>TECHNOLOGY &amp; DIGITAL</b>			
<b>P10&gt;</b> Drive business transformation.	Facilitate opportunities to improve business processes by providing data and training, and by removing roadblocks. Councils are establishing more efficient and consistent business process. Data quality, standards, management and analysis capability is increased.	<ul style="list-style-type: none"> <li>Best practice guidelines.</li> <li>Implement the recommendations of the Local Government Digital Transformation Task Force.</li> <li>Encourage and support initiatives that help councils make better use of data to inform business decisions and influence funding submissions.</li> </ul>	Number of improved business processes. Achieved? (Y/N) Number of collaborative data initiatives.
<b>P11&gt;</b> Address digital access and equity issues.	Councils have access to affordable, reliable ICT infrastructure. Councils better understand the challenges and opportunities of the digital era.	<ul style="list-style-type: none"> <li>Work with ALGA to influence ICT access issues including high-quality, high-speed broadband and mobile phone coverage.</li> <li>Deliver and support initiatives that improve digital maturity of councils.</li> </ul>	Councils with affordable access to critical ICT infrastructure. Digital maturity survey outcomes.
<b>TRANSPORT &amp; INFRASTRUCTURE</b>			
<b>4i&gt;</b> Build capacity through innovation and best practice.	Increase interactions with other levels of government. All councils reach STEP "core" status.	<ul style="list-style-type: none"> <li>Hold forums, workshops and conferences.</li> <li>Promote STEP program to remaining councils.</li> </ul>	Number of delegates and survey outcomes. Percentage of councils that attain STEP "core" status.
<b>PROCUREMENT</b>			
<b>P10&gt;</b> Drive business transformation.	Facilitate opportunities to improve business processes by providing data and training, and by removing roadblocks.	<ul style="list-style-type: none"> <li>LEAP Procurement program.</li> <li>Best practice guidelines.</li> <li>Implement the recommendations of the Local Government Digital Transformation Task Force.</li> </ul>	Number of improved business processes. Barriers removed.
<b>P12&gt;</b> Enable innovation partnerships.	Local government knowledge, capability and capacity is increased through effective partnerships with government, business, education and civic stakeholders.	<ul style="list-style-type: none"> <li>Strengthen and encourage partnerships between councils, and between councils and other levels of government.</li> <li>Explore opportunities for PPPs.</li> </ul>	Partnerships established. Barriers removed.
<b>4j&gt;</b> Support regional procurement and shared services opportunities.	Local government knowledge, capability and capacity is increased through effective partnerships with government, business, education and civic stakeholders.	<ul style="list-style-type: none"> <li>Conduct sector-wide and regional tenders, such as the EAGA solar savers project and major roads street lighting.</li> <li>Identify opportunities for innovative processes and projects in consultation with councils and other MAV stakeholders.</li> </ul>	Establishment of collaborative contracts including identification and delivery of regional projects.

# MEMBERSHIP BENEFITS

The Municipal Association of Victoria (MAV) is the legislated peak body for Victoria’s 79 councils. Formed in 1879, we have a long and proud history of supporting councils.

## Advocacy

MAV advocacy protects the rights of councils, increases funding for provision of community services, influences policies affecting councils and provides a stronger voice to negotiate on behalf of communities.

## Services

MAV services help to improve the efficiency and productivity of councils by providing best practice policy advice, training for council staff and councillors and cost-saving collaborative procurement and insurance opportunities.

## Promotion

The MAV promotes the value and strengths of the sector to a wide range of stakeholders and provides promotional resources and networks to help councils improve community sentiment.



### OUR ROLE

The Parliament of Victoria passed the Municipal Association Act in 1907, officially recognising the MAV as the voice of local government in the state. Our role was to promote the efficient carrying out of municipal government throughout the state of Victoria and to watch over and protect the interests, rights and privileges of municipal corporations.

The MAV is an influential force, supporting a strong and strategically positioned local government sector. Today, our role is to represent and advocate the interests of local government, lobby for a ‘fairer deal’ for councils, raise the sector’s profile, ensure its long-term security and provide policy advice, strategic advice, capacity building programs and insurance services to local government.

The MAV is a membership association, accountable to its constituent members through State Council and an elected Board. Membership of the MAV is discretionary (78 Victorian councils are current financial members), and participation in our insurance schemes, procurement program, events and other activities is voluntary.

### CAPABILITY & RESOURCES

The MAV team is comprised of fewer than 40 staff and consultants. They understand the challenges of local government and implement the strategic direction set by our members through activities including advocacy and policy development, and performance and productivity services.

Our members play a significant role in how we operate. In consultation with them, we work to set both a specific and broad

agenda in terms of local government's needs and priorities. MAV work areas are also guided by input from eight MAV Board Advisory Committees, fourteen other MAV Committees and a long list of external committees. MAV staff coordinate and disseminate the work of these committees.

In addition to all the planned activities, MAV staff must be able to move swiftly on urgent arising issues. With such a small team of core staff members, the balancing of planned and arising activities is a constant challenge.

## AREAS OF OPERATION

MAV advocacy and capacity building services for councils include:

- Community services (incorporating maternal and child health, early years, vulnerable children, disability, active lifestyle, positive ageing, multicultural, Aboriginal, gambling, and arts and culture)
- Emergency management
- Environment
- Governance and mediation
- Planning and building
- Public health and safety
- Technology
- Transport and infrastructure;

Member services including:

- Procurement
- Debt funding
- Events and training; and

Insurance services including:

- Liability mutual
- Commercial Crime and
- LGE Health schemes, and
- MAV Workcover, worker's compensation self-insurance scheme for members (in progress).

The MAV has a strong reputation in both the state and federal arenas as a credible lobbyist with a significant track record in representing the interests of local government. Building and maintaining this reputation requires diplomacy and respect, even while campaigning passionately for our members' priority issues.

It's important to note that a significant amount of MAV staff time is spent responding to unplanned council, councillor and council officer requests for advice and support. This key function of the MAV is yet to be adequately represented in our formal reporting framework.

## CIVIC LEADERSHIP

The MAV supports councils to address current and emerging civic leadership issues such as social cohesion in diversifying communities, reconciliation with Aboriginal and Torres Strait Islanders, advancing gender equity, preventing violence against women, and planning for the anticipated impacts of digital transformation and climate change.

Activities to directly address these areas are dependent upon available resources. The MAV continually explores opportunities for new partnerships and funding to enable the delivery of programs to assist councils in their civic leadership role.

## STATE COUNCIL

State Council is our governing body. It is made up of representatives from each member council. Members appoint a representative to attend State Council meetings, exercise their council's vote and provide regular reports to their council on our activities.

The State Council's powers include:

- considering the Rules of the Association
- determining our strategic direction
- appointing the auditor.

State Council meets twice a year, or more if needed. Members can submit business to be considered by the State Council in accordance with the MAV Rules.

State Council is our members' opportunity to raise new issues as motions of business. Endorsed resolutions are addressed as directed by our Board and in accordance with their alignment to the strategic objectives, level of member support, immediacy of the issue and available resources.

Over the term of this plan, the MAV Rules will be comprehensively reviewed. The review will include examination of the role, purpose and alignment of our strategic planning process, State Council, Board Committees and other MAV advisory committees. The aim of the review is to maximise the effectiveness and influence of the MAV in supporting member councils. The review will occur during 2017. Outcomes may affect the structure and implementation of this plan.

## OUTCOMES

As presented in our most recent Annual Report (2015-16), Victoria's 79 councils contributed a total of \$2.7 million in membership subscriptions to the MAV.

Over this period, the MAV helped to unlock in excess of \$300 million in member service benefits including new funding for maternal and child health services, kindergarten infrastructure and operations, strategic land use planning, preventing violence against women, emergency resources, age-friendly projects and coastal climate change impacts.

We also negotiated new partnerships and agreements for planning fees, home and community care, social procurement and energy efficient street lighting. We facilitated improved efficiency and productivity through collaborative procurement, the roll out of the Child Development Information System (CDIS), improving asset management and procurement capability, open data publishing, professional development initiatives and the second issuance of the Local Government Funding Vehicle.

The aim of our strategic planning process is to improve on the value of these outcomes for members every year.

The MAV consistently delivers a return on investment well in excess of subscription fees for its members.

# ACKNOWLEDGMENTS

We gratefully acknowledge the contribution of the representatives from the following councils at the 2017-19 MAV Strategic Planning Consultation sessions.

## **BENDIGO**

Ballarat City  
Buloke Shire  
Campaspe Shire  
Central Goldfields Shire  
Gannawarra Shire  
Greater Bendigo City  
Hepburn Shire  
Loddon Shire  
Macedon Ranges Shire  
Maribyrnong City  
Melbourne City  
Mitchell Shire  
Mount Alexander Shire  
Port Phillip City  
Pyrenees Shire  
Whittlesea City

## **GIPPSLAND**

Bass Coast Shire  
Baw Baw Shire  
East Gippsland Shire  
Hobsons Bay City  
Latrobe City  
Maribyrnong City  
Port Phillip City  
Pyrenees Shire  
South Gippsland Shire  
Wellington Shire  
Whittlesea City

## **MELBOURNE (DAYTIME)**

Bass Coast Shire  
Bayside City  
Brimbank City  
Darebin City  
Glen Eira City  
Hobsons Bay City  
Manningham City  
Port Phillip City  
Pyrenees Shire  
Wellington Shire  
Whitehorse City  
Whittlesea City  
Wyndham City  
Yarra City  
Boroondara City

## **WARRACKNABEAL**

West Wimmera Shire  
Hindmarsh Shire  
Yarriambiack Shire  
Buloke Shire  
Swan Hill Rural City  
Horsham Rural City  
Northern Grampians Shire  
Port Phillip City  
Pyrenees Shire  
Whittlesea City  
Maribyrnong City

## **BENALLA**

Moira Shire  
Alpine Shire  
Towong Shire  
Mansfield Shire  
Mitchell Shire  
Indigo Shire  
Benalla Rural City  
Strathbogie Shire  
Murrindindi Shire  
Wangaratta Rural City  
Greater Shepparton City

## **GEELONG**

Golden Plains Shire  
Colac Otway Shire  
Pyrenees Shire  
Greater Geelong City  
Surf Coast Shire  
Borough of Queenscliffe  
Moorabool Shire  
Hepburn Shire  
Whittlesea City  
Port Phillip City  
Maribyrnong City

## **WARRNAMBOOL**

Warrnambool City  
Corangamite Shire  
Southern Grampians Shire  
Colac Otway Shire  
Ararat Shire  
Maribyrnong City  
Pyrenees Shire  
Moyness Shire

## **MELBOURNE (EVENING)**

Maroondah City  
Banyule City  
Whitehorse City  
Whittlesea City  
Port Phillip City  
Moonee Valley City

## THANK YOU

We also acknowledge the participation of hundreds of council staff and elected officials in our other strategic planning consultation events.

Your input is fundamental to our success in helping councils to provide better outcomes for their communities.

**MAV COUNCIL REPRESENTATIVES**

MAV Council Representatives at 31 March 2017 are:

Alpine Shire Council  
Cr Ron Janas

Ararat Rural City Council  
Cr Paul Hooper

Ballarat City Council  
Cr Amy Johnson

Banyule City Council  
Cr Tom Melican

Bass Coast Shire Council  
Cr Les Larke

Baw Baw Shire Council  
Cr Jessica O'Donnell

Bayside City Council  
Cr Alex del Porto

Benalla Rural City Council  
Cr Don Firth

Boroondara City Council  
No representative appointed

Brimbank City Council  
Cr Lucinda Congreve

Buloke Shire Council  
Cr David Pollard

Campaspe Shire Council  
Cr Adrian Weston

Cardinia Shire Council  
Cr Brett Owen

Casey City Council  
Cr Amanda Stapledon

Central Goldfields Shire Council  
Cr Geoff Lovett

City of Greater Bendigo Council  
Cr Rod Fyffe

Colac Otway Shire Council  
Cr Terry Woodcroft

Corangamite Shire Council  
Cr Ruth Gstrein

Darebin City Council  
Cr Susan Rennie

East Gippsland Shire Council  
Cr Richard Ellis

Gannawarra Shire Council  
Cr Jodie Basile

Glen Eira City Council  
Cr Margaret Esakoff

Glenelg Shire Council  
Cr Anita Rank

Golden Plains Shire Council  
Cr Nathan Hansford

Greater Dandenong City Council  
Cr Sean O'Reilly

Greater Geelong City Council  
Mr Peter Dorling

Greater Shepparton City Council  
Cr Dinny Adem

Hepburn Shire Council  
Cr John Cottrell

Hindmarsh Shire Council  
Cr Debra Nelson

Hobsons Bay City Council  
Cr Angela Altair

Horsham Rural City Council  
Cr Pam Clarke

Hume City Council  
Cr Joseph Hawell

Indigo Shire Council  
Cr Jenny O'Connor

Kingston City Council  
Cr David Eden

Knox City Council  
Cr Peter Lockwood

Latrobe City Council  
Cr Dale Harriman

Loddon Shire Council  
Cr Gavan Holt

Macedon Ranges Shire Council  
Cr Jennifer Anderson

Manningham City Council  
Cr Paul McLeish

Mansfield Shire Council  
Cr Paul Volkering

Maribyrnong City Council  
Cr Catherine Cumming

Maroondah City Council  
Cr Mike Symon

Melbourne City Council  
Cr Rohan Leppert

Melton City Council  
Cr Kathy Majdlik

Mildura Rural City Council  
Cr Glenn Milne

Mitchell Shire Council  
Cr Rhonda Sanderson

Moira Shire Council  
Cr Gary Cleveland

Monash City Council  
Cr Geoff Lake

Moonee Valley City Council  
Cr John Sipek

Moorabool Shire Council  
Cr Tom Sullivan

Moreland City Council  
Cr Mark Riley

Mornington Peninsula Shire Council  
Cr Hugh Fraser

Mount Alexander Shire Council  
Cr Christine Henderson

Moyne Shire Council  
Cr Jim Doukas

Murrindindi Shire Council  
Cr Charlotte Bisset

Nillumbik Shire Council  
Cr Peter Perkins

Northern Grampians Shire Council  
Cr Murray Emerson

Port Phillip City Council  
Cr Dick Gross

Pyrenees Shire  
Cr David Clark

Queenscliffe Borough Council  
Cr Tony Francis

South Gippsland Shire Council  
Cr Ray Argento

Southern Grampians Shire Council  
Cr Mary-Ann Brown

Stonnington City Council  
Cr Jami Klisaris

Strathbogie Shire Council  
Cr Amanda McClaren

Surf Coast Shire Council  
Cr Libby Coker

Swan Hill Rural City Council  
Cr Gary Norton

Towong Shire Council  
Cr Aaron Scales

Wangaratta Rural City Council  
Cr Ken Clarke

Warrnambool City Council  
Cr Kylie Gaston

Wellington Shire Council  
Cr Malcolm Hole

West Wimmera Shire Council  
Cr Bruce Meyer

Whitehorse City Council  
Cr Denise Massoud

Whittlesea City Council  
Cr Mary Lalios

Wodonga City Council  
Cr Anna Speedie

Wyndham City Council  
Cr Josh Gilligan

Yarra City Council  
Cr James Searle

Yarra Ranges Shire Council  
Cr Noel Cliff

Yarriambiack Shire Council  
Cr Graeme Massey

Implementing the  
STRATEGIC WORK PLAN  
**2017-19**



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# FORM

## MAV State Council Meeting – 19 October 2018

To submit a motion for consideration by State Council on Friday, 19 October 2018, please complete this form and email to the **State Council** email address [S2@mav.asn.au](mailto:S2@mav.asn.au), **no later than 21 September**. Please note, motions received by **13 September** (early motions) will be distributed to all MAV representatives on **14 September**. Submitters may amend their own motions up to 5pm on **28 September**.

<b>Motion</b>	
<b>[Insert name of motion]</b>	
<i>Submitted by: [Insert name of council]*</i>	
<p><b>MOTION:</b>                  The motion and rationale should be no longer than one page.                  [Insert motion]</p>	
<b>MAV Strategic Work Plan (SWP):</b>	
<b>Indicate whether or not the subject matter of your motion is included in the MAV SWP 2017-19.</b>	
Is the subject matter of this motion included in the SWP?	Yes / No
If yes, identify the following:	
Objective No.	
Priority No.	
Item No.	
<p><b>RATIONALE:</b>                  [Insert rationale]</p>	

*\*Note: Motions must be submitted by **one** council but may be supported by other councils. The council submitting the motion will need to supply written confirmation from any council(s) listed as supporting the motion. All relevant background information in support of the motion should be included in the space provided for the rationale and not in attachments. **The motion and rationale should be no longer than one page.***



**10 INFORMATION REPORTS****10.1 LOCAL LAWS AND PLANNING COMPLIANCE ACTIVITY REPORT**

**File Number:** 04/02/012  
**Author:** David Price, Local Laws \ Planning Compliance Officer  
**Authoriser:** Glenn Harvey, Manager Development and Compliance  
**Attachments:** Nil

**RECOMMENDATION**

That Council receive and note the local laws and planning compliance activity report.

**CONFLICT OF INTEREST**

There is no conflict of interest for any council staff writing the report, or involved in the subject matter of the report.

**PREVIOUS COUNCIL DISCUSSION**

This is the fourth and final report for the 2017 – 2018 financial year, summarising the local law and planning compliance and enforcement actions taken within the Development and Compliance Department. It provides Council with a high level summary for the purpose of monitoring performance within this area.

**BACKGROUND**

Council is responsible for a range of advisory, compliance and enforcement services to the community and maintains powers under various legislation and Council local laws to enable effective animal management, planning enforcement, local law compliance and fire prevention for community and township amenity.

A number of policies and procedures have been developed, outlining the methodology and circumstances under which Council officers will undertake compliance action. Key areas of focus in respect to compliance action include:

- management of local laws, particularly with respect to unsightly properties
- effective animal management
- assessment of properties for potential fire risk/fire prevention measures
- control of roadside activities, occupation and utilisation
- investigate planning scheme breaches and enforce planning permit conditions
- intervention in public nuisance issues.

**ISSUES/DISCUSSION**Administrative and fire prevention

Table 1 provides a summary of administrative and fire prevention actions undertaken.

Table 1: Administrative and fire prevention activities

Quarter 4 (1 April 2018 – 30 June 2018)				
Activity	After hours call outs (*)	Littering or illegal rubbish dumping	Fire permits to burn (^)	Local law permits issued
No. actions	12	4	0	0

(^) The declared fire danger period ended at 1:00am on 3 April 2018.

(\*) Council provides a 24 hour emergency call out service in respect to animal management or local law compliance and enforcement.

### Unightly properties

A summary of activity statistics and locations that are the subject of compliance with local laws relating to unsightly properties is provided in Table 2. Identified unsightly properties are assessed and prioritised for compliance action. A detailed presentation of the Development & Compliance Departments approach and progress on unsightly properties was presented at the April Council Forum.

*Table 2: Summary of unsightly properties activities*

Quarter 4 (1 April 2018 – 30 June 2018)																
Town/Locality	Eddington	Rheola	Newbridge	Tarnagulla	Inglewood	Bridgewater	Wedderburn	Korong Vale	Borong	Boort	Pyramid Hill	Mitiamo	Dingee	Serpentine	Rural	Total
<b>No. identified from previous report period</b>	4	0	4	2	5	2	12	2	2	1	2	0	0	0	1	<b>37</b>
<b>No. resolved during quarter</b>	2	0	0	1	1	1	1	0	0	0	0	0	0	0	0	<b>6</b>
<b>New action commenced</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	<b>0</b>
<b>No. currently pursuing</b>	2	0	4	1	4	1	11	2	2	1	2	0	0	0	1	<b>31</b>
Progress Activities																
<b>Site meeting / discussion held</b>	3	0	2	1	2	1	4	1	2	1	1	0	0	0	0	<b>18</b>
<b>Letter to comply issued</b>	0	0	0	1	1	1	2	0	0	0	0	0	0	0	1	<b>6</b>
<b>Occupier has commenced clean-up work</b>	2	0	1	1	2	1	3	1	2	1	1	0	0	0	1	<b>16</b>
<b>Notice to comply issued</b>	4	0	1	0	0	0	0	2	0	1	0	0	0	0	0	<b>8</b>
<b>Contractor engaged for clean-up work</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	<b>0</b>

The local laws staff are continuing to work with community members in resolving unsightly property issues. Achieving resolution of unsightly property issues can be difficult, with many property owners committing to attend to the issue and in some cases starting the process of cleaning up only to relapse. This requires an approach of escalation of interventions until compliance is reached. Many of these issues involve longstanding patterns of behaviour that will require

continual intervention and time to establish significant change in individual's behaviour in order for lasting compliance to be reached.

### Animal management

Table 3 provides a high level summary of animal management activities.

*Table 3: Summary of animal management activities*

Quarter 4 (1 April 2018 – 30 June 2018)						
Activity	Wandering livestock	Trespassing livestock	Dog attack	Domestic animal at large	Distribution of cat traps	General complaints / other
<b>No. of actions</b>	4	2	5	30	11	26

Table 4 summarises animal management activities that resulted in impoundments, encompassing both domestic animals and livestock.

*Table 4: Impoundment activities*

Quarter 4 (1 April 2018 – 30 June 2018)				
Animal type	Impoundments	Returned to owners	Animals rehoused	Animals disposed
Livestock	2	1	1	0
Dogs	5	4	1	0
Cats	25	0	2	23 (feral)
<b>Total</b>	<b>32</b>	<b>5</b>	<b>4</b>	<b>23</b>

### Planning Compliance and Enforcement

Table 5 provides a summary of planning compliance and enforcement activities undertaken.

*Table 5: Planning compliance and enforcement activities*

Quarter 4 (1 April 2018 – 30 June 2018)					
Type	No. identified from previous report period	New action commenced	PIN's issued	No. resolved during this quarter	No. currently pursuing resolution
Land use in contravention of planning scheme without a permit	5	1	0	2	4
Native vegetation removal without a permit	2	2	0	1	3
Breach of planning permit	1	1	0	0	2
Dog breeding / animal keeping	2	0	0	2	0

Land used as a store without planning permit	5	0	0	0	5
Occupation of a shed without a planning permit	2	0	0	0	2
<b>Total</b>	<b>17</b>	<b>4</b>	<b>0</b>	<b>5</b>	<b>16</b>

Throughout all of the above compliance activities tabled, the Development and Compliance Department aims to work proactively with property and animal owners to achieve a positive outcome within the legislative framework set by the State Government and Council Local Laws.

### **COST/BENEFITS**

The expenditure for the fourth quarter of 2017 – 2018 financial year for the local laws and compliance activities contained within this report is \$74,037. As the identified properties are escalated through the compliance process, costs associated with legal proceedings may also be incurred by Council.

The resulting cost to Council can be significant in terms of officer(s) time; particularly undertaking various site inspections across Loddon Shire. Direct monetary costs can be significant should a matter progress to the Victorian Civil and Administrative Tribunal (VCAT) or the Magistrates Court. Therefore, it is of benefit to Council and the community that the Development and Compliance Department work through these matters in a timely and respectful manner to reach an appropriate outcome wherever possible.

Benefits derived from investing in local law and planning compliance activities include:

- improving and maintaining township amenity
- ensuring that appropriate development occurs
- maintaining and improving public safety
- encouraging good domestic animal and livestock management
- reduced bushfire risks.

### **RISK ANALYSIS**

Failure of Council to adequately manage the provisions associated with the Loddon Planning Scheme, Planning and Environment Act 1987 or other applicable legislation including the Domestic Animals Act 1994, Impounding of Livestock Act 1994, Country Fire Authority Act 1958 or Council Local Laws is considered to pose the following risks:

- barrier to development and associated economic growth within Loddon Shire
- inappropriate development
- Council's reputation as a regulatory authority
- public safety that endangers life and property
- adverse amenity of our townships
- increased bushfire hazards.

### **CONSULTATION AND ENGAGEMENT**

Land and animal owners subject to compliance and enforcement actions under the abovementioned legislation and local laws are consulted with at each stage of the process.

**10.2 PUBLIC HEALTH ACTIVITY REPORT**

**File Number:** 12/02/001  
**Author:** Teresa Arnup, Senior Public Health Officer  
**Authoriser:** Glenn Harvey, Manager Development and Compliance  
**Attachments:** Nil

**RECOMMENDATION**

That Council receive and note the Public Health activity report

**CONFLICT OF INTEREST**

There is no conflict of interest for any council staff member involved in writing this report, or involved in the subject matter of the report.

**PREVIOUS COUNCIL DISCUSSION**

This is the fourth report for the 2017 – 2018 financial year, summarising public health activities within the Development and Compliance Department.

**BACKGROUND**

Loddon Shire Council is responsible for the administration and enforcement of a number of Acts including the:

- Food Act 1984
- Public Health and Wellbeing Act 2008
- Residential Tenancies Act 1997
- Environment Protection Act 1970
- Tobacco Act 1987.

Council's Public Health officer has regular contact with business operators, community groups, home owners and developers whilst administering the above Acts. Activities undertaken by the staff include inspection of registered premises, the taking of food and water samples, the issuing of septic tank permits and complaint investigations.

**ISSUES/DISCUSSION****Registered Premises**

Council undertakes annual inspections of premises that are registered under the Food Act, Public Health and Wellbeing Act and Residential Tenancies Act. Inspections are also undertaken of public swimming pools and of properties that are required to meet the requirements of the Tobacco Act. Table 1 provides a summary of the inspections undertaken during the reporting period.

*Table 1: Registered premises inspections*

<b>1 April 2018 to 30 June 2018</b>		
<b>Governing Legislation</b>	<b>Inspection Outcome</b>	<b>Number of inspections</b>
Food Premises	Compliant*	50
	Major Non Compliance	2
Health Premises	Compliant*	4
Caravan Parks	Compliant*	3
<b>Total number of inspections for reporting period</b>		<b>59</b>

\*compliant includes sites that were fully compliant and some sites that required minor actions to become compliant

All unsatisfactory inspections are followed up with the businesses to ensure remedial actions are taken. All major non-compliance matters identified in this report have now been resolved.

### **Septic Systems**

Table 2 summarises septic system permit applications processed during the reporting period.

*Table 2: Septic system permits*

<b>1 April 2018 to 30 June 2018</b>	
<b>Permit Type</b>	<b>Number</b>
Installation or alteration	9
Certificate to use	6
Time Extensions or Change to Existing Permit	2
<b>Total Number of Permits</b>	<b>17</b>

The average processing time for permits to install or alter is eight days.

Table 3 summarises the activities associated with management of septic tank applications and installed systems.

*Table 3: Septic system activity*

<b>1 April 2018 to 30 June 2018</b>	
<b>Activity / Inspection Type</b>	<b>Number</b>
Application Inspection	5
Installation Inspection	4
Final Inspection	4
Requested Inspection	0
AWTS Project Site Visits	0
<b>Total Number of Inspections</b>	<b>13</b>

### **Infectious Disease Referrals**

Council is responsible for undertaking the investigation into infectious diseases when they are referred to the Public Health Officer by the Department of Health and Human Services. Infectious disease referrals may be for a single incident referral or that of an outbreak, time taken to undertake these investigations will vary considerably depending on the type of referral.

Table 4 summarises the activities associated with infectious disease referrals

*Table 4: Infectious Disease Referrals*

<b>1 April 2018 to 30 June 2018</b>	
<b>Referral Type</b>	<b>Number</b>
Single Incident Referral	0

Outbreak Referral	1
<b>Total number of Referrals</b>	<b>1</b>

### **Tobacco Act**

Council is funded to undertake a set number of Tobacco inspections throughout the year. Most of the inspections are carried out in conjunction with Food Act inspections, however a number of them are non-smoking public outdoor venues such as at kindergartens, schools, play grounds and hospitals. Table 5 summarises the Tobacco Act activities undertaken during the reporting period.

*Table 5: Tobacco inspections*

<b>1 April 2018 to 30 June 2018</b>	
<b>Inspection Type</b>	<b>Number</b>
Licensed Premises	0
Retailer	0
Eating Establishment	0
Vending Machine	0
Public Outdoor Venues	4
Outdoor Dining	0
<b>Total number of Inspections</b>	<b>4</b>

### **Public Health Complaints**

Council is responsible for the investigation of nuisance complaints under the Public Health and Wellbeing Act. Complaints of nuisance can be complex and time consuming. Table 6 summarises the complaints during the reporting period

*Table 6: Public health complaints*

<b>1 April 2018 to 30 June 2018</b>				
<b>Nature of complaint</b>	<b>Number carried over from previous reporting period</b>	<b>Number received</b>	<b>Number resolved</b>	<b>Number currently pursuing resolution</b>
<b>Food Premises</b>	0	0	0	0
<b>Odour</b>	0	0	0	0
<b>Noise</b>	0	1	0	1
<b>Mosquitoes</b>	0	0	0	0
<b>Burning Off / Smoke</b>	0	0	0	0
<b>Wastewater</b>	0	1	0	1
<b>Tobacco</b>	0	0	0	0
<b>Other</b>	1	0	0	1
<b>Total</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>3</b>

**COST/BENEFITS**

The actual expenditure for the third quarter of 2017 – 2018 financial year of the public health unit activities contained within this report is \$28,871

Administration of the Acts that the Public Health officer has responsibility for includes significant field work, with staff regularly in the field engaging with business operators, developers, residents and ratepayers.

This investment increases significantly when compliance issues are identified within registered premises and when complaints are received.

The benefits that stem from this investment include:

- improved public health and safety within registered premises
- improved local amenity
- full implementation by Council of our responsibilities under the various Acts and regulations.

**RISK ANALYSIS**

Failure of Council to adequately administer and enforce the provisions of the applicable legislation would pose the following possible risks:

- the spread of infectious diseases through the community including food poisoning
- a barrier to the new developments and economic growth within Council
- Council's reputation as a regulatory authority
- contamination of the local environment
- failure to meet obligations set within the relevant legislation.

**CONSULTATION AND ENGAGEMENT**

The Public Health Officer regularly engages with business operators, developers, residents and ratepayers during the administration of the various Acts which can range from annual assessments/inspections to the provision of advice for the processing of septic tank permits. Any business operator, developer, residents or ratepayer that is subject to enforcement action is regularly consulted with during the enforcement process.



**10.3 ROAD MANAGEMENT PLAN DEFECT RECTIFICATION COMPLIANCE REPORT**

**File Number:** 14/01/022  
**Author:** Daniel Lloyd, Manager Works  
**Authoriser:** Steven Phillips, Director Operations  
**Attachments:** Nil

**RECOMMENDATION**

That Council receive and note the road management plan defect rectification compliance report.

**CONFLICT OF INTEREST**

There is no conflict of interest for any council staff member involved in writing this report, or involved in the subject matter of the report.

**PREVIOUS COUNCIL DISCUSSION**

This is the fourth report for the 2017 - 2018 financial year, summarising road network defect rectification compliance against requirements specified within the Loddon Shire Road Management Plan (RMP).

**BACKGROUND**

This report is produced quarterly and provides statistical data with respect to the Organisation's performance in managing the road network. Performance is measured through a comparison of actual defect rectification timeframes against requirements specified in the RMP.

**ISSUES/DISCUSSION**

Table 1 below provides a summary of the compliance against the schedule of road and street inspection regimes as set in the RMP.

*Table 1: Inspection summary report*

Quarter 4 (01/04/2018 – 30/06/2018)					
District	Number of scheduled inspections	Number completed by due date	Number completed after due date	Number not completed	Compliance
Loddon Plains	116	116	0	0	100%
Loddon Goldfields	132	132	0	0	100%
<b>Total</b>	<b>248</b>	<b>248</b>	<b>0</b>	<b>0</b>	<b>100%</b>

During the fourth quarter of 2017 – 2018 financial year, 100% of the programmed inspections were completed according to the schedule. Table 2 below provides a summary of compliance of actual response times for rectification works of defects as detailed in the defect intervention levels and response timetables of the RMP.

*Table 2: Defect rectification summary report*

Quarter 4 (01/04/2018 – 30/06/2018)								
	Number of Defects				Compliant with RMP			
District	Ad hoc	Requests	Defects from inspections	Total	Yes	No	Not complete	%
Loddon Goldfields	40	6	390	436	436	0	0	100%
Loddon Plains	25	7	391	423	422	1	0	99.8%
Shire Wide	48	3	565	616	616	0	0	100%
Townscape Services	16	2	39	57	54	3	0	94.7%
<b>Total</b>	<b>129</b>	<b>18</b>	<b>1385</b>	<b>1532</b>	<b>1528</b>	<b>4</b>	<b>0</b>	<b>98.6%</b>

Table 2 comprises a summary of defects that have been identified through programed inspections, customer requests and works crews identifying and rectifying defects as they find them, known as ad hoc work actions. During the third quarter of 2017 – 2018 financial year, 98.6% of all date imposed defects were completed before their due date. This is 1.4% below the target of 100% set in the RMP.

Table 3 provides a summary of performance against the unsealed road maintenance grading program, defects as identified through programed inspections, customer requests and works crews identifying and rectifying defects as they find them, known as ad hoc work actions. The maintenance grading program identifies each road segment by its road hierarchy and grading frequency as detailed in the RMP.

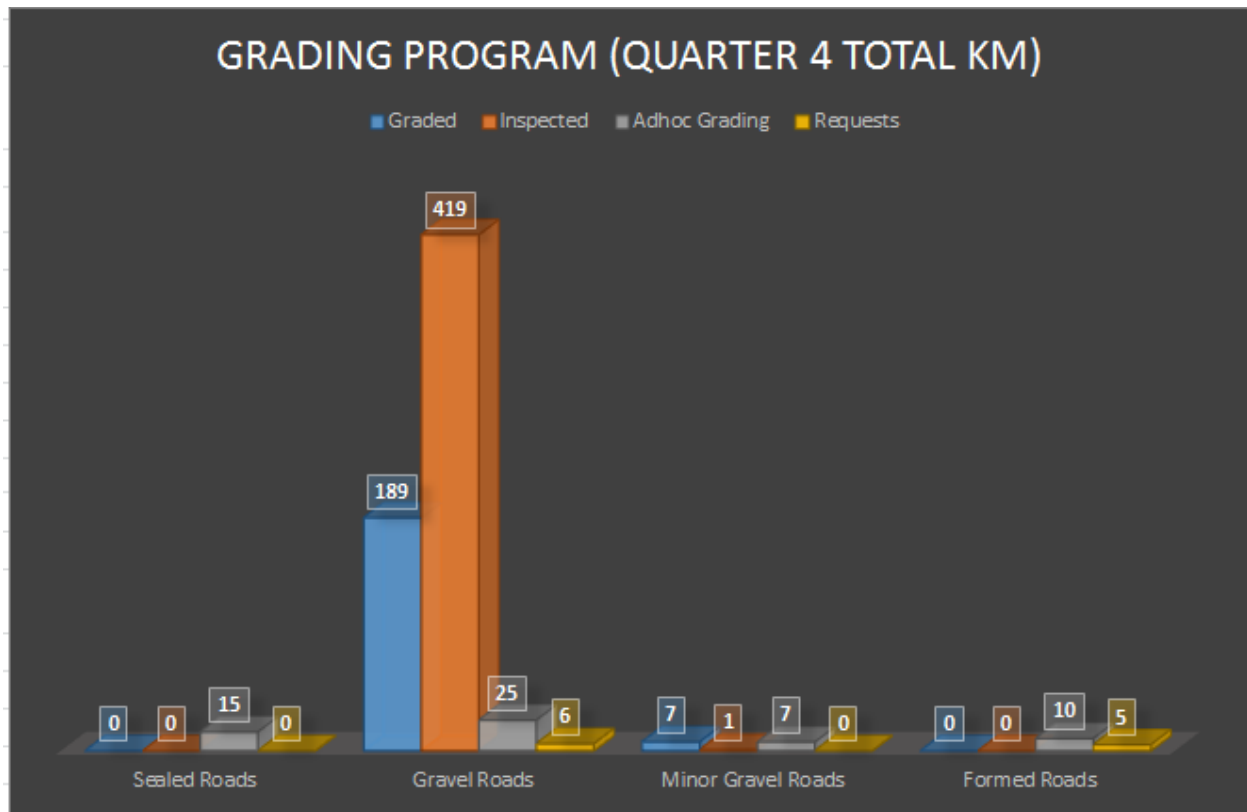
*Table 3: Maintenance grading program*

Quarter 4 (01/04/2018 – 30/06/2018)								
	Number of Grading Work Actions				Compliant with scheduled timeframes			
District	Programmed Maintenance Grading	Requests	Ad hoc	Total	Yes	No	Not completed	%
Loddon Goldfields	336	5	16	357	332	0	25	91.0%
Loddon Plains	269	3	21	293	277	3	13	99.4%
<b>Total</b>	<b>605</b>	<b>8</b>	<b>37</b>	<b>650</b>	<b>609</b>	<b>3</b>	<b>38</b>	<b>95.2%</b>

The data in table 3 indicates that 612 grading work actions were completed for the third quarter of the 2017 – 2018 financial year. There is no set level of compliance for the maintenance grading program in the RMP.

A graph has been provided in Chart 1 indicating a breakdown of the grading work actions, by road hierarchy and kilometres. The sealed roads section relates to shoulder grading work actions on the Sealed Road network. The gravel road section includes all grading work actions on Gravel Collector and Gravel Access roads. The Gravel Minor and the Formed Road sections relate directly to Council's road hierarchy and show all grading work action on roads within that hierarchy.

Chart 1: Maintenance Grading Program



**COST/BENEFITS**

The year to date actual expenditure to the end of fourth quarter of 2017 – 2018 financial year of the Local Road Maintenance Program is \$5,713,769. The expenditure for the fourth quarter was \$1,308,742.

The benefits to the community in complying with the RMP are that it ensures a safe road network.

**RISK ANALYSIS**

Repairing 100% of all date imposed defects before their due date limits Council’s liability for any claims for damage made against Council.

**CONSULTATION AND ENGAGEMENT**

No internal or external consultation is required in the formation of this report.

**10.4 PLANNING PERMIT ACTIVITY REPORT**

**File Number:** 13/01/002  
**Author:** Alexandra Jefferies, Planning Officer  
**Authoriser:** Glenn Harvey, Manager Development and Compliance  
**Attachments:** 1. Planning permit activity report

**RECOMMENDATION**

That Council receive and note the planning application and permit activity report.

**CONFLICT OF INTEREST**

There is no conflict of interest for any council staff member involved in writing this report, or involved in the subject matter of the report.

**PREVIOUS COUNCIL DISCUSSION**

This is the fourth report for the 2017 – 2018 financial year summarising planning application activities undertaken within the Development and Compliance Department.

**BACKGROUND**

This report covers the planning permit activity for each quarter and provides Council with a high level summary for the purpose of monitoring performance within this area.

Council maintains powers under the Planning & Environment Act 1987 which are delegated to Planning Officers. Applications made under these powers may include (but are not limited to) the following:

- consideration of a planning application for a new use/development
- consideration of an amendment to an existing planning permit
- secondary consent applications (minor changes)
- extensions of time to existing planning permits.

**ISSUES/DISCUSSION**Planning permit activities

A detailed summary of the status of planning permits can be found in attachment 1: Planning permits status report 1 April 2017 – 30 June 2017.

Timeframes

The Planning & Environment Act 1987 requires a 60 day timeframe for the processing of planning applications by Councils. The Act details how the 60 days are to be measured following the acceptance of a planning permit application.

Table 1 provides a summary of the average timeframes in which the Development and Compliance Department assessed and issued Planning Permits during the fourth quarter of the 2017 – 2018 financial year and compares these to the Victorian rural average.

*Table 1: Average timeframes for decisions*

<b>Quarter 3 of the 2017/2018 financial year</b>			
<b>Month</b>	<b>Average gross days to determine</b>	<b>Completed within 60 days</b>	<b>Rural average completed within 60 days</b>
<b>April</b>	51 days	100%	73%
<b>May</b>	38 days	67%	73%
<b>June</b>	78 days	75%	73%
	<b>Total Quarterly average</b>	<b>80%</b>	<b>73%</b>

During the fourth quarter of the 2017 – 2018 financial year 80% of all Planning Permit applications were assessed and issued within the timeframes as set in the Planning & Environment Act.

### **COST/BENEFITS**

The expenditure for the fourth quarter of 2017 – 2018 financial year of the statutory planning activities contained within this report is \$28,367

Benefits derived from investing in the planning process managed by the Development and Compliance Department include:

- well managed and appropriate development
- well informed community members who understand the value of planning within local government
- applications processed in a timely manner
- implementation of correct regulations and standards.

### **RISK ANALYSIS**

Failure of Council to adequately implement the planning scheme poses the following risks:

- inappropriate development which could endanger life and property
- Council's reputation as a responsible Authority
- breaches of the Planning & Environment Act 1987 requiring compliance action.

Insufficient investment in resources in the Development and Compliance Department may result in extended timeframes for the processing of applications.

### **CONSULTATION AND ENGAGEMENT**

The Planning Staff consults with a number of stakeholders on a regular basis including:

- applicants
- surrounding land owners
- regulatory authorities
- other Loddon Shire Council departments
- other municipalities.

File No. 13/02/004

Planning Applications Being Processed Between 01-04-2018 and 30-06-2018

Application	Date Received	Property No	Applicant	Address of Land	Proposal	Status
5117	28/08/2015	31109500	Adrian Cummins	CA 3 Section 9 Parish of Bridgewater (14 Park Street Bridgewater on Loddon)	3 lot Residential Subdivision	Referral
5118	28/08/2015	52807700	PM Lewis	Plan No PP5391 CA 9 & 10 Section 4A Parish of Inglewood (Nixon Street Inglewood)	Residential Subdivision of 41 lots	Further Info Requested
5251	07/12/2016		Graeme Smith	CA 16F Section G Parish of Boort (Crown Land Boort Pyramid Rd BOORT)	Provision of new earthen levees & upgrading existing levees	Referral
5275.1	18/04/2018	46905400	Karl Lawson	CA CA 1A & 1B Section Section 15 Parish of Tarnagulla (Boyds Road Newbridge)	Modify road access to property via Yorkshire Rd & Boyds Rd North & amend locction of retarding basin.	Referral
5298	13/07/2017	28406600	Jamie Horkings	CA 12.20 Section E Parish of Yarrowalla (1611 Boort-Pyramid Road Durham Ox)	Permit for removal of native vegetation	Further Info Requested
5303	25/07/2017	28405500	Jamie Horkings	Lot 1&2 Plan No 388470 & 862510 Parish of Yarrowalla (99 Yarrowalla West Road DURHAM OX)	Removal of Native Vegetation	Referral
5326	09/11/2017	45606500	Jack Robinson	CA 11 Section 6 Parish of Tamagulla (Raglan Street NEWBRIDGE)	Residential- single dwelling	Further Info Requested
5328	15/11/2017	53600100	Orana Agriculture Pty Ltd	CA 17 Section NO SEC Parish of Kinypanial (167 Borung-Hurstwood Road BORUNG)	Tree removal for proposed pivot and linear irrigation development	Further Info Requested
5341	06/02/2018	17201000	James Golsworthy	CA 3 Parish of Terrapee (127 Grandview Road Boort)	Use & development of a residential hotel (support accomodation to olive grove) & associated works	Referral
5344	16/02/2018		Indivar Dhakal	Parish of ROAD RESERVE (Pyramid Yarraberb Rd WOOLSHED CORNER)	Removal of native vegetation is required for road safety.	Referral

Application	Date Received	Property No	Applicant	Address of Land	Proposal	Status
5352	22/03/2018	56000600	Adam Parry	CA 11B Section NO SEC Parish of Powlett (Loddon West Road Powlett Plains)	Construction of farm channel and removal of 7 trees	Referral
5354	23/03/2018	45703900	Sandor Molnar	CA 12 Section 11 Parish of Painswick (Sporting Flat Road DUNOLLY)	Mushroom farm and associated shed	Further Info Requested
5355	29/03/2018		Tony Jakabovic	CA CA 28 Section sec 9 Parish of INGLEWOOD (Southey Street Inglewood)	Use and development of the land for a fire station	Notice of Application
5356	29/03/2018	52817600	Tony Jakabovic	100 Southey Street Inglewood	Fire Station	New
5359	27/04/2018	32907980	Sandy Roberts	Lot 2 Plan No 413180 Parish of Janiember East (5998 Loddon Valley Highway Bears Lagoon)	Subdivide land to create a lot for an existing dwelling	Further Info Requested
5361	07/05/2018	53601400	Orana Agriculture Pty Ltd	CA 83B Parish of Kinypanial (Loddon West Road Kinypanial)	Extension to existing linear irrigator and removal of native vegetation	Referral
5367	30/05/2018	67736910	Peter Shaw	Lot 3 Plan No 636975G Parish of Wedderburne (32 Ridge Street Wedderburn)	Police Residence	Referral
5368	08/06/2018	52847620	Rod Hinton	CA 21 Section B Parish of Inglewood (Weeah Street Inglewood)	Development of dwelling & installation of required infrastructure.	Referral
5369	08/06/2018	17201000	James Golsworthy	CA 77 & 79 Section NO SEC Parish of Terrapee (127 Grandview Road Boort)	Development of workers accommodation and associated works	Referral
5370	14/06/2018	47507800	Coliban Regional Water Corporaton	Lot 16 Plan No 141509 (Williamsons Road Laanecoorie)	New chemical storage tank & associated pumps & pipe required.	Referral
5371	14/06/2018	10707940	Bruce Hilton	Lot Lot 2 & 4 Plan No PS 615690S Parish of Boort (McMillans Road Boort)	Use and development of a retail premises for sale of Agricultural products	Notice of Application
5372	21/06/2018	42001200	Nicholas Goodes	CA 1 Section 5 Parish of Eddington (3 McCoy Street Eddington)	Construction of dwelling and shed	New

Application	Date Received	Property No	Applicant	Address of Land	Proposal	Status
5375	26/06/2018	47508200	Teena Wait	Lot 20 Plan No 141509 Parish of Waanyarra (Tarnagulla-Laaneecoorie Road Laaneecoorie)	Construction of new two storey dwelling 96.8m2	Further Info Requested

**PLANNING PERMITS ISSUED UNDER DELEGATION BETWEEN 01-04-2018 and 30-06-2018**

APP. No	DATE RECEIVED	APPLICANT	ADDRESS OF LAND	PROPOSAL	DATE ISSUED
5314	12/09/2017	Corie Birthisel	CA CA 8A Section 2 Parish of Inglewood (Calder Highway Bridgewater)	Use and development of the land as timber store and alteration of access to Road Zone 1	13/04/2018
5337	09/01/2018	Matthew Chalmers	CA 24 Section NO SEC Parish of Wychitella (Old Charlton-Boort Road Mysia)	Native vegetation removal to enable installation of 2 centre pivot irrigators.	13/04/2018
5343	12/02/2018	Nick Filipovski	CA 62A Section 10 Parish of Moliagul (O'Briens Drive McIntyre)	Use and development of a dwelling within the Farming Zone and Bushfire Management Overlay and display of business identification signage	05/04/2018
5345	20/02/2018	Gerard Brandrick & Associates Pty Ltd	Parish of Wedderburne (90 High Street Wedderburn)	Use & development of land for Emergency Services Building (Police station)	21/05/2018
5350	06/03/2018	GL & WE Twigg	CA 6 Section 1 Parish of Yarrayne (1789 Bridgewater-Serpentine Road Serpentine)	Construction of three stand shearing shed.	17/04/2018
5357	29/03/2018	T & JF Nelsson	Lot Lot 2 Plan No PS 622481M CA 33 Parish of Kurting (Wedderburn-Serpentine Road Glenalbyn)	Use and development of the land for a dwelling and meeting space	06/06/2018
5358	04/04/2018	Neville Perry	Old Lead Road Dunolly	Alluvial mining	27/06/2018
5360	30/04/2018	Anne Moodie	CA 5A Section D Parish of Glenalbyn (Inglewood-Arnold West Road Inglewood)	Construction of single bedroom dwelling	27/06/2018
5362	10/05/2018	Ranjani Jha	Appin South	Native vegetation removal	06/06/2018
5363	14/05/2018	Bruce Rowley	28 Main Street Bridgewater on Loddon	Construction of a shed within the Township Zone and Heritage Overlay	07/06/2018
5373	21/06/2018	Brendan Reeves	CA 54 Section 5 Parish of Wedderburne (423 Calder Highway Wedderburn)	Building a farm shed less than 100m from highway	27/06/2018



**10.5 UPDATE ON THE ANNUAL INFRASTRUCTURE PROGRAM 2017-2018, FLOOD RESTORATION PROGRAM AND OTHER PROJECTS**

**File Number:** 14/01/001  
**Author:** Indivar Dhakal, Manager Technical Services  
**Authoriser:** Steven Phillips, Director Operations  
**Attachments:** 1. Annual Infrastructure Program 2017 - 2018 Summary  
2. Flood Restoration Project Summary  
3. Other Projects Summary

**RECOMMENDATION**

That Council note the update on progress of the Annual Infrastructure Program 2017-2018, Flood Restoration Program and other projects as at June 2018.

**CONFLICT OF INTEREST**

There is no conflict of interest for any Council staff member involved in the preparation of this report, or involved in the subject matter of the report.

**PREVIOUS COUNCIL DISCUSSION**

This is the fourth report for the 2017 – 2018 financial year, providing an update on the progress of Annual Infrastructure Program, Flood Restoration Program. The progress of other projects that are delivered by the Technical Services Department but are not part of the Annual Infrastructure Program or the Flood Restoration Program are included for the first time in this report.

**BACKGROUND**

This report is produced quarterly and is provided to Council for the purpose of reporting progress of the Annual Infrastructure Program, Flood Restoration Program and other projects that the Technical Services Department is responsible for delivering. The information in this report covers progress up until the end of June 2018.

**ISSUES/DISCUSSION**Annual Infrastructure Program

Attachment 1 provides a progress summary for the end of 2017 - 2018 financial year of the Annual Infrastructure Program. There are 125 individual projects, including carryovers from previous financial years that form the Annual Infrastructure Program 2017 - 2018. 111 of these projects were completed by the end of financial year. A further 11 projects are either currently being progressed or awaiting construction after tenders being awarded. There are three projects have not been started, details of which are in the comments column of the attachment.

Flood Restoration Project

Attachment 2 provides a progress summary for the end of 2017 - 2018 financial year of the Flood Restoration Project. The recorded damages are continuously monitored and reassessed which has resulted in consolidation of multiple damages and as such the total number of recorded damages has decreased from the previous report. The flood restoration team is currently working towards awarding all the restoration projects to suitably qualified contractors included on Councils Panel of Contractors by October 2018.

### Other Projects

In addition to the Annual Infrastructure Program and Flood Restoration Program, the Technical Services Department is responsible to oversee the delivery of a number of different projects. Attachment 3 provides a summary of the other projects for the end of 2017 - 2018 financial year.

### **COST/BENEFITS**

The total expenditure at the end of 2017 - 2018 financial year for the Annual Infrastructure Program is \$4,510,033. The expenditure on the fourth quarter of 2017 - 2018 year is \$767,716.

The total expenditure for the Flood Restoration Program at the end of 2017 - 2018 financial year is \$4,278,652. Expenditure in the fourth quarter of the 2017 - 2018 financial year is \$2,033,473.

The major flood restoration project at Tandarra Serpentine Road and Rothackers Road is currently in progress. The tendered amount of the combined works on these roads is in excess of \$3.5 million. There are a number of other damages for which packages of work have been awarded under the Panel of Contractors for Flood Restoration Contract. The total value of such projects is approximately \$1 million.

The Technical Services Department is currently managing other significant projects covered in attachment 3 which are in different stages progress. The combined value of such projects is in excess of \$5 million, the expenditure to date is more than \$3.4 million.

### **RISK ANALYSIS**

There are a number of risks associated with the delivery of the Annual Infrastructure Program, the Flood Restoration Program and other significant projects. The following is a list of some but not all of the associated risks.

- delivering within timeframe and budget
- meeting community expectations
- delivering projects in accordance with engineering standards
- compliance with procurement legislation

Council officers are committed to monitoring and managing the risks associated with the Annual Infrastructure Program, the Flood Restoration Program and other significant projects to ensure that any issues are minimised.

### **CONSULTATION AND ENGAGEMENT**

The information provided in this report is presented after consultation between Manager Technical Services, Flood Restoration team and the Works Department.

## Status Report - Annual Infrastructure Program 2017-2018

As at 30 June 2018

Category	Project No	Project Name	Project Details	Expenditure	% Activity	Comments
Local Road Gravel Resheet	LRS1094	Gredgwin East Rd	Resheet 1.850km x 4.6m x 100mm	\$58,122	100	
	LRS1095	Barraport East Rd	Resheet 1.200km x 6m x 100mm	\$49,805	100	
	LRS1135	Keoghs Lane	Resheet 1.2km x 4.7m x 100mm	\$14,212	100	
	LRS1148	Sylvaterre Rd	Polycorn treatment/pyramid salt treatment 6.03kmx6mx100mm	\$34,473	100	
	LRS1150	Pyramid Hill - Cohuna Rd	Resheet 2.3kmx6mx100mm	\$63,077	100	
	LRS1151	Wychitella Bus Route Rd	Resheet 1.1kmx4.7mx100mm	\$15,269	100	
	LRS1153	Sylvaterre Timms Lake Rd	Resheet 2.5kmx6mx100mm	\$59,116	100	
Local Road Shoulder Sheet	LRSS0300	Wedderburn Wychitella Rd	Shoulder resheet 1.8km x 1.8 x100mm x2 sides	\$38,323	100	
	LRSS0301	Wedderburn Dunolly Rd	Shoulder resheet 1.1km x 1.8 x100mm x2 sides	\$24,408	100	
	LRSS0302	Wedderburn Dunolly Rd	Shoulder resheet 0.6km x 1.8 x100mm x2 sides	\$4,832	100	Invoice Pending
	LRSS0305	Inglewood Dunolly Rd	Shoulder resheet 1.3km x 1.8 x100mm x2 sides	\$25,090	100	
	LRSS0343	Rheola Llanelly Rd	Shoulder resheet 1.3km x 1.8 x100mm x2 sides	\$36,744	100	
	LRSS0348	Wedderburn Serpentine Rd	Shoulder resheet 1.8km x 1.8m x 100mm x 2 sides.	\$46,578	100	
	LRSS0349	Wedderburn Serpentine Rd	Shoulder resheet 1.7km x 1.8m x100mm x 2 sides	\$19,240	100	
	LRSS0431	Echuca Serpentine Rd	Shoulder resheet 2.8km, 1.8m x 2 sides	\$34,233	100	
Local Road Construction	LRC0469	Borong Hurstwood Rd	Rehabilitate existing failing pavement and seal with 6.2 m seal . Incorporate and stabilise existing pavement material overlay with 100mm base course and seal. Realign the road to straighten the kink east of Loddon West Rd intersection. Install a floodway if required.	\$163,479	100	
	LRC0470	Yarrowalla West Rd	Construction of 6.2 m sealed surface over existing gravel pavement. Incorporate and stabilize existing pavement material overlay with 150mm base course and seal	\$702,047	100	
	LRC	Billings Road	Construct a new pavement to accommodate 6.2m wide seal and appropriate table drain	\$397,406	100	Invoice Pending
	LRC0413	Cemetery Road	Rehabilitate existing failing pavement and seal with 6.2m seal.	\$159,517	100	Carried forward from 2016/2017
	LRC0439/0440	Sebastian Road	Rehabilitate existing failing pavement and seal	\$0	0	Carried forward from 2016/2017, project needs rescopying to include traffic movement near Bridgewater Silo
Safety	SAF0024	Pyramid Yarraberb Rd	Realign and reconstruct intersection to change intersection type from a Y to a T.	\$261,870	100	Invoice Pending
Amenity	AMN030	Godfrey St, Wedderburn	Sealing of local township road shoulder between existing seal and kerb & channel on both sides of Godfrey St between Ridge St and Wilson St. Only prep and seal required.	\$11,057	100	
	AMN029	Kelly St, Pyramid Hill	Bus stop, kerb and channel and pavement rehab	\$119,021	100	

Township Street Improvement	TSI0425	Market St Footpath	Installation of new footpath to service properties on west side and from existing ramp to the new public toilet at the Inglewood Town Hall	\$0	0	Tender awarded, in progress
	TSI0426	Coutts St Footpath	Replace existing footpath and continue with new footpath to the intersection	\$0	0	Tender awarded, in progress
	TSI0424/0428	Chapel St street improvement	Construct Kerb & Channel, pedestrian crossing, footpath and street reconstruction	\$83,470	100	
	TSI0430	High St, Wedderburn	Replace footpath (stage 1) to connect streetscape project with Racecourse Rd footpath	\$0	0	Tender awarded, in progress
	TSI0429	Hospital St (east side)	Construct new footpath as a strategic footpath to connect P-12 College up to Calder Hwy	\$0	0	Tender awarded, in progress
	TSI0382	Railway Ave	Install new footpath from Victoria St to PH Railway Station	\$0	0	Tender awarded, in progress
	TSI	Kerr St, Wedderburn	Kerb and Channel replacement	\$4,210	100	
	TSI0408	Kelly St, Pyramid Hill	Footpath replacement	\$166,063	100	
	TSI0409	Victoria St, Pyramid Hill	Footpath replacement	\$329,826	100	
	TSI0416	Barber St, Pyramid Hill	Kerb and Channel replacement	\$15,700	100	
TSI0423	Serpentine Car Park	Upgrade and seal car park	\$75,824	100	Pending invoices	
Local Bridges and Culverts	LBCC0358	Janevale Bridge (structure No 141) (Carry forward from 2015-16 - new funding required)	Carry out significant repairs to structure as detailed in level 2 bridge report. This bridge is on the heritage register. As part of the works an assessment on maintaining a 15t load limit and associated works will be undertaken and completed if budget allows	\$0	0	In progress
	LBCC0365	Main St, Laanecoorie	Replace existing culvert with 375mm dia RCP with endwalls on both sides	\$5,460	100	
	LBCC0367	Boort Kurting Road	Installation of 1200 x 450 box culvert	\$0	100	Invoice Pending
	LBCC0364	Kingower-Brenanah Rd (SN 230)	Replace 7-10 bearers infested with white ants and perform white ant treatment	\$0	0	In progress
	LBCC0366	Waterford Rd	Install 900x300 box culvert with wingwalls at the approximate chainage specified. Take levels to determine best location	\$13,517	100	
	LBCC0215	Junor Rd	Replace broken cast iron pipe with 375mm x12.20m RCP including suitable endwalls	\$5,112	100	
Urban Drainage	TSD0140/0136	Chapel St, Serpentine	Upgraded drainage desing and scope to TSD135 and 136 and TSI0424	\$312,334	100	
	TSD0138	Old Inglewood Reservoir	Design and construction repair of seepage points on embankment for further rehabilitation project TSD0099	\$27,556	50	In progress
	TSD0139	Inglewood Drainage Mitigation	Drainage mitigation devices installation along catch drain and at reservoir	\$19,880	100	
	TSD0137	Wilson Kerr St	Install new drainage pits and pipes	\$0	0	Tender awarded, in progress
	TSD0133	Sugar gum drive	Install new drainage pits and pipes	\$7,074	0	Landholder engagement complete
Reseals	61 Projects	Multiple	Spray seal contract	\$1,083,455	100	
Parks and Gardens	PGC009	Senior Citizens Centre, Boort	Install automatic sprinklers into the front lawn area	\$9,079	100	
	PGC012	Lakeview St irrigation system	Install irrigation control box to run the existing sprinklers automatically	\$7,028	100	
	PGC013	Wedderburn Office	New plants at the front, upgrade irrigation system, garden beds on the side, Kikuya turf on sides and nature strip	\$21,279	100	
	PGC014	Gladfield Rd/Durham Ox Rd	Landscaping traffic island, put 2 different types of rock, install pavers to break up rock	\$9,258	100	
	PGC015	St Arnaud Rd/Calder Hwy	Plant hardy native plants and 2 different types of rock with red and whicte mulch area beside police station	\$11,467	100	
	PGC016	Boort Bin Surround Improvement	Replace/Install bin surround, construct concrete base - Nolan's Park x6, Historical Park x2, Rotary Park x1, Fishing club x2, Myrnong beach x1, Lake view st BBQ areax1, southside of lake on walking track x1	\$31,774	100	
	PGC010	Inglewood Botanical Garden	New irrigation system and power	\$8,614	100	

Buildings	BLD001	789 Dingee Road - P-12 Caretaker's Residence	Demolish the existing caretaker's residence to ground	\$19,025	100	
	BLD002	Murphy's Creek Rec Reserve	Demolish the existing corrugated iron sheet building	\$0	0	Awaiting potential land sale
	BLD003	Wedderburn Mechanics Institute	White ant treatment on flooring and replacement as required	\$106,021	80	Additional works identified
	BLD004	Shire Office	Remove existing failing timber deck and replace with merbau or composite decking	\$18,900	100	
	BLD005	Public Toilet cosmetic upgrade	Cosmetic treatment of the aesthetics of public toilets	\$17,435	100	
	BLD006	Newbridge Public Hall	Gutter replacement	\$8,066	100	
	BLD007	Inglewood Senior Citizens/Pre-School and MCH	Gutter and roof leak maintenance	\$9,794	100	
	BLD008	Shire Office	Move the irrigation pump from records room	\$2,763	100	
	BLD009	Shire Office	Paint works on the hallway to improve amenity	\$4,000	100	



### Status Report - Flood Damage Restoration Works

As at 30 June 2018

S. No.	Rectification work category	Number of damages recorded	Number of damages rectified	Number of damage rectification currently in progress or quote sought	% Complete
1	Sealed Roads Damage	81	54	24	67
2	Grading required	289	289	0	100
3	Shoulder Failure	112	82	11	73
4	Grading with Material required	783	220	0	28
5	Gravel Resheet required	441	145	22	33
6	Bridge Repair	3	1	2	33
7	Major tree Removal	12	12	0	100
8	Minor Tree Removal	40	40	0	100
9	Floodways reinstatement and repair	177	85	40	48
10	Major Culvert Damage and cleaning works	26	15	6	58
11	Minor Culvert Damage and Cleaning works	112	87	0	78
12	Waterway Clearing works	50	50	0	100
13	Guardrail Damage/ Sign Damage or Lost	7	0	0	0
14	Others	88	0	0	0
	<b>Total</b>	<b>2221</b>	<b>1080</b>	<b>105</b>	<b>49</b>





Status Report - Other Projects

As at 30 June 2018

S.No	Project Description	Estimated/Budgeted Cost	Expenditure	Responsible Officer	Activity %	Comments
1	Boort Levee	\$ 500,000.00	\$ 15,000.00	PMC, PE/O	10	Project is divided in two phases. The first phase to construct a siphon structure is ready to be advertised for quotation. The next phase of levee bank construction is in planning permit phase
2	Wedderburn Pedestrian Crossing study	\$ 22,000.00	\$ -	PMC, PE/O	30	
3	Pyramid Hill Drainage Strategy and drainage data capture	\$ 500,000.00	\$ 15,199.00	PMC, PE/O	15	
4	Contract Management Manual	\$ 15,000.00	\$ 10,875.00	PMC	80	
5	Electronic Procurement System	\$ 10,000.00	\$ -	PMC	60	Supplier evaluation complete
6	Contract Management System	\$ 70,000.00	\$ -	PMC	0	Waiting for corporate system to be finalised
6	Roadside Management Plan	\$ 45,000.00	\$ 36,128.00	MTS	90	Community handbook is currently being drafted, expected by December 2018
7	Township, Locality and Boundary sign audits	\$ 20,000.00	\$ 20,000.00	PMC, PE/O	100	
8	Wedderburn Streetscape	\$ 3,462,610.00	\$ 3,391,302.00	MTS, PMC	100	
9	Asbestos Audit and Removal	\$ 66,000.00	\$ 29,960.00	BMO	25	annual cost for 3 years contract
10	Newbridge Septic System replacement	\$ 100,000.00	\$ 2,180.00	PMC, PE/O	15	Tender documents are currently being prepared
11	Public facilities and office cleaning (contract)	\$ 160,000.00	\$ -	BMO	N/A	3 years contract, ongoing expenditure
12	Little Lake Boort retaining wall	\$ 40,000.00	\$ -	PMC	N/A	2018-2019
13	Wedderburn township entrance sign	\$ 40,000.00	\$ -	MTS	5	Designs are being finalised

Responsible Officer

PMC	Project Management Coordinator
PE/O	Project Engineer/Officer
MTS	Manager Technical Services
BMO	Building Maintenance Officer

**10.6 BUILDING SERVICES ACTIVITY**

**File Number:** 13/06/001, 13/08/001 & 13/08/003  
**Author:** Greg Johnston, Municipal Building Surveyor  
**Authoriser:** Glenn Harvey, Manager Development and Compliance  
**Attachments:** Nil

**RECOMMENDATION**

That Council receive and note the Building Services Activity report.

**CONFLICT OF INTEREST**

There is no conflict of interest for any council staff member involved in writing this report, or involved in the subject matter of the report.

**PREVIOUS COUNCIL DISCUSSION**

Three prior reports for the 2017 – 2018 financial year summarising building services activities relating to permits, certificates and statutory enforcement activity undertaken within the Development & Compliance Department have been provided to Council. This is the fourth & final quarterly report for the 2017 - 2018 financial year.

**BACKGROUND**

Council provides a range of building services through the Municipal Building Surveyor including the following:

- issuing relevant permits and certificates
- issuing report & consent determinations on matters not complying with the Building regulations
- building advisory and information services including legal point of discharge requests
- consultancy and building control functions
- administrative functions prescribed by the Building Act & Regulations including keeping records relating to the activity of private building surveyors issuing permits within Loddon Shire
- regulatory enforcement of relevant Acts.

The number of building and occupancy permits and final inspections is a basic indicator of building development and investment within Loddon Shire.

Whilst new issues requiring enforcement are brought to Council's attention regularly it is also noted there are some longstanding enforcement activities that require follow up. The time spent on some individual items including one action that has proceeded to Court action has meant other items that are outstanding have not been followed up as would be desirable. These will be followed up by the Municipal Building Surveyor on a risk management basis as part of ongoing work planning.

During this quarter new Building Regulations, the Building Regulations 2018 have commenced. Staff have attended information and training sessions and amended administration forms and procedures to satisfy the provisions of the new Regulations.

**ISSUES/DISCUSSION**

Building permits

Table 1 provides the number and total value of building permits issued for the fourth quarter of the 2017 – 2018 financial year. There is variation in the number and value of permits across the various quarters throughout any given financial year. The variation in value is largely attributable to the scale and cost of individual projects with some individual projects with large values having been approved and commenced.

*Table 1: Summary of new building permits issued*

	<b>Quarter 1 (01/07/2017 – 30/09/2017)</b>	<b>Quarter 2 (01/10/2017 – 31/12/2017)</b>	<b>Quarter 3 (01/01/2018 – 31/03/2018)</b>	<b>Quarter 4 (01/04/2018 – 30/06/2018)</b>
<b>No. of new Permits</b>	40	52	34	52
<b>Value of Works</b>	\$3,565,904	\$2,664,223	\$3,306,295	\$4,289,104.07

Table 2 provides a summary of the number of final inspections and certificates of occupancy issued for building permits during the first, second and third quarter of the 2017 – 2018 financial year.

*Table 2: Summary of final inspections and certificates of occupancy*

	<b>Quarter 1 (01/07/2017 – 30/09/2017)</b>	<b>Quarter 2 (01/10/2017 – 31/12/2017)</b>	<b>Quarter 3 (01/01/2018 – 31/03/2018)</b>	<b>Quarter 4 (01/04/2018 – 30/06/2018)</b>
<b>Certificates of final inspection</b>	27	33	35	39
<b>Certificates of occupancy Permits</b>	18	24	8	8

It is noted that there is a significant backlog of incomplete building permits that the Development and Compliance Department are following up with owners as part of a proactive program to try and finalise these building permits.

#### Statutory enforcement

Table 3 provides a high level summary of statutory enforcement activities undertaken by the Municipal Building Surveyor.

*Table 3: Summary of statutory enforcement activities*

Type	Actions incomplete from previous report period	New action started	Building notice issued	Building order issued	No. resolved during this quarter	Legal action started this quarter	Legal action ongoing
Building damaged by fire	1	0	0	1	0	1	1
Works required to make building safe (including pools)	4	0	0	0	3	0	0
Carrying out building works without a permit	4	2	1	1	2	0	0
Illegal occupation of non-habitable building	2	0	0	2	0	0	0
Building with non-complying essential safety measures	1	0	0	0	0	0	0

**COST/BENEFITS**

The expenditure for the fourth quarter of the 2017 – 2018 financial year for building services activities contained within this report is \$32,821.

The provision of building activity statistics informs Council of the level of building activity and statutory enforcement activity in the municipality.

The cost to Council of enforcement activity can be quite significant, particularly in terms of Council officer's time. This in turn impacts on other activities such as the timeframe for building permits. Direct monetary costs significantly escalate if matters progress to a Magistrate's hearing or the Municipal Building Surveyor needs to arrange for the work associated with any order to be completed by Council. As such, the Development & Compliance Department staff endeavour to work through enforcement matters in a manner that engages with property owners / occupiers to have required works completed.

**RISK ANALYSIS**

There are risks associated with building and development works. As such, it is imperative that Building legislation, standards and controls are administered effectively. Failure of Council to adequately enforce the provisions of applicable legislation poses the following possible risks:

- unsafe development and building works which may affect the safety of property owners, occupiers and the general public within Loddon Shire
- Council's reputation as a regulatory authority
- Council being held liable for failure to act in a matter which results in damage to other property, or injury or death to a person
- failure to meet statutory obligations set within relevant legislation.

1.

As part of the risk management process when undertaking enforcement work the Municipal Building Surveyor makes reference to the building enforcement intervention filter criteria, developed by the Victorian Municipal Building Surveyors Group and which forms part of the procedures covered in Loddon Shire Council's Building Control Policy.

**CONSULTATION AND ENGAGEMENT**

The Municipal Building Surveyor regularly engages with business operators, developers, residents and ratepayers during the administration of the various Acts which can range from annual assessments/inspection to the provision of advice for the processing of building permits. Any business operator, developer, residents or ratepayer that is subject to enforcement action is regularly consulted with during the enforcement process to give them the opportunity to avoid the next step up in enforcement action.

**10.7 STRATEGIC PLANNING ACTIVITY REPORT**

**File Number:** 13/01/002  
**Author:** Carolyn Stephenson, Statutory / Strategic Planner  
**Authoriser:** Glenn Harvey, Manager Development and Compliance  
**Attachments:** Nil

**RECOMMENDATION**

That Council receive and note the Strategic Planning Activity report.

**CONFLICT OF INTEREST**

There is no conflict of interest for any council staff member involved in writing this report, or involved in the subject matter of the report.

**PREVIOUS COUNCIL DISCUSSION**

This is the second report for the 2017 – 2018 financial year summarising the strategic planning activities undertaken within the Development and Compliance Department.

**BACKGROUND**

Council undertakes strategic land use planning projects to ensure that its planning scheme is robust and relevant, and is consistent with and supports the Council Plan.

This report provides an overview of the current activities of the Strategic Planner. The Strategic Planner's time is divided between statutory planning (10 hours per week) and strategic planning (8 hours per week) activities. It is the strategic planning activities that are the subject of this report.

**ISSUES/DISCUSSION**Current Strategic Planning Projects

Table 1 provides a summary of current strategic planning projects and the activities undertaken as part of these projects during the final quarter of the 2017 – 2018 financial year.

*Table 1: Current Strategic Planning Projects*

<b>Quarter 4 (1 April 2018 – 30 June 2018)</b>			
<b>Project</b>	<b>Tasks undertaken during the quarter</b>	<b>Future tasks</b>	<b>Estimated project completion</b>
Settlement Strategy	<ul style="list-style-type: none"> <li>Community consultation workshops were conducted in seven locations during April.</li> <li>34 people attended.</li> <li>Four written submissions were received and</li> </ul>	<ul style="list-style-type: none"> <li>The report is to be reviewed through the strategic document approval process in preparation for presentation to</li> </ul>	The report will be presented to Council by end of 2018

	<p>reviewed.</p> <ul style="list-style-type: none"> <li>• A draft strategy report has been prepared and circulated internally for comment.</li> </ul>	Council.	
Serpentine Industrial Estate – INZ3 Planning Scheme Amendment	<ul style="list-style-type: none"> <li>• Finalisation of amendment documents.</li> <li>• Preparation and lodgement of exhibition documents for DELWP approval.</li> </ul>	<ul style="list-style-type: none"> <li>• Exhibition (July/August)</li> <li>• Finalisation of amendment. This stage could include panel hearing if there are submissions against the amendment.</li> </ul>	October 2018 subject to no adverse submissions being received.

The Settlement Strategy project has been well received by the community. The key messages from the community consultation were:

- growth is supported
- township character must be preserved
- need to enhance amenity and services
- housing suited to older residents is required
- new industry and employment, including growth and diversification of agriculture, is required to attract population.

Introduction of a new online amendment tracking system by Department of Environment, Land, Water and Planning delayed progression of the Serpentine Industrial Estate planning scheme amendment by approximately one month.

#### Upcoming Strategic Planning Projects

Table 2 outlines futures strategic planning projects that have been identified to commence as soon as practicably possible.

*Table 2: Upcoming Strategic Planning Projects*

<b>Future Strategic Planning Projects</b>			
<b>Project</b>	<b>Overview</b>	<b>Key Tasks</b>	<b>Estimated project timeframes</b>
Boort Park Housing Development	Provision of additional housing lots on Council land adjoining Boort Park in Malone Street.	<ul style="list-style-type: none"> <li>• Develop project scope, including feasibility assessment.</li> <li>• Seek quotations.</li> </ul>	Step 1, Feasibility assessment completed by December 2018

Planning Scheme Review	Pursuant to Section 12B of the Planning and Environment Act (1987), Council is required to undertake a review of its planning scheme every four years. The review will audit of the scheme and its controls to assess relevance and efficiency. The review aims to ensure that the planning scheme responds to current issues, recent strategic work is reflected in the planning scheme and the most appropriate and effective controls are being used to implement State and local strategy and policy.	<ul style="list-style-type: none"> <li>• Review of application types and outcomes.</li> <li>• Audit of the planning scheme to assess accuracy and relevance of controls.</li> <li>• Review of state, regional and local strategic work.</li> <li>• Discussion with internal and external stakeholders (including community) to identify gaps and concerns.</li> <li>• Preparation of report to document findings, including recommended changes to the planning scheme and future strategic work.</li> <li>• Presentation and adoption of report by Council.</li> <li>• Submission of report to Minister for Planning.</li> </ul>	Preparation of Planning Scheme Review Report December 2018. Implementation of recommendations are to be staged over 2019 - 2022.
Heritage Framework	Council has allocated \$100,000 in reserve to be used to support restoration of heritage buildings in the municipality. It is proposed that this money be used to provide loans to owners of buildings subject to heritage protection under the planning scheme or State legislation. The loans will be provided to successful to undertake works on their property that would support the protection of the heritage buildings within Loddon Shire.	<ul style="list-style-type: none"> <li>• Preparation of guidelines, criteria and process for approval and implementation</li> </ul>	February 2019

The Boort Park housing development project is proposed to be conducted in two stages. Stage 1 will be a feasibility assessment and will address matters such as infrastructure provision and cost, interface management and estimated yield and return. Stage 2 will involve preparation of the



planning scheme amendment material should Council determine the project to be viable. This project will be completed by an appropriately experienced consultant.

**COST/BENEFITS**

The expenditure for the final quarter of 2017 – 2018 financial year of the strategic planning activities contained within this report is \$10,917.

Benefits derived from investing in strategic planning managed by the Development and Compliance Department include:

- clearly defined directions for land use and development that are underpinned by research and supported by the community
- a relevant and effective planning scheme that provides for economic development, population growth, attractive townships and protection of heritage and the environment.

**RISK ANALYSIS**

Failure of Council to undertake strategic planning includes:

- outdated planning controls that do not respond to current issues and opportunities
- inappropriate development that compromises the amenity of towns and undermines economic development opportunities
- loss of opportunities for population and residential growth.

**CONSULTATION AND ENGAGEMENT**

The strategic planning staff member consults with a number of stakeholders on a regular basis including:

- community members and organisations
- government agencies including Department of Environment Land Water & Planning, Department of Economic Development Jobs Transport & Resources, North Central Catchment Management Authority
- other Loddon Shire Council departments
- other municipalities.

**10.8 INWARDS CORRESPONDENCE****File Number:****Author:** Lynne Habner, Manager Executive and Commercial Services**Authoriser:** Phil Pinyon, Chief Executive Officer**Attachments:**

1. Letter from Minister for Police re Inglewood Police Presence
2. Letter to Minister for Police from Council

**RECOMMENDATION**

That Council receives and notes the inwards correspondence.

**CONFLICT OF INTEREST**

There is no conflict of interest for any Council staff member involved in the preparation of this report, or involved in the subject matter of the report.

<b>Date</b>	<b>From</b>	<b>Subject</b>
1/8/18	Hon Lisa Neville MP, Minister for Police	Police resources in Inglewood (response to letter from Council, also attached)



## Minister for Police

8 Nicholson Street  
East Melbourne Victoria 3002  
Telephone: (03) 9637 9654  
DX: 210098

Our ref: CD/18/474545

Phil Pinyon  
Chief Executive Officer  
Loddon Shire  
PO Box 21  
WEDDERBURN VIC 3518

LODDON SHIRE COUNCIL	
File No.	
Return to Records	<input type="checkbox"/>
REC'D	07 AUG 2018
Refer to:	
Unit	<input type="checkbox"/>

Dear Mr Pinyon

### POLICE RESOURCES IN INGLEWOOD

Thank you for your correspondence of 4 July 2018 regarding police resources in Inglewood.

I can understand the community's preference for a police officer to reside in Inglewood. However, I am assured by Victoria Police that the residents of Inglewood receive a 24 hour response regardless of where the local officers live.

The current gazetted staffing level of the Inglewood Police Station is one Sergeant and two officers of other ranks.

The Inglewood Police Station is staffed on a rostered basis as part of the Loddon cluster, which consists of nine local stations. Staffing is rostered on a rotating basis to all of these stations dependent upon demand, in order for Victoria Police to provide the best service delivery to all areas, as required.

When one member is on leave, the remaining two members cover 10 of the 14 shifts per week. This is without factoring in the occasional training or court requirements. The shift shortfall is then covered by the neighbouring station of Wedderburn and vice versa.

Out of hours each of the one member stations are paid a disturbance allowance for responding to calls of assistance in their response zone. For stations such as Inglewood, one member is available to respond to any calls of assistance and support is provided from nearby work units if required.

When a police member at Inglewood is on duty and at the Police Station, the station is open so the public can attend if they require. The police vehicle is also parked in the driveway of the premises indicating a police member is there (unless tied up with an interview or similar). This same person is also responsible for attending to jobs within the community should it require.

When the officer is attending to jobs within the community, the Inglewood station will be secured. If a member of the public attends when the station is secured, the following options are available:

- A sign on the door that indicates the station is unattended and to call triple zero if immediate police assistance is required.



- The sign also details where the nearest 24 hour station is (address and phone number) and, if you press the intercom, which station you will be diverted to.
- Each station has an intercom at the front of the station which is an auto dialler that transfers the call to Maryborough Police Station which is attended 24 hours a day. Advice or police attendance can then be arranged if required.

Inglewood Police Station also has an answering service that provides the caller prompts depending on the level of policing service they require.

I urge Inglewood residents to report incidents to Victoria Police.

The Eyewatch - Goldfields Police Service Area Facebook page connects the Shires of Central Goldfields and Loddon residents with local police directly to prevent crime, keep the neighbourhood safe and solve crimes. It can be found at [www.facebook.com/eyewatchgoldfields/](http://www.facebook.com/eyewatchgoldfields/).

Alternatively, they can contact Crime Stoppers by calling 1800 333 000 or visiting [www.crimestoppersvic.com.au](http://www.crimestoppersvic.com.au). Information provided to Crime Stoppers is valuable to police, as the intelligence gathered helps police to identify offence hotspots and inform decisions about where to deploy their resources.

Thank you for your advocacy on behalf of the Inglewood community. I hope this information is of assistance.

Yours sincerely



**Hon Lisa Neville MP**  
Minister for Police

1/8/18



PP:lh  
Doc ID:295136

Hon Lisa Neville MP  
Minister for Police  
Level 17, 8 Nicholson Street  
East Melbourne VIC 3002

Dear Minister

**Re: Police presence in Inglewood**

Council, at its meeting of 26 June 2018, resolved to write to you regarding the presence of police in the township of Inglewood in Loddon Shire.

The Inglewood community has a strong preference for a police officer to reside in Inglewood, and has raised the matter recently in response to a number of thefts and incidents of property destruction that could potentially have been deterred if there was a police officer in residence overnight.

There are police officers stationed at Inglewood, however none of them reside in the township. It has been suggested that the standard of accommodation of the current police house may be a deterrent.

Council seeks your consideration for providing updated residential accommodation in Inglewood for police.

Yours sincerely

Phil Pinyon  
**Chief Executive Officer**

4 July 2018

**Municipal Offices:**  
41 High Street, Wedderburn, Victoria  
PO Box 21, Wedderburn VIC 3518

**Telephone:** 03 5494 1200  
**Facsimile:** 03 5494 3003

**Email:** [loddon@loddon.vic.gov.au](mailto:loddon@loddon.vic.gov.au)

**ABN:** 90 925 450 534

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**11 COMPLIANCE REPORTS**

Nil

**12 GENERAL BUSINESS**

**13 CONFIDENTIAL ITEMS****RECOMMENDATION**

That Council considers the confidential report(s) listed below in a meeting closed to the public in accordance with Section 89(2) of the Local Government Act 1989:

**13.1 Review of confidential actions**

This matter is considered to be confidential under Section 89(2) - (h) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with Any other matter which the Council or special committee considers would prejudice the Council or any person.

**13.2 Provision of Regional Asbestos and Hazardous Materials Removal Services**

This matter is considered to be confidential under Section 89(2) - (d) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with contractual matters.

**13.3 Sale of Arnold Church**

This matter is considered to be confidential under Section 89(2) - (d) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with contractual matters.

Closing of Meeting to the Public

**RECOMMENDATION**

That the meeting be closed to the public.

**NEXT MEETING**

The next Ordinary Meeting of Council will be held on 25 September 2018 at Serpentine commencing at at 3pm.

There being no further business the meeting was closed at [enter time](#).

Confirmed this.....day of..... 2018

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