



Notice is given that a Meeting of Council will be held on:

Date: Tuesday, 23 August 2022
Time: 3pm
**Location: Loddon Shire Council Chambers,
Wedderburn**

AGENDA

Council Meeting

23 August 2022

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OPENING COMMENT

This meeting is being conducted in accordance with the Local Government Act 2020 as temporarily amended to enable meeting by electronic means of communication.

This meeting is being recorded and audio streamed via the Council website and Facebook.

1 OPENING AFFIRMATION

“We, the Councillors of the Loddon Shire, declare that we will carry out our duties in the best interests of the community, and through collective leadership will maintain the highest standards of good governance.”

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: Christine Coombes, Acting Manager Executive and Commercial Services

Authoriser: Lincoln Fitzgerald, Chief Executive Officer

Attachments: Nil

RECOMMENDATION

That Council confirm:

1. The minutes of the Council Briefing of 26 July 2022.
2. The minutes of the Council Meeting of 26 July 2022.
3. The minutes of the Confidential Council Meeting of 26 July 2022.
4. The minutes of the Council Forum 9 August 2022.

REPORT

Seeking approval of the unconfirmed minutes of the previous meetings.

6 ADVISORY MEETINGS**6.1 RECORD OF ADVISORY MEETINGS**

File Number: 02/01/001

Author: Christine Coombes, Acting Manager Executive and Commercial Services

Authoriser: Lincoln Fitzgerald, Chief Executive Officer

Attachments: Nil

RECOMMENDATION

That Council note the record of the following advisory meetings :

1. Council Briefing 26 July 2022.
2. Council Forum 9 August 2022.

In accordance with Clause 51 of Council's Governance Rules, records of Councillor Briefings and Forums must be reported to the next Council Meeting and confirmed in the minutes.

The record is therefore presented for Council's noting.

Meeting details	Briefing
Date	26 July 2022
Councillor Attendees	Cr Beattie Cr Holt Cr Jungwirth Cr Murphy Cr Straub
Staff/Stakeholder representatives	Lincoln Fitzgerald, Chief Executive Officer Wendy Gladman, Director Community Wellbeing Steven Phillips, Director Operations Amanda Wilson, Director Corporate Christine Coombes, Acting Manager Executive and Commercial Services Glenn Harvey, Manager Development and Compliance Louise Johnston, Statutory Planning Coordinator ASU representative Aged Care consultant
Items discussed.	1. Planning application 5711 2. Aged Care Transition Presentations 3. General business: <ul style="list-style-type: none"> • Building Asset Management Plan
Conflict of Interest Disclosures - Councillor/officer making disclosure	Nil
Councillor/officer left room	

Meeting details	Forum
Date	9 August 2022
Councillor Attendees	Cr Beattie Cr Jungwirth Cr Murphy Cr Straub
Staff/Stakeholder representatives	Lincoln Fitzgerald, Chief Executive Officer Wendy Gladman, Director Community Wellbeing Steven Phillips, Director Operations Amanda Wilson, Director Corporate Christine Coombes, Acting Manager Executive and Commercial Services Assets and Infrastructure team members Paul Scullie, Acting Manager Community Support
Items discussed.	<ol style="list-style-type: none"> 1. Introduction to Assets and Infrastructure 2. 2022-2023 Community Grants – Group 2 3. Community Grants Guidelines 4. Aged Care Transition discussion 5. General business: <ul style="list-style-type: none"> • ALGWA 2024 • Officer in charge at Wedderburn Police Station • ABC report of elevated lead poisoning in ducks on the Serpentine Creek • Request for an Ambulance Victoria shelter at Durham Ox • VNI West PADR • Passing of the Mayor of Northern Grampians Shire Council
Conflict of Interest Disclosures - Councillor/officer making disclosure	Nil
Councillor/officer left room	

7 REVIEW OF ACTION SHEET

7.1 REVIEW OF ACTIONS

File Number: 02/01/002

Author: Christine Coombes, Acting Manager Executive and Commercial Services

Authoriser: Lincoln Fitzgerald, Chief Executive Officer

Attachments: 1. Action sheet

RECOMMENDATION

That Council receive and note the action sheet.

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.

REPORT

Refer attachment.

<p>Division: Committee: Officer:</p> <p>Action Sheets Report</p>	<p>Date From: Date To:</p> <p>Printed: Monday, 15 August 2022 10:57:58 AM</p>
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Actions completed since last meeting

Meeting	Officer/Director	Section	Subject
Council 24/05/2022	Phillips, Steven Fitzgerald, Lincoln	Decision Reports	Inglewood Eucalyptus Distillery Museum - Fee Waiver Application
<p>RESOLUTION 2022/78</p> <p>Moved: Cr Neil Beattie Seconded: Cr Wendy Murphy</p> <p>That Council resolve to reimburse Inglewood Eucalyptus Distillery Museum Inc. the planning permit application fee of \$1,570.60 from its Community Planning Project Budget allocation.</p> <p style="text-align: right;">CARRIED</p> <p>16 Jun 2022 11:35am Phillips, Steven Correspondence has gone out to the Inglewood Eucalyptus Distillery Museum informing them of the Council decision. They have also been asked to submit an invoice so that the reimbursement can be paid. Once Council has received that invoice and the payment made this action will be complete.</p> <p>14 Jul 2022 12:27pm Coombes, Christine Invoice not received by Council to date.</p> <p>09 Aug 2022 4:55pm Phillips, Steven An invoice from the Inglewood Eucalyptus Distillery Museum has been received and the fees have been refunded.</p> <p>09 Aug 2022 4:55pm Phillips, Steven - Completion Action completed by Phillips, Steven</p>			

Meeting	Officer/Director	Section	Subject
Council 26/07/2022	Johnston, Louise Phillips, Steven	Decision Reports	Planning Application 5711 - use and development of a dwelling and creation of a new access into Transport Zone 2 at Lot 1, Newbridge Road, Newbridge
<p>RESOLUTION 2022/77</p> <p>Moved: Cr Linda Jungwirth Seconded: Cr Neil Beattie</p> <p>That Council issue a Notice of Decision to refuse to grant a permit for use and development of a dwelling and new access into a TRZ at Lot 1 Newbridge Road, Newbridge on the following grounds:</p>			

Division: Committee: Officer:	Date From: Date To: Printed: Monday, 15 August 2022 10:57:58 AM
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Action Sheets Report

<p>1. The proposal is contrary to the State and Local Planning Policy Framework as it relates to the protection of agricultural land.</p> <p>2. The use and development of a dwelling on a site less than 100 hectares is contrary to the purpose and decision guidelines of the Farming Zone.</p> <p>3. The use and development of a dwelling on the land is not compatible with the adjoining uses in this area.</p> <p>Cr Dan Straub called for a Division</p> <p><u>In Favour:</u> Crs Neil Beattie, Gavan Holt, Linda Jungwirth and Wendy Murphy</p> <p><u>Against:</u> Cr Dan Straub (Mayor)</p> <p style="text-align: right;">CARRIED</p> <p>10 Aug 2022 11:00am Johnston, Louise Applicants have been advised. 10 Aug 2022 11:00am Johnston, Louise - Completion Action completed by Johnston, Louise</p>

Meeting	Officer/Director	Section	Subject
Council 26/07/2022	Southcombe, David Phillips, Steven	Decision Reports	Annual Infrastructure Program, Amendment to Projects
<p>RESOLUTION 2022/78</p> <p>Moved: Cr Wendy Murphy Seconded: Cr Neil Beattie</p> <p>It is recommended that Council approve:</p> <ol style="list-style-type: none"> 1. The proposed changes to the project allocation outlined in Attachment 1. 2. That the additional projects listed in Attachment 2 (and without estimates in Attachment 3) be added to the Annual Infrastructure Program conditional on a successful funding application to the Heavy Vehicle Safety and Productivity Program. <p style="text-align: right;">CARRIED</p> <p>11 Aug 2022 3:32pm Southcombe, David Grant funding submission is being undertaken, budget amendment details have been sent to finance. 11 Aug 2022 3:34pm Southcombe, David - Completion</p>			

Division: Committee: Officer:	Date From: Date To: Printed: Monday, 15 August 2022 10:57:58 AM
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Action Sheets Report

Action completed by Southcombe, David

Meeting	Officer/Director	Section	Subject
Council 26/07/2022	Wilson, Amanda Wilson, Amanda	Decision Reports	Review of Governance Rules
RESOLUTION 2022/79			
Moved: Cr Linda Jungwirth			
Seconded: Cr Wendy Murphy			
That Council adopt the Loddon Shire Governance Rules version 2.			
CARRIED			
08 Aug 2022 1:44pm Wilson, Amanda			
Policy updated on website and within document framework spreadsheet			
08 Aug 2022 1:45pm Wilson, Amanda - Completion			
Action completed by Wilson, Amanda			

Meeting	Officer/Director	Section	Subject
Council 26/07/2022	Jackson, Janine Wilson, Amanda	Decision Reports	CEO Employment and Remuneration Policy
RESOLUTION 2022/80			
Moved: Cr Gavan Holt			
Seconded: Cr Wendy Murphy			
That Council approve the CEO Employment and Remuneration Policy v2.			
CARRIED			
09 Aug 2022 12:57pm Jackson, Janine - Completion			
Action completed by Coombes, Christine			
09 Aug 2022 1:00pm Coombes, Christine			
Policy updated on website and in document framework spreadsheet			

<p>Division: Committee: Officer:</p> <p>Action Sheets Report</p>	<p>Date From: Date To:</p> <p>Printed: Monday, 15 August 2022 10:57:58 AM</p>
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Meeting	Officer/Director	Section	Subject
Council 26/07/2022	Scullie, Paul Gladman, Wendy	Decision Reports	2022-2023 Community Grants Program - Group 1
<p>RESOLUTION 2022/81</p> <p>Moved: Cr Neil Beattie Seconded: Cr Wendy Murphy</p> <p>That Council endorse the allocation of \$31,529 in grants to the Group 1 applicants as per the 2022-2023 Community Grants program as outlined in the attachment provided with this report.</p> <p style="text-align: right;">CARRIED</p> <p>09 Aug 2022 4:32pm Scullie, Paul Community groups from Group 1 have been sent relevant terms and conditions for the dissemination of funds.</p> <p>09 Aug 2022 4:39pm Scullie, Paul - Completion Action completed by Scullie, Paul</p>			

Meeting	Officer/Director	Section	Subject
Council 26/07/2022	Scullie, Paul Gladman, Wendy	Decision Reports	2022-2023 Community Grants Program (Serpentine Bowling Club)
<p>RESOLUTION 2022/82</p> <p>Moved: Cr Neil Beattie Seconded: Cr Linda Jungwirth</p> <p>That That Council endorse the allocation of \$6,611 for the Serpentine Bowling Club as per the 2022-2023 Community Grants program as outlined in the attachment provided with this report.</p> <p style="text-align: right;">CARRIED</p> <p>09 Aug 2022 4:39pm Scullie, Paul Serpentine Bowling Club have been sent the relevant terms and conditions for the dissemination of funds.</p> <p>09 Aug 2022 4:40pm Scullie, Paul - Completion</p>			

<p>Division: Committee: Officer:</p> <p>Action Sheets Report</p>	<p>Date From: Date To:</p> <p>Printed: Monday, 15 August 2022 10:57:58 AM</p>
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Action completed by Scullie, Paul

Meeting	Officer/Director	Section	Subject
Council 26/07/2022	Scullie, Paul Gladman, Wendy	Decision Reports	Recognition of Community Planning Committees - Bridgewater, Eddington and Tamagulla Communities
<p>RESOLUTION 2022/83</p> <p>Moved: Cr Linda Jungwirth Seconded: Cr Wendy Murphy</p> <p>That Council formally recognises the following three organisations as the Community Planning Committee for their respective community:</p> <ol style="list-style-type: none"> 1. Bridgewater on Loddon Development Inc. 2. Eddington Community Planning Group Inc. 3. Tamagulla Community Planning Group Inc. <p style="text-align: right;">CARRIED</p> <p>09 Aug 2022 4:41pm Scullie, Paul All three Community Planning groups have been sent a letter of notification, congratulating them on their work resulting in Council Recognition.</p> <p>09 Aug 2022 4:43pm Scullie, Paul - Completion Action completed by Scullie, Paul</p>			

8 MAYORAL REPORT**8.1 MAYORAL REPORT**

File Number: 02/01/001

Author: Christine Coombes, Acting Manager Executive and Commercial Services

Authoriser: Lincoln Fitzgerald, Chief Executive Officer

Attachments: Nil

RECOMMENDATION

That Council receive and note the Mayoral Report

REPORT

The Mayor will present a report at the meeting.

Cr Straub

Loddon Campaspe Councils	
Murray River Group of Councils	
North Central Goldfields Regional Library	
North Central Local Learning and Employment Network	
Special Committees Of Council (Section 65 Community Asset Committees):	
East Loddon Community Centre Community Asset Committee	
Pyramid Hill Memorial Hall Community Asset Committee	
Other Council activities	
DATE	Activity

9 COUNCILLORS' REPORT

9.1 COUNCILLORS' REPORTS

File Number: 02/01/001
Author: Christine Coombes, Acting Manager Executive and Commercial Services
Authoriser: Lincoln Fitzgerald, Chief Executive Officer
Attachments: Nil

1. Recommendation
 That Council receive and note the Councillors' reports

REPORT

Each Councillor will present a report at the meeting.

Cr Beattie

Rail Freight Alliance	
Special Committees Of Council (Section 65 Community Asset Committees):	
Boort Aerodrome Community Asset Committee	
Boort Memorial Hall Community Asset Committee	
Boort Park Community Asset Committee	
Korong Vale Mechanics Hall Community Asset Committee	
Korong Vale Sports Centre Community Asset Committee	
Little Lake Boort Community Asset Committee	
Yando Public Hall Community Asset Committee	
DATE	Activity

Cr Holt

Municipal Association of Victoria	
Audit and Risk Committee	
Special Committees Of Council (Section 65 Community Asset Committees):	
Donaldson Park Community Asset Committee	
Wedderburn Community Centre Community Asset Committee	
Wedderburn Engine Park and Market Square Reserve Community Asset Committee	
Wedderburn Mechanics and Literary Institute Hall Community Asset Committee	
Hard Hill Tourist Reserve Community Asset Committee	
Other Council activities	
DATE	Activity

Cr Jungwirth

Loddon Mallee Local Government Waste Forum	
Central Victorian Greenhouse Alliance	
Municipal Emergency Management Plan Committee	
Other Council activities	
DATE	Activity

Cr Murphy

Calder Highway Improvement Committee	
Local Government Women's Charter	
Australia Day Committee	
Healthy Minds Network	
Special Committees Of Council (Section 65 Community Asset Committees):	
Bridgewater on Loddon Memorial Hall Community Asset Committee	
Campbells Forest Hall Community Asset Committee	
Inglewood Community Sports Centre Community Asset Committee	
Inglewood Community Elderly Persons Units Community Asset Committee	
Inglewood Town Hall Hub Community Asset Committee	
Other Council activities	
DATE	Activity

10 DECISION REPORTS**10.1 2021/22 FINANCIAL AND PERFORMANCE STATEMENTS IN PRINCIPLE REPORT**

File Number: FOL/20/2518
Author: Deanne Caserta, Manager Financial Services
Authoriser: Amanda Wilson, Director Corporate
Attachments: 1. DRAFT Financial Statements
2. DRAFT Performance Statements

RECOMMENDATION

That Council

1. Adopts the Financial Statements and Performance Statement for the year ended 30 June 2022 as presented "in principle".
2. Authorises the Chief Executive Officer to make any amendments to the Financial Statements and Performance Statement for the year ended 30 June 2022 that may be requested by the Victorian Auditor-General.
3. Authorises the Mayor Cr Dan Straub, one other Councillor, and the Chief Executive Officer to certify the audited Financial Statements and Performance Statement for the year ended 30 June 2022.

CONFLICT OF INTEREST

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

PREVIOUS COUNCIL DISCUSSION

Nil.

BACKGROUND

Council's external auditors, RSD Audit, acting on behalf of the Victorian Auditor-General, have finalised remotely the audit of Council's Financial Statements and Performance Statement for the year ended 30 June 2022.

A requirement of the Local Government Act 1989 (s132(2) which is still in force) 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 1989 (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:

- seven sustainable capacity indicators, which are financial and non-financial indicators of the sustainability of Council
- 10 service performance indicators, which are non-financial indicators
- 11 financial performance indicators, which are all financial indicators taken from the financial statements.

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 2022.

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 mitigated.

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 1 August 2022.

LODDON SHIRE COUNCIL

FINANCIAL STATEMENTS YEAR ENDING 30 JUNE 2022



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CERTIFICATION OF FINANCIAL STATEMENTS

In my opinion the accompanying financial statements have been prepared in accordance with the **Local Government Act 2020**, the *Local Government (Planning and Reporting) Regulations 2020*, Australian Accounting Standards and other mandatory professional reporting requirements.

Signed: Date: / / 2022
AMANDA KAYE WILSON, BBus (Acc), DipHR, CertWHS, PRINCIPAL ACCOUNTING OFFICER
Wedderburn, Victoria 3518

In our opinion the accompanying financial statements present fairly the financial transactions of the Loddon Shire Council for the year ended 30 June 2022 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 2020* to certify the financial statements in their final form.

Signed: Date: / / 2022
DANIEL ALLAN STRAUB, MAYOR
Wedderburn, Victoria, 3518

Signed: Date: / / 2022
XXXXXXXX XXXXXXXX XXXXXXXX, COUNCILLOR
Wedderburn, Victoria, 3518

Signed: Date: / / 2022
LINCOLN WILLIAM FITZGERALD, BA (Nature Tourism), CertTAA, CHIEF EXECUTIVE OFFICER
Wedderburn, Victoria 3518

**COMPREHENSIVE INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022**

	Note	2022 \$	2021 \$
Income			
Rates and charges	3.1	11,890,953	11,521,260
Statutory fees and fines	3.2	383,610	423,057
User fees	3.3	1,538,812	1,745,588
Grants - operating	3.4	15,211,241	14,011,856
Grants - capital	3.4	2,965,192	6,979,510
Contributions - monetary	3.5	273,925	81,375
Reimbursements and subsidies	3.6	859,314	805,709
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	3.7	34,433	88,633
Interest received	3.8	263,296	279,462
Share of net profits of associates and joint ventures	6.3	14,446	13,233
Other income	3.9	-	32
Total income		33,435,222	35,949,715
Expenses			
Employee costs	4.1	12,857,975	13,516,241
Materials and services	4.2	8,971,351	9,415,750
Depreciation	4.3	9,270,237	9,959,894
Bad debts expense	4.4	40,478	2,891
Other expenses	4.5	292,978	304,449
Total expenses		31,433,019	33,199,225
Surplus (or deficit) for year		2,002,203	2,750,490
Other comprehensive income			
<i>Items that will not be reclassified to surplus or deficit in future periods</i>			
Net asset revaluation increment/(decrement)	9.1(a)	(10,365,945)	(5,840,410)
Share of other comprehensive income of associates and joint ventures accounted for by the equity method	6.3	(4,075)	(3,886)
Total other comprehensive income		(10,370,020)	(5,844,296)
Total comprehensive result		(8,367,817)	(3,093,806)

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

**BALANCE SHEET
AS AT 30 JUNE 2022**

	Note	2022 \$	2021 \$
Assets			
Current assets			
Cash and cash equivalents	5.1	3,727,157	20,262,389
Other financial assets	5.1	36,684,402	17,183,417
Trade and other receivables	5.1	1,063,989	1,350,744
Other assets	5.2	393,485	235,646
Inventories	5.2	-	24,120
Non-current assets classified as held for sale	6.1	311,958	222,784
Total current assets		42,180,991	39,279,100
Non-current assets			
Other financial assets	5.1	-	-
Other assets	5.2	100	100
Trade and other receivables	5.1	-	-
Investments in associates, joint ventures and subsidiaries	6.3	295,054	284,683
Intangible assets	5.2	2,713,090	2,674,570
Property, infrastructure, plant and equipment	6.2	343,749,861	356,110,941
Right-of-use assets	5.7	-	-
Total non-current assets		346,758,105	359,070,294
Total assets		388,939,096	398,349,394
Liabilities			
Current liabilities			
Trade and other payables	5.3(a)	692,750	1,471,993
Trust funds and deposits	5.3(b)	367,782	365,171
Unearned income	5.3(c)	3,076,276	2,976,276
Provisions	5.4	2,841,411	2,940,884
Lease liabilities	5.7	-	-
Total current liabilities		6,978,219	7,754,324
Non-current liabilities			
Provisions	5.4	1,246,284	1,512,661
Lease liabilities	5.7	-	-
Total non-current liabilities		1,246,284	1,512,661
Total liabilities		8,224,503	9,266,985
Net assets		380,714,593	389,082,409
Equity			
Accumulated surplus		91,667,548	90,938,554
Reserves	9	289,047,045	298,143,855
Total equity		380,714,593	389,082,409

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022**

2022

	Note	Total 2022 \$	Accumulated surplus 2022 \$	Revaluation reserve 2022 \$	Other reserves 2022 \$
Balance at beginning of the financial year		389,082,409	90,938,554	272,598,734	25,545,121
Surplus/(deficit) for the year		2,002,203	2,002,203	-	-
Net asset revaluation increment/(decrement)	9.1(a)	(10,365,945)	-	(10,365,945)	-
Transfer to reserves	9.1(b)	-	(19,065,147)	-	19,065,147
Transfer from reserves	9.1(b)	-	17,796,012	-	(17,796,012)
Share of other comprehensive income		(4,075)	(4,075)	-	-
Balance at end of financial year		380,714,593	91,667,548	262,232,789	26,814,256

2021

	Note	Total 2021 \$	Accumulated surplus 2021 \$	Revaluation reserve 2021 \$	Other reserves 2021 \$
Balance at beginning of the financial year		392,176,215	90,918,332	278,439,144	22,818,739
Surplus/(deficit) for the year		2,750,490	2,750,490	-	-
Net asset revaluation increment/(decrement)	9.1(a)	(5,840,410)	-	(5,840,410)	-
Transfer to reserves	9.1(b)	-	(19,622,115)	-	19,622,115
Transfer from reserves	9.1(b)	-	16,895,733	-	(16,895,733)
Share of other comprehensive income		(3,886)	(3,886)	-	-
Balance at end of financial year		389,082,409	90,938,554	272,598,734	25,545,121

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022**

	Note	2022 Inflows/ (outflows) \$	2021 Inflows/ (outflows) \$
Cash flows from operating activities			
Rates and charges		11,936,398	11,542,848
Statutory fees and fines		356,251	412,961
User fees		1,632,691	1,518,000
Grants - operating		15,326,794	13,715,848
Grants - capital		3,065,192	9,250,786
Contributions - monetary		273,925	81,375
Reimbursements and subsidies		859,314	875,205
Interest received		196,033	272,751
Net GST refund		1,268,707	1,449,161
Trust funds and deposits taken		2,611	8,791
Employee costs		(12,960,079)	(13,124,062)
Material and services		(11,623,720)	(10,477,527)
Net cash provided by (used in) operating activities	9.2	10,334,117	15,526,137
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	6.2	(7,579,652)	(9,455,472)
Proceeds from sale of property, infrastructure, plant and equipment	3.7	211,938	1,046,295
Payments for intangible assets		(650)	-
Payments from / (for) investments		(19,500,985)	4,816,583
Repayment of loans and advances from community organisations		-	2,400
Net cash provided by (used in) investing activities		(26,869,349)	(3,590,194)
Net increase/(decrease) in cash and cash equivalents		(16,535,232)	11,935,943
Cash and cash equivalents at the beginning of the financial year		20,262,389	8,326,446
Cash and cash equivalents at the end of the financial year	5.1	3,727,157	20,262,389

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

**STATEMENT OF CAPITAL WORKS
FOR THE YEAR ENDED 30 JUNE 2022**

	Note	2022 \$	2021 \$
Land and buildings			
Land		840,934	-
Buildings - specialised		288,337	433,496
Work in progress		444,855	1,178,769
Total buildings		1,574,126	1,612,265
Plant and fittings			
Plant, machinery and equipment		749,230	1,344,845
Office furniture and equipment		90,326	114,858
Total plant and equipment		839,556	1,459,703
Infrastructure			
Roads		3,514,155	3,770,911
Bridges		920,762	1,102,159
Footpaths and cycleways		353,946	562,886
Kerb and channel		169,544	-
Drainage		207,563	202,930
Street furniture		-	17,480
Work in progress		-	727,138
Total infrastructure		5,165,970	6,383,504
Intangible assets			
Water rights		23,200	-
Total intangible assets		23,200	-
Total capital works expenditure		7,602,852	9,455,472
Represented by:			
New asset expenditure		1,697,932	1,361,445
Asset renewal expenditure		5,451,463	5,783,378
Asset expansion expenditure		332,338	198,842
Asset upgrade expenditure		121,119	2,111,807
Total capital works expenditure		7,602,852	9,455,472

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

NOTE 1 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 (AAS), the *Local Government Act 2020*, and the *Local Government (Planning and Reporting) Regulations 2020*.

Council is a not-for-profit entity and therefore applies the additional AUS paragraphs applicable to a not-for-profit entity under the Australian Accounting Standards.

Significant accounting policies

(a) Basis of accounting

The accrual basis of accounting has been used in the preparation of these financial statements, except for the cash flow information, 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.

The financial statements are based on the historical cost convention, going concern basis, currency and rounding as well as accrual accounting has been used, except for cash flow information, unless a different measurement basis is specifically disclosed in the notes to the financial statements.

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.

The financial statements have been prepared on a going concern basis. The financial statements are in Australian dollars. The amounts presented in the financial statements have been rounded to the nearest dollar unless otherwise specified. Minor discrepancies in tables between totals and the sum of components due to rounding.

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 6.2)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of employee provisions (refer to Note 5.4)
- the determination of landfill provisions (refer to Note 5.4)
- the determination of whether performance obligations are sufficiently specific as to determine whether an arrangement is within the scope of *AASB 15 Revenue from Contracts with Customers* or *AASB 1058 Income for Not-for-Profit Entities* (refer to Note 3)
- the determination, in accordance with *AASB 16 Leases*, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value (refer to Note 5.7)
- whether or not *AASB 1059 Service Concession Agreements: Grantors* is applicable
- 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.

(b) Impact of COVID-19

During 2021/22 the COVID-19 pandemic continued to impact on Council's operations. Council has noted only minor interruptions and no impacts of a material nature on its financial operations.

NOTE 2**2.1 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 2020* 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.

The budget figures detailed below are those adopted by Council on 24 June 2021.

These notes are prepared to meet the requirements of the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

2.1.1 Income and expenditure

	Budget 2022	Actual 2022	Variance	Variance	
	\$	\$	\$	%	Ref
Income					
Rates and charges	11,841,819	11,890,953	(49,134)	0.4%	
Statutory fees and fines	279,467	383,610	(104,143)	37.3%	1
User fees	1,496,306	1,538,812	(42,506)	2.8%	
Grants - operating	6,350,499	15,211,241	(8,860,742)	139.5%	2
Grants - capital	2,387,726	2,965,192	(577,466)	24.2%	3
Contributions - monetary	-	273,925	(273,925)	100.0%	4
Reimbursements and subsidies	762,964	859,314	(96,350)	12.6%	
Interest earnings	300,000	263,296	36,704	-12.2%	
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	-	34,433	(34,433)	100.0%	
Share of net profits/(losses) of associates and joint ventures	-	14,446	(14,446)	100.0%	
Other income	-	-	-	100.0%	
Total income	23,418,781	33,435,222	(10,016,441)	42.8%	
Expenses					
Employee costs	13,649,014	12,857,975	791,039	-5.8%	
Materials and services	10,519,882	8,971,351	1,548,531	-14.7%	
Depreciation	9,908,459	9,270,237	638,222	-6.4%	
Bad and doubtful debts	-	40,478	(40,478)	100.0%	
Other expenses	336,449	292,978	43,471	-12.9%	
Total expenses	34,413,804	31,433,019	2,980,785	-8.7%	
Surplus/(deficit) for the year	(10,995,023)	2,002,203	(12,997,226)	-118.2%	

(i) Explanation of material variations

- 1 The increase in statutory fees and fines relate mainly to the additional income received for planning services.
- 2 Operating grants had a financial position higher than budget mainly due to the upfront payments from the grants commission with 50% of 20/21 income received upfront and 75% of 21/22 income received upfront.
- 3 Capital grant income was higher than budgeted due to additional road and infrastructure program grants that were received during 2021/22.
- 4 There was no contributions included within the 2021/22 budget, however these commitments were carried forward from 2020/21, resulting in a variation.

NOTE 2 (CONTINUED)**2.1 Performance against budget (continued)****2.1.2 Capital works**

	Budget 2022 \$	Actual 2022 \$	Variance \$	Variance %	Ref
Property					
Land	-	835,176	(835,176)	100.0%	
Land improvements	5,000	136,491	(131,491)	2629.8%	
Total land	5,000	971,667	(966,667)	19333.3%	
Buildings	-	70,247	(70,247)	100.0%	
Building improvements	272,500	171,592	100,908	-37.0%	
Total buildings	272,500	241,839	30,661	-11.3%	
Total property	277,500	1,213,506	(936,006)	337.3%	
Plant and equipment					
Plant, machinery and equipment	1,427,920	749,230	678,690	-47.5%	6
Office furniture and equipment	175,000	90,326	84,674	-48.4%	7
Total plant and equipment	1,602,920	839,556	763,364	-47.6%	
Infrastructure					
Roads	2,922,503	3,514,153	(591,650)	20.2%	
Bridges	146,701	920,762	(774,061)	527.6%	
Footpaths and cycleways	240,814	523,490	(282,676)	117.4%	
Drainage	350,000	207,563	142,437	-40.7%	
Recreation, leisure and community facilities	1,330,000	197,719	1,132,281	-85.1%	
Parks, open space and streetscapes	50,000	162,903	(112,903)	225.8%	
Water rights	-	23,200	(23,200)	0.0%	8
Total infrastructure	5,040,018	5,549,790	(509,772)	10.1%	
Total capital works expenditure	6,920,438	7,602,852	(682,414)	9.9%	5
Represented by:					
New asset expenditure	1,602,920	1,697,932	(95,012)	5.9%	
Asset renewal expenditure	3,987,518	5,451,463	(1,463,945)	36.7%	
Asset expansion expenditure	100,000	332,338	(232,338)	100.0%	
Asset upgrade expenditure	1,230,000	121,119	1,108,881	-90.2%	
Total capital works expenditure	6,920,438	7,602,852	(682,414)	9.9%	

(i) Explanation of material variations

- 5 The capital works program for the 2021/22 was originally budgeted at \$6.92M. This was increased to \$23.06M by the end of 2021/22 due to a large amount of carry over incomplete works and new grants throughout the year. This has a significant impact on all categories as defined below.
- 6 The plant replacement program has been facing significant delivery wait times due to the ongoing impact of COVID-19.
- 7 A majority of computer equipment purchases are now falling below the \$3,000 capitalisation threshold. The decrease in capital works spend is offset by an increase in operating expenditure in this area.
- 8 Water rights were purchased and sold throughout the year to reflect the adjusted need from various water right source allocations. This was not budgeted.

NOTE 2 (CONTINUED)**2.2 Analysis of Council results by program**

Council delivers its functions and activities through the following programs:

2.2.1 Programs**A sustainable built and natural environment**

Infrastructure: We will implement financially and environmentally sustainable infrastructure that supports our social and economic needs.

Environment: We will work with our partners to preserve and protect our local environment. We will support our community to respond to the impacts of climate change.

A growing and vibrant community

Population: We will promote population growth to support a growing and diverse community.

Community: We will support a connected and inclusive community that provides opportunities for current and new community members at all ages, abilities, and stages of their life.

Youth: We will support our youth to access pathways for education and employment and the ability to connect and actively engage with their community.

A diverse and expanding economy

Tourism: We will promote our unique tourism opportunities and support our local tourism industry to increase visitation to our area.

Economy: We will support established businesses and seek to attract new businesses to grow our local economy.

A supported and accessible community

Services: We will deliver our core services and advocate for access to other services for our community that support the health, wellbeing and liveability of our community.

Communication: We will listen to our community about how they wish to communicate with us and implement effective communication methods to achieve this. We will provide our community with opportunities to engage with us.

2.2.2 Summary of income, expenses, assets and capital expenses by program**2022 - Updated Council Plan**

	Income \$	Expenses \$	Surplus / (Deficit) \$	Grants included in income \$	Total assets \$
Sustainable built and natural environment	5,534,698	3,945,574	1,589,124	3,338,206	338,949,869
Growing and vibrant community	592,635	1,382,673	(790,038)	134,160	-
Diverse and expanding economy	1,015,660	971,524	44,136	337,844	311,958
Supported and accessible community	26,292,229	25,133,248	1,158,981	14,366,223	49,677,269
Total	33,435,222	31,433,019	2,002,203	18,176,433	388,939,096

2021 - Previous Council Plan

	Income \$	Expenses \$	Surplus / (Deficit) \$	Grants included in income \$	Total assets \$
Economic development and tourism	761,287	1,436,970	(675,683)	112,709	5,923,551
Leadership	1,095,213	4,408,989	(3,313,776)	1,092,908	39,081,333
Works and infrastructure	8,709,289	6,139,035	2,570,254	7,879,855	298,998,293
Good management	17,005,296	14,253,502	2,751,794	6,222,261	6,005,886
Environment	2,329,926	1,761,854	568,072	330,543	13,071,158
Community services and recreation	6,048,704	5,198,875	849,829	5,353,090	35,269,173
Total	35,949,715	33,199,225	2,750,490	20,991,366	398,349,394

NOTE 3 FUNDING FOR THE DELIVERY OF OUR SERVICES

3.1 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 2021/22 was \$2,672,413,100. The valuation base used in 2020/21 was \$2,390,287,700.

	2022 \$	2021 \$
General rates	2,506,374	2,506,891
Rural production rates	6,205,467	6,074,324
Municipal charges	1,318,915	1,276,081
Kerbside recycling charges	476,727	432,071
Garbage charges	1,336,289	1,203,059
Interest on rates and charges	47,181	28,834
Total rates and garbage charges	11,890,953	11,521,260

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2021, and the valuation was first applied in the rating year commencing 1 July 2021.

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.

3.2 Statutory fees and fines

	2022 \$	2021 \$
Statutory fees and fines		
Rates and property	12,164	12,932
Risk management	6,099	6,282
Building regulation	76,676	83,229
Local laws and animal management	82,769	83,622
Public health	58,973	60,460
Strategic and statutory planning	146,929	176,532
Total statutory fees and fines	383,610	423,057

Statutory fees and fines (including building permits and local laws 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 3 FUNDING FOR THE DELIVERY OF OUR SERVICES (Continued)**3.3 User fees**

	2022	2021
	\$	\$
User fees		
Caravan parks	635,256	552,685
Loddon Discovery Tours	675	7,389
Tourism	2,350	3,564
Aged care services	478,471	507,726
Seniors	1,897	-
Emergency management	3,675	11,202
Preschools	56,866	19,062
Corporate governance	6,328	-
Financial services	949	1,076
Human resources and development	51,371	41,221
Risk management	-	2,188
Council engineering and technical services	50,072	52,619
Building regulation	1,162	3,593
Local laws and animal management	472	2,112
Building and property management	37,475	65,302
Gravel pits	34,155	173,488
Parks and townships	102	13,838
Roads	13,278	-
Waste management	61,314	190,765
Other	6,654	6,597
Rent received		
Elderly persons units	56,755	55,941
Economic development	39,535	35,220
Total user fees	1,538,812	1,745,588
User fees by timing of revenue recognition		
User fees recognised over time	-	-
User fees recognised at a point in time	1,538,812	1,745,588
Total user fees	1,538,812	1,745,588

User fees are recognised as revenue at a point in time, or over time, when (or as) the performance obligation is satisfied. Recognition is based on the underlying contractual terms.

3.4 Funding from other levels of government

	2022	2021
	\$	\$
Grants were received in respect of the following:		
Summary of grants		
Commonwealth funded grants	14,595,172	11,787,331
State funded grants	3,581,261	9,204,035
Total grants received	18,176,433	20,991,366

	2022	2021
	\$	\$
(a) Operating grants		
Recurrent - Commonwealth Government:		
Financial Assistance Grant - general purpose grant	7,020,658	5,666,426
Financial Assistance Grant - local roads	5,186,788	3,733,180
Total operating Commonwealth Government grants	12,207,446	9,399,606

NOTE 3 FUNDING FOR THE DELIVERY OF OUR SERVICES (Continued)

3.4 Funding from other levels of government (continued)

	2022	2021
	\$	\$
Recurrent - State Government:		
Aged care services	916,875	857,189
Seniors	6,700	51,453
Maternal and child health	277,885	262,045
Early years	161,029	74,607
Preschools	549,334	477,417
Youth	12,250	24,500
Rates and property	45,599	44,595
Roads	75,000	75,000
Waste management	27,252	-
Other	33,514	31,152
Non recurrent - State Government:		
Administration and management	(85,550)	1,092,908
Economic development	210,000	-
Aged services	-	82,434
Community wellbeing projects	94,044	-
Community support	36,106	155,370
Emergency management	30,000	75,000
Grants and community planning	100,000	50,000
Early years	119,936	153,635
Preschools	69,968	113,164
Human resources and development	2,601	147,000
Project and contract management	296,000	564,500
Local laws and animal management	-	250,000
Waste management	-	8,280
Other	25,252	22,001
Total operating State Government grants	3,003,795	4,612,250
Total operating grants	15,211,241	14,011,856
(b) Capital grants		
Recurrent - Commonwealth Government:		
Roads to Recovery	2,387,726	2,387,725
Total capital Commonwealth Government grants	2,387,726	2,387,725
Recurrent - State Government:		
Caravan parks	127,844	90,710
Waste management	-	50,000
Non recurrent - State Government:		
Grants and community planning	90,000	-
Information technology	-	98,470
Project and contract management	359,622	4,095,725
Waste management	-	256,880
Waterways management	-	-
Total capital State Government grants	577,466	4,591,785
Total capital grants	2,965,192	6,979,510

NOTE 3 FUNDING FOR THE DELIVERY OF OUR SERVICES (Continued)**3.4 Funding from other levels of government (continued)****(c) Unspent grants received on condition that they be spent in a specific manner**

	2022 \$	2021 \$
Operating		
Balance at start of year	7,350,767	6,722,845
Received during the financial year and remained unspent at balance date	5,539,277	5,809,742
Received in prior years and spent during the financial year	(5,752,227)	(5,181,820)
Balance at year end	7,137,817	7,350,767
Capital		
Balance at start of year	3,509,637	1,286,702
Received during the financial year and remained unspent at balance date	3,933,445	3,561,471
Received in prior years and spent during the financial year	(3,244,464)	(1,338,536)
Balance at year end	4,198,618	3,509,637

(d) Recognition of grant income

Before recognising funding from government grants as revenue Council assesses whether there is a contract that is enforceable and has sufficiently specific performance obligations in accordance with *AASB 15 Revenue from Contracts with Customers*. When both these conditions are satisfied, Council:

- identifies each performance obligation relating to revenue under the contract/agreement
- determines the transaction price
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfies its performance obligations, at the time or over time when services are rendered.

Where the contract is not enforceable and/or does not have sufficiently specific performance obligations, the Council applies *AASB 1058 Income for Not-for-Profit Entities*.

Grant revenue with sufficiently specific performance obligations is recognised over time as the performance obligations specified in the underlying agreement are met. Where performance obligations are not sufficiently specific, grants are recognised on the earlier of receipt or when an unconditional right to receipt has been established. Grants relating to capital projects are generally recognised progressively as the capital project is completed. The following table provides a summary of the accounting framework under which grants are recognised.

	2022 \$	2021 \$
Income recognised under AASB 1058 Income of Not-for-Profit Entities		
General purpose	12,288,338	9,425,711
Specific purpose grants to acquire non-financial assets	2,195,821	2,542,517
Other specific purpose grants	11,500	11,220
Revenue recognised under AASB 15 Revenue from Contracts with Customers		
Specific purpose grants	3,780,774	11,988,194

3.5 Contributions

	2022 \$	2021 \$
Contributions - operating - monetary	9,948	70,000
Contributions - capital - monetary	263,977	11,375
Total contributions	273,925	81,375

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

NOTE 3 FUNDING FOR THE DELIVERY OF OUR SERVICES (Continued)**3.6 Reimbursements and subsidies**

	2022	2021
	\$	\$
Council administration	55,000	47,925
Aged care services	12,860	-
Grants and community planning	17,753	-
Risk management	85,395	41,998
Swimming pools	-	11,300
Plant and fleet	121,338	140,970
Department of Transport routine maintenance contract	566,968	563,516
Other	-	-
Total reimbursements and subsidies	859,314	805,709

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

3.7 Net gain (or loss) on disposal of property, infrastructure, plant and equipment

	2022	2021
	\$	\$
Proceeds from sale	211,938	1,046,295
Written down value of assets disposed	(177,505)	(957,662)
Total net gain (or loss) on disposal of property, infrastructure, plant and equipment	34,433	88,633

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

3.8 Interest received

	2022	2021
	\$	\$
Interest on investments	216,115	250,628
Rates interest	47,181	28,834
Total interest received	263,296	279,462

3.9 Other income

	2022	2021
	\$	\$
Reversal of impairment of assets	-	32
Total other income	-	32

NOTE 4 THE COST OF DELIVERING SERVICES**4.1 (a) Employee costs**

	2022	2021
	\$	\$
Salaries and wages	10,184,666	11,114,023
Annual leave and long service leave	1,298,849	915,838
Superannuation	1,127,908	1,116,829
Fringe benefits	84,049	57,163
Workcover	162,503	312,388
Total employee costs	12,857,975	13,516,241

(b) Superannuation

Council made contributions to the following funds:

	2022	2021
	\$	\$
Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	94,428	71,017
Total defined benefit fund	94,428	71,017

Employer contributions payable at reporting date is NIL.

	2022	2021
	\$	\$
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	492,304	539,760
Employer contributions - other funds	541,176	506,052
Total accumulated funds	1,033,480	1,045,812

Employer contributions payable at reporting date is NIL.

Refer to Note 9.3 for further information relating to Council's superannuation obligations.

4.2 Materials and services

	2022	2021
	\$	\$
Major contracts		
Caravan parks	222,292	173,291
Swimming pools	529,900	238,482
Building and property maintenance	229,310	150,378
Waste management operations	1,209,526	1,009,321
Other contracts	73,051	12,231
Valuations	65,335	15,126
Other materials and services		
Cleaning	1,674	3,962
Insurance	516,998	474,203
Administration and management	343,910	490,470
Economic development	163,589	106,075
Council administration	162,865	193,653
Library services	205,661	206,563
Media	83,730	38,567
Caravan parks	151,208	138,740
Tourism	82,147	70,218

NOTE 4 THE COST OF DELIVERING SERVICES (Continued)**4.2 Materials and services (continued)**

	2022	2021
	\$	\$
Aged care services	272,089	229,864
Elderly persons units	51,389	29,206
Seniors	25,072	13,006
Community wellbeing	27,536	-
Community support	265,158	310,485
Grants and community planning	564,597	686,456
Emergency management	30,511	-
Municipal health and wellbeing	45,156	52,851
Swimming pools	109,856	100,949
Early years	77,865	41,980
Preschools	92,867	79,995
Corporate governance	-	92,514
Financial services	43,886	44,536
Customer service	32,697	50,419
Information technology	137,599	87,059
Human resources and management	280,333	165,432
Risk management	159,874	77,025
Council engineering and technical services	63,504	128,595
Project and contract management	7,193	74,759
Building regulation	34,491	13,147
Local laws and animal management	31,987	200,968
Public health	42,637	61,256
Building and property maintenance	354,867	256,191
Plant and fleet	212,964	1,044,234
Gravel pits	(15,402)	(6,782)
Parks and townships	189,064	158,956
Roads	193,591	307,433
Department of Transport routine maintenance contract	158,349	41,930
Waste management	11,651	423,367
Waterways management	21,998	26,900
Software	668,941	728,095
Utilities	548,608	491,984
Other	189,227	81,660
Total materials and services	8,971,351	9,415,750

Expenses are recognised as they are incurred and reported in the financial year to which they relate.

NOTE 4 THE COST OF DELIVERING SERVICES (Continued)**4.3 Depreciation**

	2022	2021
	\$	\$
Roads	5,735,048	6,479,294
Buildings	1,504,207	1,504,207
Plant and equipment	886,211	932,651
Bridges	486,245	391,248
Urban drains	224,057	212,151
Furniture and equipment	125,220	131,077
Footpaths	158,066	158,342
Kerb and channel	108,243	97,374
Landfills	10,163	25,640
Street furniture	31,629	26,685
Quarries	1,148	1,225
Total depreciation	9,270,237	9,959,894

Refer to Note 5.2 (c) and 6.2 for a more detailed breakdown of depreciation charges and accounting policy.

4.4 Bad and doubtful debts

	2022	2021
	\$	\$
Rates debtors	34,668	1,189
Sundry debtors	5,810	1,702
Total bad debts expense	40,478	2,891

Movement in provisions for doubtful debts

	2022	2021
	\$	\$
Balance at beginning of the year	122,528	127,248
New provisions recognised during the year	40,743	8,090
Amounts already provided for and written off as uncollectible	(11,818)	(8,001)
Amounts provided for but recovered during the year	(265)	(4,809)
Balance at end of year	151,188	122,528

Provision for doubtful debt is recognised based on an expected credit loss model. This model considers both historic and forward looking information in determining the level of impairment.

4.5 Other expenses

	2022	2021
	\$	\$
Councillors' allowances	210,005	228,869
Auditors' remuneration - Internal Audit	37,264	34,980
Auditors' remuneration - VAGO - Audit of the financial statements, performance statement and grant acquittals	45,709	40,600
Total other expenses	292,978	304,449

NOTE 5 OUR FINANCIAL POSITION

5.1 Financial assets

(a) Cash and cash equivalents

	2022 \$	2021 \$
Cash on hand	2,450	2,578
Cash at bank (CEO's advance account)	4,000	4,000
Cash at bank (general account)	3,720,707	14,255,811
Term deposits (less than 90 days)	-	6,000,000
Cash and cash equivalents	3,727,157	20,262,389

(b) Other financial assets

	2022 \$	2021 \$
Term deposits (current)	36,500,000	17,000,000
Cash at bank (trust account)	184,402	183,417
Term deposits (non-current)	-	-
Total other financial assets	36,684,402	17,183,417

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:

	2022 \$	2021 \$
Restricted funds		
Trust funds (Note 5.3)	367,782	365,171
Total restricted funds	367,782	365,171
Total unrestricted cash and cash equivalents	36,316,620	16,818,246

Intended allocations

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

	2022 \$	2021 \$
Unspent grants (refer to Note 9.1)	11,336,434	10,860,404
Long service leave (refer to Note 5.4)	1,999,063	2,032,984
Total restricted and intended allocation funds	13,335,497	12,893,388

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

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.

Other financial assets include term deposits and those with original maturity dates of three to 12 months are classified as current, whilst term deposits with maturity dates greater than 12 months are classified as non-current.

NOTE 5 OUR FINANCIAL POSITION (Continued)**5.1 Financial assets (continued)****(c) Trade and other receivables**

	2022	2021
	\$	\$
Current		
<i>Statutory receivables</i>		
Rates debtors	208,520	253,965
LESS provision for doubtful debts	(81,642)	(22,405)
	126,878	231,560
<i>Non statutory receivables</i>		
Sundry debtors	718,994	815,776
Other debtors	107,209	107,524
LESS provision for doubtful debts	(69,546)	(100,123)
Net receivable GST	180,454	296,007
Loans and advances to community organisations	-	-
	937,111	1,119,184
Total current	1,063,989	1,350,744
Non-current		
<i>Non statutory receivables</i>		
Loans and advances to community organisations	-	-
Total non-current	-	-
Total trade and other receivables	1,063,989	1,350,744

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:

	2022	2021
	\$	\$
Current (not yet due)	484,070	606,678
Past due by up to 30 days	19,342	91,836
Past due between 31 and 180 days	31,530	102,426
Past due between 181 and 365 days	977	14,836
Past due over 365 days	290,284	107,524
Total trade and other receivables	826,203	923,300

NOTE 5 OUR FINANCIAL POSITION (Continued)**5.1 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 \$69,546 (2021: \$100,123) were impaired. The amount of the provision raised against these debtors was \$69,546 (2021: \$100,123). 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:

	2022	2021
	\$	\$
Current (not yet due)	-	-
Past due by up to 30 days	-	-
Past due between 31 and 180 days	-	-
Past due between 181 and 365 days	69,546	100,123
Past due by more than 1 year	-	-
Total trade and other receivables	69,546	100,123

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

	2022	2021
	\$	\$
Inventories held for distribution	-	24,120
Inventories held for sale	-	-
Total inventories	-	24,120

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

	2022	2021
	\$	\$
Current		
Accrued income	130,642	63,379
Prepayments	262,843	172,267
Total current	393,485	235,646
Non-current		
Procurement Australia Pty Ltd Shares	100	100
Total non-current	100	100
Total other assets	393,585	235,746

NOTE 5 OUR FINANCIAL POSITION (Continued)**5.2 Non-financial assets (continued)****(c) Intangible assets**

	2022	2021
	\$	\$
Non-current		
Water rights	2,713,090	2,674,570
Total intangible assets	2,713,090	2,674,570

Reconciliation of movements in intangible assets for the reporting period

	2022	2021
	\$	\$
Water rights		
Gross carrying amount at beginning of period	2,674,570	2,979,650
Additional water rights obtained during the period	23,200	-
Water rights disposed of during the period	(22,500)	-
Revaluation increment / (decrement)	37,820	(305,080)
Depreciation and amortisation	-	-
Gross carrying amount at end of period	2,713,090	2,674,570

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 2022 to the published water trade market rate applying at that date.

NOTE 5 OUR FINANCIAL POSITION (Continued)**5.3 Payables, trust funds and deposits and unearned income/revenue****(a) Trade and other payables**

	2022	2021
	\$	\$
<i>Non-statutory payables</i>		
Trade payables	305,999	1,137,128
Accrued wages and salaries	340,881	300,976
Accrued expenses	45,870	33,889
<i>Statutory payables</i>		
Net GST payable	-	-
Total trade and other payables	692,750	1,471,993

(b) Trust funds and deposits

	2022	2021
	\$	\$
Contract retentions	78,788	71,837
Fire services property levy	75,282	75,378
Building deposits	27,340	32,340
Unclaimed monies	1,672	1,223
Other refundable deposits:		
St Andrews church repair fund	298	976
Wedderburn Pre-school investment	184,402	183,417
Total trust funds and deposits	367,782	365,171

(c) Unearned income

	2022	2021
	\$	\$
Grants received in advance - operating	-	-
Grants received in advance - capital	3,076,276	2,976,276
Total unearned income	3,076,276	2,976,276

Unearned income/revenue, where applicable, represents contract liabilities and reflect consideration received in advance from customers. Unearned income/revenue are derecognised and recorded as revenue when promised goods and services are transferred to the customer.

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.

NOTE 5 OUR FINANCIAL POSITION (Continued)**5.3 Payables, trust funds and deposits and unearned income/revenue (continued)****Purpose and nature of items*****Building deposits***

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 5 OUR FINANCIAL POSITION (Continued)

5.4 Provisions

2022	Employee			Landfill rehabilitation	Gravel pit rehabilitation	Total
	Annual leave	Long service leave	RDOs			
Balance at beginning of the financial year	1,119,702	2,032,984	125,504	1,089,327	86,028	4,453,545
Additional provisions	862,822	325,304	532,809	(202,911)	(20,930)	1,497,094
Amounts used	(939,624)	(359,225)	(564,095)	-	-	(1,862,944)
Variation in the discounted amount arising because of time and the effect of any change in the discount rate	-	-	-	-	-	-
Balance at the end of the financial year	1,042,900	1,999,063	94,218	886,416	65,098	4,087,695

2021	Employee			Landfill rehabilitation	Gravel pit rehabilitation	Total
	Annual leave	Long service leave	RDOs			
Balance at beginning of the financial year	915,385	1,866,223	114,069	1,347,799	94,972	4,338,448
Additional provisions	970,519	316,396	602,529	(258,472)	(8,944)	1,622,028
Amounts used	(766,202)	(149,635)	(591,094)	-	-	(1,506,931)
Variation in the discounted amount arising because of time and the effect of any change in the discount rate	-	-	-	-	-	-
Balance at the end of the financial year	1,119,702	2,032,984	125,504	1,089,327	86,028	4,453,545

(a) Employee provisions

	2022 \$	2021 \$
Current provisions expected to be wholly settled within 12 months		
Annual leave	834,320	895,762
Long service leave	215,797	213,358
RDOs	94,218	125,504
Total	1,144,335	1,234,624
Current provisions expected to be wholly settled after 12 months		
Annual leave	208,580	223,940
Long service leave	1,444,175	1,427,854
Total	1,652,755	1,651,794
Total current employee provisions	2,797,090	2,886,418
Non-current		
Long service leave	339,091	391,772
Total non-current employee provisions	339,091	391,772
Aggregate carrying amount of employee provisions		
Current	2,797,090	2,886,418
Non-current	339,091	391,772
Total aggregate amount of employee provisions	3,136,181	3,278,190

NOTE 5 OUR FINANCIAL POSITION (Continued)

5.4 Provisions (continued)

(a) Employee provisions (continued)

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

Annual leave

A liability for annual leave is recognised in the provision for employee benefits as a current liability because Council does not have an unconditional right to defer settlement of the liability. Liabilities for annual leave are measured at:

- nominal value if the Council expected to wholly settle the liability within 12 months
- present value if the Council does not expect to wholly settle within 12 months.

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. 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:	2022	2021
Weighted average increase in employee costs	2.48%	3.57%
Weighted average discount rates	4.30%	0.67%
Weighted average settlement period	19 months	21 months

(b) Landfill restoration

	2022	2021
	\$	\$
Current	44,321	54,466
Non-current	842,095	1,034,861
Total landfill restoration	886,416	1,089,327

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:	2022	2021
Weighted average increase in costs	2.52%	1.62%
Weighted average discount rates	3.65%	0.70%
Weighted average settlement period	42 years	16 years

NOTE 5 OUR FINANCIAL POSITION (Continued)**5.4 Provisions (continued)****(c) Gravel pit rehabilitation**

	2022	2021
	\$	\$
Current	-	-
Non-current	65,098	86,028
Total	65,098	86,028

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:

	2022	2021
Weighted average increase in costs	2.52%	1.62%
Weighted average discount rates	3.57%	0.83%
Weighted average settlement period	17 years	18 years

5.5 Financing arrangements

	2022	2021
	\$	\$
Bank overdraft - Westpac	500,000	500,000
Credit card facilities	100,000	100,000
Total facilities	600,000	600,000
Used facilities	-	-
Unused facilities	600,000	600,000

NOTE 5 OUR FINANCIAL POSITION (Continued)**5.6 Commitments**

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

(a) Commitments for expenditure**2022**

	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 \$
Operating					
Environmental services	972,385	972,385	2,917,155	972,385	5,834,310
Insurance services	550,855	-	-	-	550,855
Library corporation	221,288	-	-	-	221,288
Workcover	210,719	-	-	-	210,719
Internal audit	26,000	-	-	-	26,000
Other minor orders committed	34,100	-	-	-	34,100
Total	2,015,347	972,385	2,917,155	972,385	6,877,272
Capital					
Donaldson Park	147,830	-	-	-	147,830
Footpath contracted works	191,382	-	-	-	191,382
Bridge and culvert contracted works	220,000	-	-	-	220,000
Major plant items	530,331	-	-	-	530,331
Fleet items	63,865	-	-	-	63,865
Various computer equipment	96,505	-	-	-	96,505
Total	1,249,913	-	-	-	1,249,913
	3,265,260	972,385	2,917,155	972,385	8,127,185

2021

	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 \$
Operating					
Environment services	973,285	972,385	2,917,155	1,974,770	6,837,595
Insurance services	509,171	-	-	-	509,171
Workcover	162,437	-	-	-	162,437
Library corporation	218,018	-	-	-	218,018
Internal audit	26,000	26,000	26,000	-	78,000
Bridgewater change rooms	234,415	-	-	-	234,415
Other minor orders committed	55,544	-	-	-	55,544
Total	2,178,870	998,385	2,943,155	1,974,770	8,095,180
Capital					
Laanecoorie Newbridge Road works	784,302	-	-	-	784,302
Donaldson Park planning	125,180	-	-	-	125,180
Baileys Road works	838,794	-	-	-	838,794
Wedderburn - High Street works	90,681	-	-	-	90,681
Lake View and Andrews Street works	189,963	-	-	-	189,963
Godfrey Street works	220,000	-	-	-	220,000
Contract 488 - various works	520,300	-	-	-	520,300
Total	2,769,220	-	-	-	2,769,220
	4,948,090	998,385	2,943,155	1,974,770	10,864,400

NOTE 5 OUR FINANCIAL POSITION (Continued)

5.6 Commitments (continued)

(b) Operating lease receivables

The Council has entered into commercial property leases on its investment property and caravan parks. These properties held under operating leases have remaining non-cancellation lease terms between 1 and 10 years. All leases include a CPI based revision of the rental charge annually.

	2022	2021
	\$	\$
Lease liabilities		
No later than one year	-	-
Later than one year and not later than five years	-	-
Later than five years	-	-
	-	-

5.7 Leases

At inception of a contract, all entities would assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To identify whether a contract conveys the right to control the use of an identified asset, it is necessary to assess whether:

- the contract involves the use of an identified asset;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

As a lessee, Council recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date less any lease incentives received; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, an appropriate incremental borrowing rate. Generally, Council uses an appropriate incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that Council is reasonably certain to exercise, lease payments in an optional renewal period if Council is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless Council is reasonably certain not to terminate early.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

NOTE 5 OUR FINANCIAL POSITION (Continued)**5.7 Leases (continued)****Non-cancellable lease commitments - Short-term and low-value leases**

	2022	2021
	\$	\$
Commitments for minimum lease payments for short-term and low-value leases are payable as follows:		
Payable:		
Within one year	3,518	5,780
Later than 1 year but no later than 5 years	20,872	21,457
Total lease commitments	24,390	27,237

NOTE 6 ASSETS WE MANAGE**6.1 Non current assets classified as held for sale**

	2022	2021
	\$	\$
Non current		
Land at valuation	323,273	230,864
Capitalised development costs	-	-
Borrowing costs capitalised during development	-	-
LESS selling costs	(11,315)	(8,080)
Total non current assets held for sale	311,958	222,784

Capitalisation rate used in the allocation of borrowing costs

N/A %

N/A %

Non-current assets classified as held for sale (including disposal groups) are 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 6 ASSETS WE MANAGE (Continued)**6.2 Property, infrastructure, plant and equipment****Summary of property, infrastructure, plant and equipment**

	Carrying amount 30 June 2021 \$	Additions \$	Revaluation / transfers \$	Depreciation \$	Disposals \$	Carrying amount 30 June 2022 \$
Land	9,736,262	835,934	3,438,473	-	-	14,010,669
Buildings	47,987,159	288,337	6,149,995	(1,504,207)	-	52,921,284
Plant and equipment	7,435,109	839,556	-	(1,011,431)	(98,589)	7,164,645
Infrastructure	288,539,953	5,165,970	(20,149,616)	(6,754,599)	-	266,801,707
Work in progress	2,412,458	444,855	(5,758)	-	-	2,851,555
Total	356,110,941	7,574,652	(10,566,906)	(9,270,237)	(98,589)	343,749,861

Summary of work in progress

	Opening WIP \$	Additions \$	Transfers \$	Write-off \$	Closing WIP \$
Buildings	1,532,500	444,855	(5,758)	-	1,971,597
Infrastructure	879,958	-	-	-	879,958
Total	2,412,458	444,855	(5,758)	-	2,851,555

(a) Property

	Land	Buildings - specialised	Work in progress	Total land and buildings
Land and Buildings				
At fair value 1 July 2021	9,736,263	89,597,251	1,532,500	100,582,059
Accumulated depreciation at 1 July 2021	-	(41,610,092)	-	(41,326,138)
	9,736,263	47,987,159	1,532,500	59,255,921
Movements in fair value				
Additions	835,934	288,337	444,855	1,569,126
Contributions	-	-	-	-
Revaluation	3,438,473	3,782,700	-	7,221,173
Disposal	-	-	-	-
Impairment losses recognised in operating result	-	-	-	-
	4,274,407	4,071,037	444,855	8,790,299
Movements in accumulated depreciation				
Depreciation and amortisation	-	(1,504,207)	-	(1,504,207)
Revaluation	-	2,361,537	-	2,361,537
Accumulated depreciation of disposals	-	-	-	-
Impairment losses recognised in operating result	-	-	-	-
Transfers	-	5,758	(5,758)	-
	-	863,088	(5,758)	857,330
At fair value 30 June 2022	14,010,670	93,668,288	1,971,597	109,372,358
Accumulated depreciation at 30 June 2022	-	(40,747,004)	-	(40,468,808)
Carrying amount	14,010,670	52,921,284	1,971,597	68,903,550

NOTE 6 ASSETS WE MANAGE (Continued)**6.2 Property, infrastructure, plant and equipment (continued)****(b) Plant and equipment**

Plant and equipment	Plant machinery and equipment	Fixtures fittings and furniture	Total plant and equipment
At fair value 1 July 2021	13,727,298	1,892,139	15,619,437
Accumulated depreciation at 1 July 2021	(6,836,005)	(1,348,322)	(8,184,327)
	6,891,293	543,817	7,435,109
Movements in fair value			
Additions	749,230	90,326	839,556
Contributions	-	-	-
Revaluation	-	-	-
Disposal	(430,446)	(133,889)	(564,335)
Impairment losses recognised in operating result	-	-	-
	318,784	(43,563)	275,221
Movements in accumulated depreciation			
Depreciation and amortisation	(886,211)	(125,220)	(1,011,431)
Accumulated depreciation of disposals	331,857	133,889	465,746
Impairment losses recognised in operating result	-	-	-
Transfers	-	-	-
	(554,354)	8,669	(545,685)
At fair value 30 June 2022	14,046,082	1,848,576	15,894,658
Accumulated depreciation at 30 June 2022	(7,390,359)	(1,339,653)	(8,730,012)
Carrying amount	6,655,723	508,923	7,164,646

NOTE 6 ASSETS WE MANAGE (Continued)**6.2 Property, infrastructure, plant and equipment (continued)****(c) Infrastructure**

Infrastructure	Roads	Bridges	Footpaths and cycleways	Kerb and channel	Drainage
At fair value 1 July 2021	369,332,401	38,599,332	7,463,191	5,896,235	15,978,485
Accumulated depreciation at 1 July 2021	(117,960,600)	(18,975,556)	(1,989,899)	(2,272,340)	(8,359,410)
	251,371,801	19,623,776	5,473,292	3,623,895	7,619,075
Movements in fair value					
Additions	3,514,155	920,762	353,946	169,544	207,563
Revaluation	(50,970,521)	8,451,361	(413,257)	421,722	689,189
	(47,456,366)	9,372,123	(59,311)	591,266	896,752
Movements in accumulated depreciation					
Depreciation and amortisation	(5,735,048)	(486,245)	(158,066)	(108,243)	(224,057)
Revaluation (increments)/decrements	25,791,714	(4,121,120)	299,192	(138,092)	(245,094)
Accumulated depreciation of disposals	-	-	-	-	-
Impairment losses recognised in operating result	-	-	-	-	-
Transfers	-	-	-	-	-
	20,056,666	(4,607,365)	141,126	(246,335)	(469,151)
At fair value 30 June 2022	321,876,035	47,971,455	7,403,880	6,487,501	16,875,237
Accumulated depreciation at 30 June 2022	(97,903,934)	(23,582,921)	(1,848,773)	(2,518,675)	(8,828,561)
Carrying amount	223,972,101	24,388,534	5,555,107	3,968,826	8,046,676

Infrastructure (continued)	Quarries	Street Furniture	Landfills	Work In Progress	Total Infrastructure
At fair value 1 July 2021	58,507	649,790	1,994,306	879,958	440,852,206
Accumulated depreciation at 1 July 2021	(28,334)	(181,425)	(1,664,731)	-	(151,432,295)
	30,173	468,365	329,575	879,958	289,419,911
Movements in fair value					
Additions	-	-	-	-	5,165,970
Revaluation	-	85,878	-	-	(41,735,628)
	-	85,878	-	-	(36,569,658)
Movements in accumulated depreciation					
Depreciation and amortisation	(1,148)	(31,629)	(10,163)	-	(6,754,599)
Revaluation (increments)/decrements	-	(588)	-	-	21,586,012
Accumulated depreciation of disposals	-	-	-	-	-
Impairment losses recognised in operating result	-	-	-	-	-
Transfers	-	-	-	-	-
	(1,148)	(32,217)	(10,163)	-	14,831,413
At fair value 30 June 2022	58,507	735,668	1,994,306	879,958	404,282,548
Accumulated depreciation at 30 June 2022	(29,482)	(213,642)	(1,674,894)	-	(136,600,882)
Carrying amount	29,025	522,026	319,412	879,958	267,681,666

NOTE 6 ASSETS WE MANAGE (Continued)**6.2 Property, infrastructure, plant and equipment (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.

Asset recognition thresholds and depreciation periods

	Depreciation period Years	Threshold limit \$
Property		
land	-	3,000
leasehold improvements	10 to 30	3,000
Buildings		
buildings	33 to 100	3,000
building and leasehold improvements	10 to 30	3,000
Plant and equipment		
plant, machinery, minor plant and equipment	2.5 to 20	3,000
motor vehicles	5	3,000
fixtures fittings and furniture	5 to 50	3,000
computers and telecommunications	3	3,000
Infrastructure		
road seals	10 to 45	3,000
road pavements - sealed	80	3,000
road pavements - unsealed	100 to 500	3,000
road formation and earthworks	-	3,000
road kerb, channel and minor culverts	60	3,000
bridges deck and substructure	80 to 100	3,000
footpaths and cycle ways	15 to 50	3,000
drainage	50 to 80	3,000
recreational, leisure and community facilities	50 to 80	3,000
waste management assets	20	3,000
parks, open space and streetscapes	15 to 50	3,000
off street car parks	80	3,000
aerodromes	30 to 80	3,000
Intangible assets - water rights	-	3,000

Land under roads

Council recognises land under roads it controls at fair value.

NOTE 6 ASSETS WE MANAGE (Continued)

6.2 Property, infrastructure, plant and equipment (continued)

Depreciation and amortisation

Buildings, land improvements, plant and equipment, infrastructure, and other assets having limited useful lives are systematically depreciated over their useful lives 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.

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.

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 unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the Comprehensive Income Statement.

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

The date of the current valuation is detailed in the following table. A full revaluation of these was conducted in 2021/22, this valuation was based on land values and market sales.

NOTE 6 ASSETS WE MANAGE (Continued)**6.2 Property, infrastructure, plant and equipment (continued)****Valuation of land and buildings (continued)**

Council values all land and building assets every two years. The next full revaluation is due on 30 June 2024. Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2022 are as follows:

	Level 1	Level 2	Level 3	Date of valuation
Land	-	2,004,567	12,006,103	30/6/2022
Specialised land	-	-	-	30/6/2022
Buildings	-	-	-	30/6/2022
Specialised buildings	-	4,000,657	89,718,235	30/6/2022
Work in progress	-	-	-	30/6/2022
TOTAL	-	6,005,224	101,724,338	

Valuation of infrastructure

A valuation of Council's infrastructure assets was performed by David Southcombe, Manager Assets and Infrastructure of the Loddon Shire Council, as at 30 June 2022.

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.

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

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2022 are as follows:

	Level 1	Level 2	Level 3	Date of valuation
Unsealed roads formation	-	-	17,302,753	30/6/2022
Unsealed roads pavement	-	-	57,070,083	30/6/2022
Road seal	-	-	17,538,403	30/6/2022
Sealed roads pavement	-	-	190,628,268	30/6/2022
Sealed road formation	-	-	11,256,268	30/6/2022
Footpaths	-	-	7,403,880	30/6/2022
Culverts	-	-	28,244,685	30/6/2022
Bridges	-	-	47,971,455	30/6/2022
Kerb and channel	-	-	6,487,501	30/6/2022
Urban drains	-	-	16,875,237	30/6/2022
Street furniture	-	-	735,668	30/6/2022
Landfills	-	-	1,994,306	30/6/2022
Quarries	-	-	58,507	30/6/2022
Work in progress	-	-	1,971,597	30/6/2022
TOTAL	-	-	405,538,611	

NOTE 6 ASSETS WE MANAGE (Continued)

6.2 Property, infrastructure, plant and equipment (continued)

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 \$0 and \$71.50 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 \$45 to \$3,780 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 1 year 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

	2022 \$	2021 \$
Land under roads	-	-
Parks and reserves	-	-
TOTAL	-	-

NOTE 6 ASSETS WE MANAGE (Continued)**6.3 Investments in associates, joint arrangements and subsidiaries****(a) 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 2022 Council's equity was \$295,054. At 30 June 2021 Council's equity in the corporation was \$284,683.

Loddon has a 4.82 per cent share of the net assets, and this is calculated on the same ratio as Council contributes to the operating costs of the service. At 30 June 2021 Council's share of the net assets was 4.89 per cent. Any adjustments required due to the reduction in the share of net assets from 2021 to 2022 is reflected as Variation Account - Change in Equity in the following schedules.

Fair value of Council's share in its ownership	295,054	284,683
	2022	2021
	\$	\$
Council's share of accumulated surplus/(deficit)		
Council's share of accumulated surplus/(deficit) at start of year	109,764	90,566
Reported surplus/(deficit) for year	14,446	13,233
Variation account - change in equity	(2,344)	5,965
Council's share of accumulated surplus/(deficit) at end of year	121,866	109,764
Council's share of reserves		
Council's share of reserves at start of year	174,920	184,771
Variation account - change in equity	(1,731)	(9,851)
Council's share of reserves at end of year	173,189	174,920
Movement in carrying value of share in library		
Carrying value of investment at start of year	284,683	275,336
Share of surplus/(deficit) for the year	14,446	13,233
Variation account - change in equity	(4,075)	(3,886)
Carrying value of investment at end of year	295,054	284,683
Council's share of expenditure commitments		
Operating commitments	3,925	7,832
Capital commitments	-	-
Council's share of expenditure commitments	3,925	7,832
Council's share of contingent liabilities and contingent assets		
Nil	-	-
Council's share of contingent liabilities and contingent assets	-	-

Adjustment to the carrying value of North Central Goldfields Regional Library

	2022	2021
	\$	\$
Adjustment to the carrying value of North Central Goldfields Regional Library Corporation	10,371	9,347
Total adjustment to the carrying value of North Central Goldfields Regional Library Corporation	10,371	9,347

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.

NOTE 6 ASSETS WE MANAGE (Continued)

6.3 Investments in associates, joint arrangements and subsidiaries (continued)

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

For joint operations, Council recognises 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.

The consolidated financial statements of Council incorporate all entities controlled by Council as at 30 June 2022, 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.

Community Asset Committee

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

NOTE 7 PEOPLE AND RELATIONSHIPS

7.1 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

Key management personnel (KMP) are those people with the authority and responsibility for planning, directing and controlling the activities of Council. The Councillors, Chief Executive Officer and other members of the Management Executive Group are deemed KMP.

Details of persons holding the position of Councillor or other members of Key Management Personnel at any time during the year were:

	2022 No.	2021 No.
Councillors:		
Cr Cheryl McKinnon (Mayor from July 2020 to November 2020)		
Cr Neil Beattie (Councillor from July 2020 to June 2022 (Mayor from November 2020 to November 2021))		
Cr Geoff Curnow (Councillor from July 2020 to November 2020)		
Cr Gavan Holt (Councillor from July 2020 to June 2022)		
Cr Colleen Condliffe (Councillor from July 2020 to November 2020)		
Cr Dan Straub (Councillor from November 2020 to June 2022) (Mayor from November 2021 to June 2022)		
Cr Wendy Murphy (Councillor from November 2020 to June 2022)		
Cr Linda Jungwirth (Councillor from November 2020 to June 2022)		
Key Management Personnel:		
Mr Phil Pinyon (Chief Executive Officer from July 2020 to June 2021)		
Mrs Wendy Gladman (Director Community and Wellbeing July 2020 to June 2022)		
Mrs Sharon Morrison (Director Corporate Services July 2020 to February 2022)		
Mr Steven Phillips (Director Operations July 2020 to June 2022)		
Ms Lynne Habner (Manager Executive and Commercial Services July 2020 to June 2022)		
Mr Lincoln Fitzgerald (Chief Executive Officer November 2021 to June 2022)		
Mrs Amanda Wilson (Director Corporate March 2022 to June 2022)		
Mrs Jude Holt (Acting Chief Executive Officer, Acting Director Corporate Services, Acting Director Community Wellbeing (July 2021 to June 2022)		
Total number of Councillors	5	8
Total of Chief Executive Officer and other Key Management Personnel:	8	5
Total Key Management Personnel	13	13

(c) Remuneration of Key Management Personnel

Total remuneration of Key Management Personnel was as follows:

	2022	2021
	\$	\$
Short-term benefits	1,248,049	1,141,549
Long-term benefits	16,114	17,325
Post employment benefits	114,557	88,051
TOTAL	1,378,720	1,246,925

NOTE 7 PEOPLE AND RELATIONSHIPS (Continued)

7.1 Council and key management remuneration (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:

Income range	2022 number	2021 number
\$0,000 - \$9,999	-	2
\$10,000 - \$19,999	1	-
\$20,000 - \$29,999	2	4
\$30,000 - \$39,999	1	1
\$40,000 - \$49,999	1	-
\$50,000 - \$59,999	1	-
\$70,000 - \$79,999	1	1
\$120,000 - \$129,999	2	1
\$130,000 - \$139,999	-	-
\$150,000 - \$159,999	1	-
\$160,000 - \$169,999	1	-
\$170,000 - \$179,999	-	1
\$190,000 - \$199,999	-	1
\$200,000 - \$209,999	-	1
\$210,000 - \$219,999	1	-
\$300,000 - \$309,999	1	-
\$310,000 - \$319,999	-	1
	13	13

(d) Senior officer remuneration

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

- (a) has management responsibilities and reports directly to the Chief Executive Officer: or
- (b) whose total annual remuneration exceeds \$151,000.

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

Income range	2022 number	2021 number
\$150,000 - \$159,999	1	-
\$160,000 - \$169,999	1	-
\$170,000 - \$179,999	2	-
	4	-

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

\$ 662,342	-
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NOTE 7 PEOPLE AND RELATIONSHIPS (Continued)**7.2 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 2020/21).

(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 2020/21).

(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 2020/21).

(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 2020/21).

NOTE 8 MANAGING UNCERTAINTIES

8.1 Contingent assets and liabilities

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

(a) Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of Council.

Council has no contingent assets.

(b) Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of Council;
- present obligations that arise from past events but are not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - the amount of the obligation cannot be measured with sufficient reliability.

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.

Future superannuation contributions

In addition to the disclosed contributions, Council has not paid unfunded liability payments to Vision Super totalling \$Nil (2020/21 \$Nil). There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2022. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2022 are \$Nil.

Landfill

Council operates landfills. Council will have to carry out site rehabilitation works in the future. At balance date Council assesses the financial implications of such works using the estimates provided by relevant Council staff.

Liability Mutual Insurance

Council is a participant of the MAV Liability Mutual Insurance (LMI) Scheme. The LMI scheme provides public liability and professional indemnity insurance cover. The LMI scheme states that each year the participant will remain liable to make further contributions to the scheme in respect of any insurance year in which it was a participant to the extent of the participant's share of any shortfall in the provision set aside in respect of that insurance year, and such liability will continue whether or not the participant remains a participant in future insurance years.

8.2 Change in accounting standards

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2022 reporting period. Council assesses the impact of these new standards. As at 30 June 2022 there were no new accounting standards or interpretations issued by the AASB which are applicable for the year ending 30 June 2023 that are expected to impact Council.

NOTE 8 MANAGING UNCERTAINTIES (Continued)

8.3 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 to 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 2020*.

Council manages interest rate risk by adopting an investment policy that ensures:

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

There has been no significant change in 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. Particularly significant areas of credit risk exist in relation to outstanding fees and fines as well as loans and receivables from sporting clubs and associations.

To help manage this risk:

- Council has a policy for establishing credit limits for the entities council deals with;
- Council may require bank guarantees or security deposits for contracts where appropriate; and
- 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 8 MANAGING UNCERTAINTIES (Continued)**8.3 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 2022.

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
- has readily accessible standby facilities and other funding arrangements in place
- ensures that surplus funds are invested within various bands of liquid investments
- monitors budget to actual performance on a regular basis; and
- sets 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.

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 + 0.00% and -3.5% in market interest rates (AUD) from year-end rates of 3.85%.

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 8 MANAGING UNCERTAINTIES (Continued)

8.4 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.

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 8 MANAGING UNCERTAINTIES (Continued)**8.4 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.

8.5 Events occurring after balance date

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

NOTE 9 OTHER MATTERS

9.1 Reserves

(a) Asset revaluation reserve

2022

	Balance at beginning of reporting period \$	Increment / (decrement) \$	Balance at end of the reporting period \$
Property			
Land and land improvements	9,107,674	4,268,649	13,376,323
Buildings	33,682,511	5,477,152	39,159,663
	42,790,185	9,745,801	52,535,986
Infrastructure assets			
Sealed roads	150,523,917	(33,455,232)	117,068,685
Unsealed roads	65,141,194	8,276,426	73,417,620
Footpaths	923,263	(114,065)	809,198
Street furniture	86,156	85,290	171,446
Kerbs	1,052,018	283,630	1,335,648
Bridges	9,805,444	4,330,240	14,135,684
Drains	539,034	444,095	983,129
Other infrastructure	228,071,026	(20,149,616)	207,921,410
Total tangible assets	270,861,211	(10,403,815)	260,457,396
Intangible assets			
Water rights	1,737,524	37,870	1,775,394
Total	272,598,734	(10,365,945)	262,232,789

2021

	Balance at beginning of reporting period \$	Increment / (decrement) \$	Balance at end of the reporting period \$
Property			
Land and land improvements	9,096,167	11,507	9,107,674
Buildings	33,682,511	-	33,682,511
	42,778,678	11,507	42,790,185
Infrastructure assets			
Sealed roads	154,235,638	(3,711,721)	150,523,917
Unsealed roads	65,893,905	(752,711)	65,141,194
Footpaths	1,231,885	(308,622)	923,263
Street furniture	94,671	(8,515)	86,156
Kerbs	932,542	119,476	1,052,018
Bridges	10,603,668	(798,224)	9,805,444
Drains	625,554	(86,520)	539,034
Other infrastructure	233,617,863	(5,546,837)	228,071,026
Total tangible assets	276,396,541	(5,535,330)	270,861,211
Intangible assets			
Water rights	2,042,604	(305,080)	1,737,524
Total	278,439,144	(5,840,410)	272,598,734

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

NOTE 9 OTHER MATTERS (Continued)**9.1 Reserves (continued)****(b) General reserves**

2022

	Balance at beginning of reporting period \$	Transfer from accumulated surplus \$	Transfer to accumulated surplus \$	Balance at end of reporting period \$
Land and buildings reserve	455,274	283,736	(5,000)	734,010
Boundary and township signage reserve	100,000	-	-	100,000
Capital expenditure reserve	4,282,325	3,746,399	(4,282,325)	3,746,399
Caravan park development reserve	188,073	148,247	(6,100)	330,220
Community planning reserve	2,628,720	1,760,608	(1,357,720)	3,031,608
Economic development reserve	431,182	100,000	(17,600)	513,582
Fleet replacement reserve	713,468	200,000	(103,462)	810,006
Gravel and sand pit restoration reserve	400,000	-	-	400,000
Heritage loan scheme reserve	100,000	-	-	100,000
Information technology reserve	810,803	150,000	(271,965)	688,838
Little Lake Boort water reserve	17,604	-	-	17,604
Waste management reserve	300,000	-	-	300,000
Major projects reserve	233,996	84,489	-	318,485
Plant replacement reserve	1,574,210	900,000	(494,812)	1,979,398
Professional development reserve	15,619	5,233	(4,596)	16,256
Recreation facilities improvement reserve	100,000	-	-	100,000
Swimming pool major projects reserve	200,000	-	-	200,000
Unfunded superannuation liability reserve	1,200,000	-	(200,000)	1,000,000
Units reserve	60,000	-	(29,250)	30,750
Unightly premises enforcement provision reserve	100,000	-	-	100,000
Unspent contributions reserve	-	-	-	-
Unspent grants reserve	10,860,404	11,336,435	(10,860,405)	11,336,434
Urban drainage reserve	773,443	350,000	(162,777)	960,666
Total	25,545,121	19,065,147	(17,796,012)	26,814,256

NOTE 9 OTHER MATTERS (Continued)**9.1 Reserves (continued)****(b) General reserves (continued)**

2021

	Balance at beginning of reporting period \$	Transfer from accumulated surplus \$	Transfer to accumulated surplus \$	Balance at end of reporting period \$
Land and buildings reserve	(15,070)	470,344	-	455,274
Boundary and township signage reserve	83,206	16,794	-	100,000
Capital expenditure reserve	6,244,527	4,282,325	(6,244,527)	4,282,325
Caravan park development reserve	49,393	138,680	-	188,073
Community planning reserve	2,007,039	1,857,720	(1,236,039)	2,628,720
Economic development reserve	371,740	100,000	(40,558)	431,182
Fleet replacement reserve	640,954	227,380	(154,866)	713,468
Gravel and sand pit restoration reserve	400,000	-	-	400,000
Heritage loan scheme reserve	100,000	-	-	100,000
Information technology reserve	800,000	185,000	(174,197)	810,803
Little Lake Boort water reserve	24,069	3,535	(10,000)	17,604
Waste management reserve	300,000	-	-	300,000
Major projects reserve	153,996	80,000	-	233,996
Plant replacement reserve	1,486,953	917,741	(830,484)	1,574,210
Professional development reserve	9,619	6,000	-	15,619
Recreation facilities improvement reserve	100,000	-	-	100,000
Swimming pool major projects reserve	150,000	50,000	-	200,000
Unfunded superannuation liability reserve	898,808	301,192	-	1,200,000
Units reserve	60,000	-	-	60,000
Unightly premises enforcement provision reserve	100,000	-	-	100,000
Unspent contributions reserve	-	-	-	-
Unspent grants reserve	8,009,547	10,860,404	(8,009,547)	10,860,404
Urban drainage reserve	843,958	125,000	(195,515)	773,443
Total	22,818,739	19,622,115	(16,895,733)	25,545,121

NOTE 9 OTHER MATTERS (Continued)**9.1 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.

Boundary and township signage reserve

The Boundary and Township Signage Reserve is used to fund replacement of Council's boundary and township signage. Council transfers to the reserve annually an amount determined during the budget process as sufficient to fund the boundary and township signage replacement program, to a maximum reserve level of \$100K. The net cost of boundary and township signage purchases and installation for the year is transferred from 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 along with the cost of economic development initiatives during the financial year are transferred from the reserve.

Fleet replacement reserve

The fleet replacement reserve is used to fund the replacement of passenger 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 and 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.

NOTE 9 OTHER MATTERS (Continued)**9.1 Reserves (continued)****(b) General reserves (continued)****Purpose of general reserves (continued)*****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.

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 expenditure 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.

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.

Swimming pool major projects reserve

The Swimming Pool Major Projects Reserve is used to fund unplanned major repairs and capital works on 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 9 OTHER MATTERS (Continued)**9.1 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 identified 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.

NOTE 9 OTHER MATTERS (Continued)**9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)**

	2022	2021
	\$	\$
Surplus / (deficit) for the period	2,002,203	2,750,490
Depreciation	9,270,237	9,959,894
(Profit) / loss on disposal of assets	(34,433)	(88,633)
Impairment of financial assets	-	-
Reversal of impairment of assets	-	(32)
Bad debts expense	18,759	(4,720)
Share of other comprehensive income of associates	(4,075)	(3,886)
Change in assets and liabilities		
(Increase) / decrease in receivables (net of advances)	286,756	(539,818)
(Increase) / decrease in accrued income	(67,263)	97,823
(Increase) / decrease in prepayments	(90,576)	128,743
(Increase) / decrease in other assets and liabilities	-	-
Increase / (decrease) in unearned income	100,000	2,271,276
Increase / (decrease) in trust funds and deposits	2,611	8,791
(Increase) / decrease in inventories	24,120	2,662
Increase / (decrease) in payables	(798,001)	837,797
Increase / (decrease) in employee benefits	(142,009)	382,513
Increase / (decrease) in other provisions	(223,841)	(267,416)
(Increase) / decrease in library equity	(10,371)	(9,347)
Net cash provided by / used by operating activities	10,334,117	15,526,137

9.3 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 2022, this was 10.0% required under Superannuation Guarantee (SG) Legislation, for 2021 this was 9.5%).

Defined benefit

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

There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB119.

Funding arrangements

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

NOTE 9 OTHER MATTERS (Continued)

9.3 Superannuation (continued)

Defined benefit (continued)

Funding arrangements (continued)

As at 30 June 2021, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefits category.

The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 109.8%. The financial assumptions used to calculate the VBI were:

Net investment returns	4.75% pa
Salary information	2.75% pa
Price inflation (CPI)	2.25% pa

As at 30 June 2022, an interim actuarial investigation is underway as the Fund provides lifetime pensions in the Defined Benefit category.

Vision Super has advised that the VBI at 30 June 2022 was 102.2%. Council was notified of the 30 June 2022 VBI during August 2022 (2021; August 2021). The financial assumptions used to calculate this VBI were:

Net investment returns	5.5% pa
Salary information	2.5% pa to 30 June 2023, and 3.5% pa thereafter
Price inflation (CPI)	3.0% pa

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the June 2021 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Employer contributions (regular contributions)

On the basis of the results of the 2021 full 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 2022, this rate was 10.0% of members' salaries (9.5% in 2020/21). This rate is expected to increase in line with any increases in the SG contribution rate and was reviewed as part of the 30 June 2020 triennial valuation.

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

Funding calls

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

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

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

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

NOTE 9 OTHER MATTERS (Continued)**9.3 Superannuation (continued)****Funding calls (continued)**

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.

The 2021 interim actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which Council is a contributing employer. Generally, a full actuarial investigation is conducted every three years and interim actuarial investigation are conducted for each intervening year. A interim investigation was conducted as at 30 June 2021 and the last full investigation was conducted as at 30 June 2020.

The Fund's actuarial investigations identified the following in the Defined Benefit category of which Council is a contributing employer:

	2021 (Interim)	2020 (Triennial)
	\$M	\$M
- A VBI surplus	214.70	100.00
- A total service liability surplus	270.30	200.00
- A discounted accrued benefits surplus	285.20	217.80

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 2021.

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 as at 30 June 2020.

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2021.

Council was notified of the 30 June 2021 VBI during August 2021 (2020: August 2020).

The 2022 interim actuarial investigation

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2022 as the fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2022. Council was notified of the 30 June 2022 during August 2022 (2021: August 2021).

Superannuation contributions

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2022 are detailed below:

Scheme - Type of Scheme - Rate	2022	2021
	\$	\$
Vision super - Defined Benefit - 10.0% (2021: 9.50%)	94,428	71,017
Vision super - Accumulation fund - 10.0% (2021: 9.50%)	492,304	539,760
Other super funds	541,176	506,052

There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2022. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2022 is \$Nil.

NOTE 10 CHANGE IN ACCOUNTING POLICY

There have been no changes to accounting policies for the 2021/22 year.

There are no pending accounting standards that are likely to have a material impact on Council.

LODDON SHIRE COUNCIL

PERFORMANCE STATEMENT YEAR ENDING 30 JUNE 2022



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 per cent of employed residents working in those fields, while 10 per cent work in health care and social assistance, seven per cent in retail trade, and five per cent in public administration and safety.

SUSTAINABILITY CAPACITY INDICATORS

Indicator/measure	2019	2020	2021	2022
Indicator: Population <i>Measure:</i> Expenses per head of municipal population <i>Computation:</i> Total expenses/Municipal population	\$5,919	\$4,122	\$4,443	\$4,193
Material variations: Population remains steady with the main variation being expenses, this is dependant on the program of works set for the year.				
Indicator: Population <i>Measure:</i> Infrastructure per head of municipal population <i>Computation:</i> Value of infrastructure/Municipal population	\$45,810	\$47,012	\$46,350	\$43,983
Material variations: Slight decrease in the infrastructure valuation with population remaining steady.				
Indicator: Population <i>Measure:</i> Population density per length of road <i>Computation:</i> Municipal population/Kilometres of local roads	1.59	1.59	1.58	1.59
Material variations: No material variations.				
Indicator: Own-source revenue <i>Measure:</i> Own source revenue per head of municipal population <i>Computation:</i> Own-source revenue/Municipal population	\$1,904	\$1,930	\$1,991	\$1,999
Material variations: Gradual increase to own source revenue over time with population remaining steady.				
Indicator: Recurrent grants <i>Measure:</i> Recurrent grants per head of municipal population <i>Computation:</i> Recurrent grants/Municipal population	\$1,851	\$1,771	\$1,850	\$2,245
Material variations: Recurrent grants have increased due to the 75% upfront payment from the Grants Commission.				
Indicator: Disadvantage <i>Measure:</i> Relative socio-economic disadvantage <i>Computation:</i> Index of relative socio-economic disadvantage by decile	2	2	2	2
Material variations: No material variations.				
Efficiency Indicator: Workforce turnover <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	10.32%	13.59%	12.82%	21.33%
Material variations: Slight increase in this indicator with higher resignations throughout the year.				

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	2019	2020	2021	2022
Aquatic facilities Indicator: Utilisation <i>Measure:</i> Utilisation of aquatic facilities <i>Computation:</i> Number of visits to aquatic facilities/Municipal population	3	3	2	2
Material variations: Contractor staffing issues has resulted in more pool closures and a cooler summer has made pool visits less attractive to Loddon residents.				
Animal management Indicator: Health and safety <i>Measure:</i> Animal management prosecutions <i>Computation:</i> Number of successful animal management prosecutions	New in 2020.	0%	0%	0%
Material variations: No cases that required prosecution during the reporting period.				
Food Safety Indicator: Health and safety <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	100%	100%	100%	67%
Material variations: A contractor was engaged to undertake inspections, Council's public health staff missed following up on one major non-compliance as they were unaware of it.				
Governance Indicator: Satisfaction <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	50	57	61	58
Material variations: In accordance with the Local Government Act 2020, Council was required to adopt a Community Engagement Policy and Public Transparency Policy, both were adopted in 2020/21 and this guides the performance of Council.				
Libraries Indicator: Participation <i>Measure:</i> Active library members <i>Computation:</i> [Number of active library members for last three years/Municipal population for last three years] x100	7%	7%	6%	5%
Material variations: Number of active library members have gradually decreased with the municipal population remaining steady.				
Maternal and Child Health (MCH) Indicator: Participation <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%	83%	85%	87%
Material variations: 189 attended out of the 216 enrolled.				

SERVICE PERFORMANCE INDICATORS (Continued)

Service/indicator/measure	2019	2020	2021	2022
Maternal and Child Health (MCH) Indicator: Participation <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 Material variations: Seven children attended out of the nine enrolled.	57%	86%	89%	78%
Roads Indicator: Satisfaction <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 Material variations: This indicator has remained steady and in line with the average over the last four years.	52	47	50	50
Indicator: Decision making <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 Material variations: Nil for the financial year	100%	0%	0%	0%
Indicator: Waste diversion <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 Material variations: Overall weight collected has slightly increased offset by a decrease in waste diversion.	26%	28%	30%	28%

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 section 98 of the Act

"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

"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 authorised 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*

"local road" means a sealed or unsealed road for which 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

FINANCIAL PERFORMANCE INDICATORS

Dimension/indicator/ measure	Actuals				Forecasts			
	2019	2020	2021	2022	2023	2024	2025	2026
Efficiency Indicator: Expenditure level <i>Measure:</i> Expenses per property assessment Computation: Total expenses/Number of property assessments	\$5,685.05	\$3,948.74	\$4,190.23	\$3,938.48	\$4,635.12	\$4,610.12	\$4,714.35	\$4,809.65
Material variations: Property numbers slightly increase with expenditure levels the main variance. During 2019 significant flood restoration works were undertaken.								
Efficiency Indicator: Revenue level <i>Measure:</i> Average rate per property assessment Computation: General rates and municipal charges/Number of property assessments	New in 2020	\$1,226.81	\$1,244.14	\$1,256.83	\$1,284.84	\$1,310.54	\$1,336.75	\$1,363.48
Material variations: Property numbers remain constant with rate income increasing gradually.								
Liquidity Indicator: Working capital <i>Measure:</i> Current assets compared to current liabilities Computation: [Current assets/Current liabilities] x100	503.88%	744.86%	506.54%	604.47%	379.03%	283.92%	188.05%	102.10%
Material variations: Main variations occur within this indicator due to the amount of cash on hand for that projected year, this is expected to decrease as delayed capital works program catches up. The only cash on hand is expected to be that available for the current year. The other components are fairly constant.								
Liquidity Indicator: Unrestricted cash <i>Measure:</i> Unrestricted cash compared to current liabilities Computation: [Unrestricted cash/Current liabilities] x100	-156.79%	3.10%	125.63%	-111.49%	350.73%	250.52%	153.80%	66.93%
Material variations: Council has a large amount of cash on hand in some years, however in forecasted years this decreases. For 2022 there is cash on hand but majority within term deposits greater than 90 days.								

FINANCIAL PERFORMANCE INDICATORS (Continued)

Dimension/indicator/ measure	Actuals				Forecasts			
	2019	2020	2021	2022	2023	2024	2025	2026
Obligations Indicator: Loans and borrowings <i>Measure:</i> Loans and borrowings compared to rates Computation: $[\text{Interest bearing loans and borrowings}/\text{Rate revenue}] \times 100$	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Material variations: Council made the last payment of outstanding loans during early 2016.								
Obligations Indicator: Loans and borrowings <i>Measure:</i> Loans and borrowings repayments compared to rates Computation: $[\text{Interest and principal repayments on interest bearing loans and borrowings}/\text{Rate revenue}] \times 100$	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Material variations: Council made the last payment of outstanding loans during early 2016.								
Obligations Indicator: Indebtedness <i>Measure:</i> Non-current liabilities compared to own source revenue Computation: $[\text{Non-current liabilities}/\text{Own source revenue}] \times 100$	12.57%	11.85%	10.17%	8.32%	14.29%	16.00%	17.62%	19.12%
Material variations: Council's non current liabilities increase slightly each year in line with EA increases, own source revenue also increases slightly each year.								
Obligations Indicator: Asset renewal <i>Measure:</i> Asset renewal and upgrade compared to depreciation Computation: $[\text{Asset renewal and upgrade expenses}/\text{Asset depreciation}] \times 100$	19.86%	57.71%	79.27%	60.11%	45.90%	46.76%	46.70%	49.33%
Material variations: Variations can occur within this indicator depending on the capital works program delivered for the year. In 2019 there was a large flood program which resulted in a reduced capital works program.								

FINANCIAL PERFORMANCE INDICATORS (Continued)

Dimension/indicator/ measure	Actuals				Forecasts			
	2019	2020	2021	2022	2023	2024	2025	2026
Operating position Indicator: Adjusted underlying result <i>Measure:</i> Adjusted underlying surplus (or deficit) <i>Computation:</i> [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	-2.87%	-8.06%	-5.44%	3.94%	-70.88%	-24.07%	-23.49%	-22.84%
Material variations: Future year projections include the costs expected to address the renewal gap, however based upon current forecasting Council, will not have enough available funds to address the gap without reducing other levels of service.								
Stability Indicator: Rates concentration <i>Measure:</i> Rates compared to adjusted underlying revenue <i>Computation:</i> [Rate revenue/Adjusted underlying revenue] x100	24.87%	38.60%	36.59%	36.34%	56.62%	42.25%	42.13%	42.30%
Material variations: Council has continued to apply the legislated rate cap to rates and charges for all forecast years. The main variation between years for this indicator is the operating grants.								
Stability Indicator: Rates effort <i>Measure:</i> Rates compared to property values <i>Computation:</i> [Rate revenue/Capital improved value of rateable properties in the municipality] x100	0.52%	0.49%	0.43%	0.44%	0.35%	0.35%	0.35%	0.36%
Material variations: 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 2020* and *Local Government (Planning and Reporting) Regulations 2020*.

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 2020* 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 Financial Plan on 28 June 2022 which forms part of the Council Plan. The Financial 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 Financial 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 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

Signed: **Date:** / / 2022

**AMANDA KAYE WILSON, BBus (Acc), DipHR, CertWHS, PRINCIPAL ACCOUNTING OFFICER
Wedderburn, Victoria 3518**

In our opinion, the accompanying Performance Statement of the Loddon Shire Council for the year ended 30 June 2022 presents fairly the results of Council's performance in accordance with the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

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 2020 to certify this Performance Statement in its final form.

Signed: **Date:** / / 2022

**DANIEL ALLAN STRAUB, MAYOR
Wedderburn, Victoria, 3518**

Signed: **Date:** / / 2022

**XXXXXX XXXXXX XXXXXX, COUNCILLOR
Wedderburn, Victoria, 3518**

Signed: **Date:** / / 2022

**LINCOLN WILLIAM FITZGERALD, BA (Nature Tourism), CertTAA, CHIEF EXECUTIVE OFFICER
Wedderburn, Victoria 3518**

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10.2 PROVISION FOR DOUBTFUL DEBTS AND WRITING OFF BAD DEBTS POLICY V4

File Number: FOL/19/432511

Author: Deanne Caserta, Manager Financial Services

Authoriser: Amanda Wilson, Director Corporate

Attachments: 1. Provision for Doubtful Debts and Writing Off Bad Debts Policy v4

RECOMMENDATION

That Council rescinds the Provision for Doubtful Debts and Writing Off Bad Debts Policy v4.

CONFLICT OF INTEREST

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

PREVIOUS COUNCIL DISCUSSION

Council approved the Provision for Doubtful Debts and Writing Off Bad Debts Policy (the Policy) v4 on 23 June 2020.

Council discussed the rescinding of the Policy at the July Council Briefing.

BACKGROUND

The Policy sets the principles for variations of the provision for doubtful debts and write-off of bad debts.

ISSUES/DISCUSSION

A review of the document has been undertaken and has been determined that it is no longer needed. Instead the key statements outlined in the Policy will sit within the relevant delegation document. This provides a simplified process for determining the correct action required by Council officers.

In order for Council officers to effectively and efficiently discharge their duties, these specific delegations, authorisations and appointments are required under a variety of Acts.

Council is required to review its delegations within 12 months after a general election. Council also reviews and updates the delegations to reflect any necessary changes in structure or legislation as needed.

COST/BENEFITS

There are no direct costs associated with the adoption of this policy, the benefits are to remove an unnecessary policy from within Council.

RISK ANALYSIS

This process will still exist, instead staff will follow the delegations document to determine the relevant course of action to be taken and who is the authorised staff member.


CONSULTATION AND ENGAGEMENT

These updates were made in consultation with the Chief Executive Officer.



PROVISION FOR DOUBTFUL DEBTS AND WRITING OFF BAD DEBTS POLICY

DOCUMENT TYPE:	Council policy
DOCUMENT STATUS:	Approved
POLICY OWNER POSITION:	Manager Financial Services
INTERNAL COMMITTEE ENDORSEMENT:	Not applicable
APPROVED BY:	Council
DATE ADOPTED:	23/6/2020
VERSION NUMBER:	4
REVIEW DATE:	23/6/2024
DATE RESCINDED:	
RELATED STRATEGIC DOCUMENTS, POLICIES OR PROCEDURES:	Levels of Authority delegations
RELATED LEGISLATION:	Local Government Act 1989
EVIDENCE OF APPROVAL:	


 Signed by Chief Executive Officer

FILE LOCATION: K:\EXECUTIVE\Strategies policies and procedures\Policies - adopted PDF and Word\POL Provision for doubtful debts and writing off bad debts policy v4.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 policies on the Loddon Shire website (Council Policies) or Intranet (Organisational Policies) to ensure that the version you are using is up to date.

This document is available in alternative formats (e.g. larger font) if requested.



PROVISION FOR DOUBTFUL DEBTS AND WRITING OFF BAD DEBTS POLICY

1 PURPOSE

This policy sets the principles for variations of the provision for doubtful debts and write-off of bad debts.

2 SCOPE

The authorisation is limited to the Chief Executive Officer (CEO).

3 POLICY

Council delegates authority to the Chief Executive Officer, on receipt of advice from the Director Corporate Services, to:

- a) vary the provision for doubtful debts to such an amount as is required in the opinion of the CEO, and
- b) write off bad debts against the provision for doubtful debts up to a value of \$1,000 in an individual case, and \$5,000 in aggregate per financial year.

Any amounts above the threshold will be submitted to Council at an Ordinary Meeting for consideration. This must occur prior to 30 June in the relevant financial year in order to comply with end of financial year audit requirements.

4 DEFINITIONS OF TERMS OR ABBREVIATIONS USED

Term	Definition
Provision for doubtful debts	An amount in the Financial Statements to cater for the possibility that some debtors will not meet their obligation to pay Council charges.
Bad debts	The amount of a debt for which all reasonable steps to collect have been exhausted and the debt is not worth further pursuit.

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. 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.

6 REVIEW

The Manager Financial Services will review this policy for any necessary amendments no later than 4 years after adoption of this current version.

10.3 AUDIT AND RISK COMMITTEE CHARTER**File Number:****Author:** Amanda Wilson, Director Corporate**Authoriser:** Lincoln Fitzgerald, Chief Executive Officer**Attachments:** 1. Audit and Risk Committee Charter**RECOMMENDATION**

That Council approve the Audit and Risk Committee Charter.

CONFLICT OF INTEREST

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

PREVIOUS COUNCIL DISCUSSION

Council approved the previous version of the Audit and Risk Committee Charter at the Ordinary Meeting of Council held on 23 November 2021.

BACKGROUND

The Audit and Risk Committee Charter is required under Section 54 of the Local Government Act 2020. The Audit and Risk Committee Charter is the governing document for the Audit and Risk Committee, ensuring that all roles and responsibilities expected by the Committee under the Act are met.

To ensure a consistent approach under the new Act, the sector established a collaborative working group to develop a standard charter template with an associated work plan that covered all of the Committee's responsibilities. The template was reviewed by an internal audit expert, and amended from that review. The final charter and work plan templates were provided to the sector for use in 2020.

ISSUES/DISCUSSION

The Audit and Risk Committee Charter has been reviewed in line with the sector template and associated work plan to ensure that all obligations of the Committee are met.

To provide full transparency, any content not specific to the sector template has been identified as:

- **Blue bold text:** This is new Loddon Shire specific content not identified in the sector template
- **Orange bold text:** This is content changed from the sector template. Specifically, clause 5.2.1, 5.2.2, and 5.2.3 are changed. The sector template states three-year terms and a maximum of nine years. Loddon Shire's template states four-year terms and a maximum of 12 years.

COST/BENEFITS

The benefit of endorsing the Charter is that it is aligned to the requirements of the Local Government Act 2020, and the associated work plan provides a clear roadmap for the Committee's activities.

There is no expectation that this report will incur any costs.

RISK ANALYSIS

The Audit and Risk Committee's role is to manage risk on behalf of the Council, and to provide the Council with advice about risk management within the organisation.

CONSULTATION AND ENGAGEMENT

The Audit and Risk Committee discussed and subsequently endorsed the attached version of the Audit and Risk Committee Charter at the 2 May 2022 meeting.

LODDON SHIRE COUNCIL

AUDIT AND RISK COMMITTEE CHARTER



DOCUMENT INFORMATION

DOCUMENT TYPE:	Charter
DOCUMENT STATUS:	Draft
POLICY OWNER POSITION:	Director Corporate Services
INTERNAL COMMITTEE ENDORSEMENT:	Audit and Risk Committee
APPROVED BY:	Council
DATE ADOPTED:	
VERSION NUMBER:	3
REVIEW DATE:	
DATE RESCINDED:	
RELATED STRATEGIC DOCUMENTS, POLICIES OR PROCEDURES:	Risk Management Framework Risk Management Policy Anti-fraud and Corruption Policy
RELATED LEGISLATION:	Local Government Act 2020
EVIDENCE OF APPROVAL:	

Signed by Chief Executive Officer

FILE LOCATION:

Strategic 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.

This document is available in alternative formats (e.g. larger font) if requested.

ACKNOWLEDGEMENT OF COUNTRY

Loddon Shire Council acknowledges the Traditional Custodians of the land comprising the Loddon Shire Council area. Council would like to pay respect to their Elders both past and present.

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1 PURPOSE

Loddon Shire Council has established an Audit & Risk Committee (ARC) pursuant to Section 53 of the *Local Government Act 2020* (the Act) to support Council in discharging its oversight responsibilities related to financial and performance reporting, risk management, fraud prevention systems and control, maintenance of a sound internal control environment, assurance activities including internal and external audit and Council's performance with regard to compliance with its policies and legislative and regulatory requirements. It acts in this capacity by monitoring, reviewing, endorsing and advising on the above matters as set out in this Charter. This Charter has been developed in accordance with Section 54 of the Act.

The appointment of independent members to the Committee as outlined in this Charter enables the Committee to provide advice to Council on matters related to its responsibilities based on broader skills and experience than might otherwise be the case and in so doing bring additional benefits to Council.

The Committee has no executive authority and no delegated financial responsibilities and is therefore independent of management.

2 BUDGET IMPLICATIONS

The Audit and Risk Committee is funded from the operational budget. .

3 RISK ANALYSIS

The risks of implementing this policy are low and outweighed by the benefits of compliance and good governance.

4 AUTHORITY

4.1 Authority

The Committee is directly responsible to Council for discharging its responsibilities as set out in this Charter. The Committee has no delegated authority from Council unless specifically provided by Council from time to time and any such authority shall be temporary and may only relate to specific matters as directed by Council.

The Committee has the authority to:

- 4.1.1 endorse key documents and reports that must be approved by Council, including annual financial reports, annual performance statements, new or revised policies and other documents that assist in maintaining a strong internal control environment
- 4.1.2 approve internal and external audit plans, including internal audit plans with an outlook of greater than one year
- 4.1.3 provide advice and make recommendations to Council on matters within its areas of responsibility
- 4.1.4 retain counsel of relevant independent experts where it considers that is necessary in order to execute its responsibilities, subject to prior agreement with the Chief Executive Officer (CEO)
- 4.1.5 seek any relevant information it requires from Council, Council Officers (who are expected to co-operate with the Committee's requests) and external parties
- 4.1.6 meet with Council Officers, internal and external auditors and other parties as required to discharge its responsibilities.

The Committee will, through the Chief Executive Officer, have access to appropriate management support to enable it to discharge its responsibilities effectively.

5 MEMBERSHIP AND TENURE

5.1 Composition

The Committee will consist of five members appointed by Council, four of whom must be independent members. Details of membership and tenure are set out in **APPENDIX 1**.

5.2 Independent Members

- 5.2.1 Independent members will be appointed for **four-year terms**;
- 5.2.2 Independent members may be reappointed for **two additional four-year terms** subject to satisfactory performance, that is, a maximum of **twelve years**;
- 5.2.3 Independent members must collectively have expertise in financial management and reporting and risk management and also experience in public sector management;
- 5.2.4 Independent member terms of appointment will be set so that as far as possible only one member retires at a time in order to minimise the loss of knowledge of Council's business that may occur on change of membership
- 5.2.5 Remuneration will be paid to independent members as approved by Council from time to time.
- 5.2.7 **Council will indemnify and keep indemnified each independent member of the Committee against all actions or claims whether arising during or after their term of appointment in respect of anything necessarily done or reasonably done or omitted to be done in good faith:**
 - a) **in the performance of a duty or function or the exercise of any matter under the Act, regulations, a local law or this Charter**
 - b) **in the reasonable belief that the action or omission was in the performance of a duty or a function or the exercise of a matter under the act, regulations, a local law or this Charter**

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5.2.8 An online Audit and Risk Committee Induction module is set up for new members to complete upon appointment to the Audit and Risk Committee

5.3 Councillor Members

- 5.3.1 Councillor members will be appointed to the Committee by Council annually.
- 5.3.2 Should the appointed Councillor member not be able to attend a Committee meeting, the alternate member must attend, either on a meeting by meeting basis or for the entire year.
- 5.3.3 **Councillors appointed to the Committee for the first time will also be invited to complete the online Audit and Risk Committee Induction module.**

5.4 Chairperson

- 5.4.1 The Chairperson of the Committee must be an independent member
- 5.4.2 Council will appoint the Chairperson of the Committee
- 5.4.3 If the Chairperson is unable to attend a meeting, the members in attendance at the meeting will appoint a Chairperson for that meeting from among the attending members.

5.6 Committee Member Regulatory Obligations

Committee members are expected to be aware of their obligations under Section 53 of the Act. These obligations relate to misuse of position as a member of the Committee (Section 123), confidential information (Section 125) and conflict of interest (Sections 126 to 131). Details about these obligations are included in **APPENDIX 2** to this Charter.

5.7 Internal Control Environment Plan (ICE Plan)

The ICE Plan sits within the Annual Work Plan for the Audit and Risk Committee. See 7.2 for the Internal Control Environment and refer to the Annual Work Plan.

6 MEETINGS

6.1 General

- 6.1.1 The Committee will meet at least four times a year, with authority to convene additional meetings, as circumstances require;
- 6.1.2 A schedule of meetings will be developed annually and agreed by members.
- 6.1.3 All Committee members are expected to attend each meeting in person, although in special circumstances members can attend through electronic means
- 6.1.4 The Committee will invite members of Council's management team, the internal and external auditors and other personnel as appropriate to attend meetings. The Chief Executive Officer and the Director Corporate will attend all meetings, except for confidential matters
- 6.1.5 Committee members and the internal and external auditors can request the Chairperson to convene additional meetings if they feel that is justified to address unexpected matters that may have arisen.
- 6.1.6 Meeting agendas and appropriate briefing materials will be provided to members at least one week before each meeting.
- 6.1.7 Minutes will be prepared for all meetings.
- 6.1.8 **An update on the list of actions carried over from the last meeting will be provided to each meeting.**

6.2 Quorum for Meetings

A quorum shall comprise one Councillor and two independent members.

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7 RESPONSIBILITIES

The Committee's responsibilities are documented in the Audit and Risk Committee Charter and Annual Work Plan. This plan includes frequency and timing of reports to the Committee. The Committee's Charter reference numbers appear in the Annual Work Plan illustrating the relationship between the Work Plan and Charter. The Annual Work Plan is supported by the Internal Control Environment (ICE).

The Committee will carry out the following responsibilities:

7.1 Financial and Performance Reporting

- 7.1.1 At least annually review significant accounting and external reporting issues, including complex or unusual transactions, transactions and balances in areas where judgement is required, changes to accounting policies, recent accounting, professional and regulatory pronouncements and legislative changes, and understand their effect on the annual financial report and the audit thereof;
- 7.1.2 At least annually review changes to the Local Government Performance Reporting Framework and understand the impact of those changes on Council's performance indicators;
- 7.1.3 Review the annual financial report and annual performance statement and consider whether they are complete, consistent with information known to Committee members, reflect appropriate accounting treatments and adequately disclose Council's financial performance and position;
- 7.1.4 Review with management and the external auditors the results of the audit, including any difficulties encountered by the auditors and how they were resolved;
- 7.1.5 Recommend the adoption of the annual financial report and annual performance statement to Council; and
- 7.1.6 Review the appropriateness of the format and content of periodic management financial reports and performance statements to Council as required.
- 7.1.7 **In accordance with section 40(2) of the Local Government Act 2020 (Reimbursement of expenses of Councillors and members of a delegated committee) Council must provide details of all reimbursements under this section to the Audit and Risk Committee.**

7.2 Internal Control Environment

- 7.2.1 Review the adequacy and effectiveness of key policies, systems and controls for providing a sound internal control environment. This should be done on a rotational basis over a three to four year period. This should be done on a rotational basis over a three to four year period;
- 7.2.2 Determine whether systems and controls are reviewed regularly and updated where required;
- 7.2.3 Monitor significant changes to systems and controls to assess whether those changes significantly impact Council's risk profile;
- 7.2.4 Ensure that a program is in place to test compliance with systems and controls;
- 7.2.5 Assess whether the control environment is consistent with Council's Governance Principles.

7.3 Risk Management

- 7.3.1 Review annually the effectiveness of Council's risk management framework;
- 7.3.2 Review Council's risk appetite statement and the degree of alignment with Council's risk profile;
- 7.3.3 Review Council's risk profile and the changes occurring in the profile from meeting to meeting;
- 7.3.4 Review Council's treatment plans for significant risks including timeliness of mitigating actions and progress against those plans;
- 7.3.5 Review the insurance programme annually prior to renewal; and, including the timeliness of mitigating actions and progress against those plans;
- 7.3.6 Review the approach to business continuity planning arrangements, including whether business continuity and disaster recovery plans have been regularly updated and tested.

7.4 Fraud Prevention Systems and Controls

- 7.4.1 Review Council's Fraud Prevention policies and controls, including the Fraud Control Plan and fraud awareness programmes at least every two years including the Fraud Control Plan and fraud awareness programmes at least every two years;
- 7.4.2 Receive a **verbal** report from management about actual or suspected instances of fraud or corruption including analysis of the underlying control failures and action taken to address each event; and
- 7.4.3 Review reports by management about the actions taken by Council to report such matters to the appropriate integrity bodies.

7.5 Internal Audit

- 7.5.1 Review the Internal Audit Charter regularly to determine that it provides an appropriate functional and organisational framework to enable Council's internal audit function to operate effectively and without limitations;
- 7.5.2 Review and approve the three year strategic internal audit plan, the annual internal audit plan and any significant changes to them;
- 7.5.3 Review progress on delivery of annual internal audit plan;
- 7.5.4 Review and approve proposed scopes for each review in the annual internal audit plan;
- 7.5.5 Review reports on internal audit reviews, including recommendations for improvement arising from those reviews;
- 7.5.6 Meet with the leader of the internal audit function at least annually in the absence of management;
- 7.5.7 Monitor action by management on internal audit findings and recommendations;
- 7.5.8 Review the effectiveness of the internal audit function and ensure that it has appropriate authority within Council and has no unjustified limitations on its work;
- 7.5.9 Ensure that the Committee is aware of and appropriately represented with regard to any proposed changes to the appointment of the internal audit service provider, including being appropriately briefed on the need for any proposed change;
- 7.5.10 Recommend to Council if necessary, the termination of the internal audit contractor.

7.6 External Audit

- 7.6.1 Annually review and approve the external audit scope and plan proposed by the external auditor;
- 7.6.2 Discuss with the external auditor any audit issues encountered in the normal course of audit work; including any restriction on scope of work or access to information;
- 7.6.3 Ensure that significant findings and recommendations made by the external auditor, and management responses to them are appropriate and are acted upon in a timely manner;
- 7.6.4 Review the effectiveness of the external audit function and ensure that the Victorian Auditor General's Office (VAGO) is aware of the Committee's views;
- 7.6.5 Consider the findings and recommendations of any relevant performance audits undertaken by VAGO monitor Council's responses to them;
- 7.6.6 Meet with the external auditor at least annually in the absence of management.

7.7 Compliance Management

- 7.7.1 Review systems and processes implemented by Council for monitoring compliance with relevant legislation and regulations and the results of management's follow up of any instances of non-compliance;
- 7.7.2 Review the processes for communicating Council's Employee Code of Conduct to employees and contractors and for monitoring compliance with the Code;
- 7.7.3 Obtain briefings on any significant compliance matters;
- 7.7.4 Receive reports from management on the findings of any examinations by regulatory or integrity agencies (whether related to investigations at Council or other agencies), such as the Ombudsman, IBAC, Victoria Government Inspectorate, etc. and monitor Council's responses.
- 7.7.5 [Review reports on Gifts, Benefits and Hospitality.](#)

8 PERFORMANCE EVALUATION

The Committee shall undertake a process to evaluate its performance annually in accordance with section 54 (4)(b) and report the outcomes of the evaluation process to Council through the Chief Executive Officer, including recommendations for any opportunities for improvement. The evaluation will include feedback from both Committee members and senior officers who have regular interactions with the Committee.

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9 REPORTING TO COUNCIL

- a) Minutes of Committee meetings will be provided to Council at the first available opportunity after clearance by the Committee Chairperson following each Committee meeting.
- b) **The Director Corporate will provide a copy of the Audit and Risk Committee annual self-assessment survey to the Chief Executive Officer for tabling at the next Council meeting, in accordance with section 54(4)(b).**
- c) The Chairperson (**through the Director Corporate**) will prepare a report to Council through the Chief Executive Officer on the Committee's activities twice per annum. One of these reports will be prepared after the meeting at which the annual financial report and the annual performance statement have been considered and recommended to Council for adoption, such report indicating how the Committee has discharged its responsibilities as set out in this Charter for the previous year.

10 REVIEW OF THE CHARTER

The Committee shall review and assess the adequacy of the Charter every **two years** or earlier if necessary and submit requests to Council through the Chief Executive Officer for revisions and improvements for approval.

APPENDIX 1: TERMS OF APPOINTMENT

1. CHAIR

The current Chair is Rod Baker.

The term of the current Chair ends when a Council resolution is passed appointing a new Chair. The election of Chair is held at the first committee meeting of the calendar year.

COMMITTEE MEMBERS

Details of membership and tenure are set out below:

Table 2: Details of membership

Member	Initial appointment date	Current term's appointment date	End of current term
Rod Poxon	1 May 2015	1 May 2018	30 April 2022
Jarrah O'Shea	1 May 2019	1 May 2019	30 April 2023
Rod Baker	1 May 2012	1 May 2020	30 April 2024
Rachelle Tippett	1 May 2021	1 May 2021	30 April 2025

**These are four-year terms to ensure only one committee member term expires per year.*

2. COUNCIL REPRESENTATIVES

The Councillor representatives are appointed annually by the Council. Currently the following Councillors have responsibility for the Audit and Risk Committee:

- Substantive: Councillor Gavan Holt
- Alternate: Councillor Neil Beattie.

3. REVIEW

Appendix 1 is updated each year following the confirmation by Council of:

- the appointment of the Chair and
- the appointment of the new member and
- appointment of the substantive and alternate Councillor.

APPENDIX 2: COMMITTEE MEMBER REGULATORY OBLIGATIONS

Guidance to Members

LGA Section	LGA Requirement
Misuse of Position	
123(1)	A Committee member must not intentionally misuse their position to: <ul style="list-style-type: none"> a) Gain or attempt to gain, directly or indirectly, an advantage for themselves or for any other person; or b) Cause, or attempt to cause, detriment to the Council or another person
123(3)	Circumstances involving misuse of a position by a member of the Committee include: <ul style="list-style-type: none"> a) Making improper use of information acquired as a result of being a member of the Committee; or b) Disclosing information that is confidential information; or c) Directing or improperly influencing, or seeking to direct or improperly influence, a member of Council staff; or d) Exercising or performing, or purporting to exercise or perform, a power, duty or function that the person is not authorised to exercise or perform; or e) Using public funds or resources in a manner that is improper or unauthorised; or f) Participating in a decision on a matter in which the member has a conflict of interest.
Confidential Information	
125	A member of the Committee must not intentionally or recklessly disclose information that the member knows, or should reasonably know, is confidential information. There are some exemptions to this requirement, the key one being that if the information disclosed by the member has been determined by Council to be publicly available.
Conflicts of Interest	
126	A member of the Committee has a conflict of interest if the member has: <ul style="list-style-type: none"> a) A general conflict of interest as described in Section 127; or b) A material conflict of interest as described in Section 128.
127	A member of the Committee has a general conflict of interest in a matter if an impartial, fair-minded person would consider that the members private interests could result in that member acting in a manner that is contrary to their public duty as a member of the Committee.
128	A member of the Committee has a material conflict of interest in a matter if an affected person would gain a benefit or suffer a loss depending on the outcome of the matter.
<p>Please Note</p> <p><i>The above guidance is not verbatim from the Act and does not include all details as explained in Part 6, Division 1 of the Act. For a full understanding of the requirements of the Act in relation to the matters summarised above, members are expected to make themselves fully aware of the requirements of the Act.</i></p>	

10.4 2021/22 END OF FINANCIAL YEAR VARIATION ANALYSIS

File Number: FOL/20/2500
Author: Deanne Caserta, Manager Financial Services
Authoriser: Amanda Wilson, Director Corporate
Attachments: 1. 2021/22 Summary Financials Report

RECOMMENDATION

That Council receives and notes the '2021/22 End of Financial Year Variation Analysis' Report.

CONFLICT OF INTEREST

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

PREVIOUS COUNCIL DISCUSSION

As part of the 2022/23 budget process, budget projections for the end of 2021/22 financial year were presented to Council in the form of a Revised Budget.

At the August Council Briefing a snapshot at activity level of the major variations between the 2021/22 Revised Budget and the 2021/22 Actuals was presented. Explanations were given where variances existed outside Council's threshold of 10% or \$20,000.

BACKGROUND

The annual budget process requires that budget projections of the current financial year be undertaken to calculate the potential carried forward surplus that will form part of the next year's budget.

As this process is generally finalised in late March or early April, there are a further three months of activity to the end of June which may give rise to variations to the budget projections.

This report outlines the variations which have arisen between the budget projections made and the actual final results achieved at year end 30 June 2022.

ISSUES/DISCUSSION

The revised budget projections called for an end of financial year closing cash surplus position of \$4.63M. The actual cash surplus was \$8.99M, a positive variance of \$4.37M.

The monthly Finance Report tables are provided as an attachment to this report, and include the budget, actuals, variance in dollars and percentage terms.

Whilst there are a number of variances, this report focuses on those which fall outside a 10% or \$20,000 threshold, whichever is the greater.

SUMMARISED FINANCIAL RESULT

The table below discloses the actual result for the year in comparison to the budget:

Report item	2021/22 Revised Budget \$	2021/22 Actual \$	Variance of Actual to Budget \$	Variance of Actual to Budget %
Revenue	(41,296,740)	(33,386,344)	7,910,396	81%
Expenses	38,712,386	31,388,216	(7,324,170)	81%
Net operating result	(2,584,354)	(1,998,128)	586,226	77%
Funding decisions	(8,872,433)	1,034,646	9,907,079	-12%
Capital expenditure	23,061,625	7,602,852	(15,458,773)	33%
Non cash adjustments	(9,908,459)	(9,310,715)	597,744	94%
Accumulated deficit b/f	(6,321,696)	(6,321,696)	0	100%
Net cash (surplus) / deficit	(4,625,317)	(8,993,042)	(4,367,725)	194%

INCOME

Income for the year was \$33.39M representing a variance of 19% or \$7.91M lower than the budget of \$41.30M. Within the income items the following variances occurred:

Statutory fees

Statutory fees received were higher than the budget by \$104K.

Instances where Council received income that were greater than the budget were:

- local laws fees and fines of \$28K due to higher animal registrations
- public health fees of \$17K due to an increase in health licence requests
- strategic and statutory fees of \$71K with a large increase in planning permit applications.

Contributions

Contributions received were less than the budget by \$157K.

Instances where Council received income that was less than the budget were:

- Donaldson Park Wedderburn contributions of \$50K which will not be required until the project commences
- Lake Boort precinct contribution of \$100K will not be required due to a change in the project scope.

Interest

Interest received were higher than the budget by \$63K.

There was a sharp increase in interest rates towards the end of the year which has increased the interest amounts accrued to the end of 2021/22.

Reimbursements

Reimbursements received were higher than the budget by \$35K.

Instances where Council received income that were greater than the budget were:

- WorkCover income higher than expected by \$22K due to an increase in claims against what was expected.

Recurrent capital grants

Recurrent capital grants received were less than the budget by \$0.56M.

Instances where Council received income that was less than the budget were:

- Roads to Recovery funding of \$166K where claims are made as the projects are completed
- caravan park funding of \$393K where claims are made as the required project stages are met.

Non recurrent capital grants

Non recurrent capital grants received were less than the budget by \$7.89M.

Instances where Council received income that was less than the budget were:

- Donaldson Park and Pyramid Hill Community Centre grants are recognised as a 'grant in advance'. Partial income has been received but it will not be recognised until the required stages are complete.
- local roads community infrastructure program grants of \$1.9M where claims are made as the required project stages are met.

EXPENDITURE

Expenditure for the year was \$31.39M representing a variance of 19% or \$7.32M lower than budget. Within the line items the following variances occurred:

Materials and services

Materials and services were \$5.31M or 45% lower than budget; the main reasons are outlined below.

Items below budget:

- home and community care unspent funds of \$341K, with some carried forward into 2022/23 to be spent on services
- economic development strategy delivery items of \$326K with delays in permits and other items still to be delivered
- program delivery and strategy costs of \$533K across administration and management with project contract staff on hold due to COVID
- plant and fleet operating expenses of \$501K with lower usages reflecting lower ongoing maintenance costs.
- community planning projects and other community grants of \$572K due to completion delays as a result of COVID shutdowns.

Stores

Stores were \$42K or 58% lower than budget.

Limited stores are now kept at all depot sites due to the transitioning of purchasing direct from local suppliers as needed.

Fuel

Fuel was \$263K or 25% lower than budget. The main reason was a decrease in demand with many staff required to work from home due to the COVID lockdowns; therefore, there was a decrease in vehicle usage.

Profit / (Loss) on sale of assets

There is no budget allocation for the profit or loss on the sale of assets due to its unpredictable nature. There was a \$34K profit for the 2021/22 financial year. This relates to the sale of land along with plant and equipment. In 2020/21 this was a profit of \$89K.

CAPITAL EXPENDITURE

Capital expenditure was \$7.60M representing a variance of 67% or \$15.46M below the revised budget of \$23.06M. Significant variations are set out below.

Community planning

Community planning project spend was \$826M below the set budget of \$836K. This is mainly due to a delay in commencement with COVID lockdowns and the budget allocation to new projects with the relevant committees.

These projects have been carried forward into 2022/23.

Community facilities

The Donaldson Park Wedderburn project is behind budget by \$3.34M where a delay in final grant allocations had put a pause on the commencement.

These projects have been carried forward into 2022/23 and are expected to be almost complete by 30 June 2023.

Plant and equipment

Plant and equipment was 47% or \$649K below the set budget of \$1.39M.

The main variance was the delay in delivery of new plant with shortages in some heavy equipment pieces in the marketplace.

Roads infrastructure

Roadworks were 48% or \$5.56M below the set budget of \$10.78M. All projects that were not completed have been carried over to 2022/23, however there is some project delivery savings that has been returned to surplus for Council to redistribute to other expenditure needs.

The main variances below budget which are offset by transfers to reserves were:

- bridge and culvert works of \$0.73M
- footpath works of \$735K
- road construction works of \$1.23M.

FUNDING DECISIONS

Funding decisions were \$9.91M or 112% different than expected within the budget.

Transfers from reserves

Transfers from reserves were \$1.05M higher than the set budget.

The main reasons were:

- plant and fleet purchase delays resulted in lower amounts required to be expended from the relevant reserves of \$518K.

Transfers to reserves

Transfers to reserves were \$8.71M higher than the set budget.

The main reasons were:

- Unspent Grants Reserve was \$2.95M above budget which represents funds received for a variety of projects that remained unspent at 30 June 2022
- Capital Expenditure Reserve was \$3.74M above budget which represents projects that will now be added to the 2022/23 program
- Community Planning Reserve was \$1.76M above budget which represents projects that are either incomplete or will not commence until 2022/23.

Proceeds from sale of assets

Proceeds from sale of assets were \$143K or 38% lower than budget.

SUMMARY

In summary, at the end of the financial year Council had a surplus of \$4.37M in excess of expectation.

There are variances throughout the different elements of the financial statements, however, it can be reported that:

- Council used Capital Expenditure, Community Planning and Unspent Grants Reserves to capture any financial items that were not concluded in 2021/22 and will be completed in 2022/23 or subsequent years

- COVID impacts are being seen in delays to project commencement, lead times on major plant and materials and inflationary pressures of construction
- savings in many areas of the accounts were realised due to strong financial management by the officers responsible for delivering projects and programs.

COST/BENEFITS

The benefit of Council receiving a variation report of actual to projected budget is that it gives Council an understanding of the difference in the cash surplus position and keeps Council fully informed.

RISK ANALYSIS

The provision of a variance to budget report to Council minimises the risk of Council not understanding the financial position at year end, and provides reasons for carry over projects.

With delays in expenditure due to COVID shutdown, difficulty securing contractors, difficulty sourcing major plant items and construction escalations, there will continue to be a backlog of projects. Consideration should be given to increasing resourcing for delivery or deferring projects to future years.

CONSULTATION AND ENGAGEMENT

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

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

Element	2021/22 Original Budget	2021/22 Revised Budget	2021/22 YTD Revised Budget	2021/22 YTD Actuals	2021/22 YTD Percentage Variance
Income					
69 - Statutory Fees	279,467	279,467	279,467	383,610	137%
70 - Fees & Charges	1,496,306	1,495,176	1,495,176	1,538,812	103%
71 - Contribution	0	430,879	430,879	273,925	64%
73 - Interest	300,000	200,000	200,000	263,296	132%
77 - Reimbursements	252,259	257,259	257,259	292,346	114%
80 - Rates	11,841,819	11,885,312	11,885,312	11,890,953	100%
81 - Non Recurrent Grants (Operating)	23,911	832,282	832,282	898,358	108%
82 - Recurrent Grants (Operating)	6,326,588	13,988,181	13,988,181	14,312,884	102%
83 - Recurrent Grants (Capital)	2,387,726	3,074,856	3,074,856	2,515,570	82%
84 - Non Recurrent Grants (Capital)	0	8,342,623	8,342,623	449,622	5%
90 - VicRoads	510,705	510,705	510,705	566,968	111%
Total Income	23,418,781	41,296,740	41,296,740	33,386,344	81%
Expenses					
01 - Labour	12,052,504	12,438,039	12,438,039	11,483,515	92%
04 - Creditors	8,211,344	11,911,604	11,911,604	6,601,676	55%
05 - Stores	71,211	71,211	71,211	29,619	42%
06 - Fuel	1,071,763	1,071,763	1,071,763	808,481	75%
07 - Contractors	2,180,963	2,273,947	2,273,947	2,329,414	102%
08 - Depreciation	9,908,459	9,908,459	9,908,459	9,270,237	94%
09 - Utilities	559,672	577,080	577,080	548,609	95%
25 - Grants Expenditure	357,889	460,283	460,283	320,991	70%
45 - Bad Debts Expense	0	0	0	40,478	0%
48 - Library Equity	0	0	0	(10,371)	0%
63 - Reversal of Impairment Losses	0	0	0	0	0%
98 - Profit / Loss on Sale of Assets	0	0	0	(34,433)	0%
Total Expenses	34,413,805	38,712,386	38,712,386	31,388,216	81%
Net Result Surplus / (Deficit)	(10,995,024)	2,584,354	2,584,354	1,998,128	77%

Element	2020/21 Original Budget	2020/21 Revised Budget	2020/21 YTD Revised Budget	2020/21 YTD Actuals	2020/21 YTD Percentage Variance
Funding Decisions					
88 - Reserves Transfer From	6,987,773	18,846,662	18,846,662	17,796,012	0%
89 - Reserves Transfer To	(1,944,500)	(10,351,083)	(10,351,083)	(19,065,147)	0%
74 - Asset Sales (Capital)	376,854	376,854	376,854	234,489	62%
Total Funding Decisions	5,420,127	8,872,433	8,872,433	(1,034,646)	-12%
Capital Expenditure					
12 - Economic Development	0	0	0	5,000	0%
21 - Caravan Parks	7,500	984,094	984,094	900,423	91%
31 - Aged Care Services				0	0%
40 - Community Support	0	0	0	0	#DIV/0!
41 - Community Planning - Boort	50,000	0	0	0	#DIV/0!
42 - Community Planning - Inglewood	50,000	163,612	163,612	0	0%
43 - Community Planning - Tarnagulla	50,000	129,009	129,009	10,400	8%
44 - Community Planning - Terricks	50,000	18,575	18,575	0	0%
45 - Community Planning - Wedderburn	50,000	25,000	25,000	0	0%
47 - Grants & Community Planning	700,000	7,573,570	7,573,570	187,318	2%
49 - Swimming Pools	280,000	280,000	280,000	5,049	2%
65 - Information Technology	175,000	175,000	175,000	90,326	52%
71 - Council Engineering and Technical Services	100,000	0	0	0	0%
72 - Project & Contract Management	1,307,292	6,672,096	6,672,096	1,941,292	29%
73 - Roads to Recovery	2,387,726	4,108,074	4,108,074	3,275,476	80%
75 - Local Laws and Animal Management	0	102,121	102,121	0	0%
82 - Building & Property Maintenance	270,000	981,383	981,383	171,592	17%
84 - Fleet	1,392,920	1,392,920	1,392,920	744,181	53%
90 - Parks & Townships	50,000	135,071	135,071	112,103	83%
96 - Waste Management	0	321,100	321,100	136,492	43%
98 - Waterways Management	0	0	0	23,200	#DIV/0!
Total Capital Expenditure	6,920,438	23,061,625	23,061,625	7,602,852	33%
Non Cash Adjustments					
08 - Depreciation	9,908,459	9,908,459	9,908,459	9,270,237	94%
45 - Bad Debts Expense	0	0	0	40,478	0%
63 - Reversal of Impairment Losses	0	0	0	0	0%
Total Non Cash Adjustments	9,908,459	9,908,459	9,908,459	9,310,715	94%
Accumulated surplus brought forward	2,987,622	6,321,696	6,321,696	6,321,696	100%
Net Cash Surplus / (Deficit)	400,746	4,625,317	4,625,317	8,993,042	194%

10.5 2022-2023 COMMUNITY GRANTS PROGRAM - GROUP 2

File Number: FOL/22/1385
Author: Paul Scullie, Acting Manager Community Support
Authoriser: Wendy Gladman, Director Community Wellbeing
Attachments: 1. Community Grants - Group 2 summary

RECOMMENDATION

That Council endorse the allocation of \$69,851 in funding to the ten (10), Group 2 applicants as per the 2022-2023 Community Grants program, outlined in the attachment provided with this report.

CONFLICT OF INTEREST

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

PREVIOUS COUNCIL DISCUSSION

Information on the Community Grant applications received for the 2022-2023 allocation was provided to Council at the 12 July 2022 and 9 August 2022 Council Forums.

BACKGROUND

The Loddon Shire Community Grants Program (program) commenced in 2000/2001. The council initiated the program to assist sporting, recreation and service organisations to deliver community-led projects that improve the quality of life for residents. Since the program was initiated, Council has invested approximately \$2,830,000, supporting over seven hundred community-based projects worth over \$5,610,000. Council's 2022/23 budget includes an allocation of \$180,000 for the Community Grants Program.

To support community newsletters, the annual Community Newsletter allocations have a budget of \$20,000 from the overall program budget of \$200,000. The newsletter allocation review period closes on 30 June 2022 for payment in early July. Any surplus funds not allocated to the newsletters will be returned to the program budget.

In addition to the 2022/23 budget allocation of \$180,000, \$68,436 of unallocated funding has been carried over from the 2021/2022 program. This means that an amount of \$248,436 is available in the 2022/23 financial year for allocation through the program.

Applications for the 2022/23 program opened on 1 March 2022 and closed on 1 May 2022. Round one of the Community Grants program was endorsed by Council at the July meeting, resulting in \$38,140 being allocated to successful applicants.

To be eligible to apply, groups must:

- be a not-for-profit organisation/group and incorporated body (or be auspiced by one)
- have Public Liability insurance (to the minimum of \$20 million)
- have projects that take place within (or for the benefit of) the Loddon Shire Council municipality

Applications have been assessed against the following criteria:

- demonstrated community need
- improved existing facilities
- increased participation
- multi-use and broad community benefit
- self-help i.e. in-kind and/or cash commitment

Where applicable, projects have also been assessed against:

- the efficient use of resources, for example, energy efficiency components of the project or sharing of resources with the wider community
- the ability to provide access for all, for example, does the project consider the needs of people with a disability or the elderly
- any inherent risk in terms of public safety has been assessed in terms of the severity of the risk prior to being considered for funding

As per the guidelines, the following types of projects are ineligible for funding:

- applicants who have outstanding acquittals from previous funding rounds
- retrospective projects or projects which have already been commenced
- projects which are not ready and which will not be completed within a 12-month period from the date of receiving the funding
- projects that are considered the sole responsibility of another authority (for example water authorities and health and welfare agencies)
- activities (programs, services, projects or initiatives) that are the responsibility of others:
 - activities that the Council considers the responsibility of other authorities, agencies or levels of government
 - activities that are the funding responsibility of other levels of government
 - proposals that address shortfalls in funding from other authorities levels of government
 - curriculum-based activities or where the activity is confined to the school or kindergarten, including groups and organisations proposing to work with schools and kindergartens (excluding shared facility use by community groups for their specific activity – for example, local cricket clubs using school ovals)
- activities that duplicate other local service responses (unless it can be demonstrated that it meets an unmet community need)
- open space projects on publicly owned or managed land
- activities such as administrative costs (such as wages, rent or insurance), utility charges (such as a power bill) or projects of an ongoing maintenance nature (such as mowing lawns)
- political, religious or spiritual activities:
 - projects designed to promote political or religious ideals
 - organisations whose sole or dominant purpose is of a political nature
 - proselytising, religious worship or sectarian activities
- individuals
- community groups with access to sufficient cash reserves to undertake the project independently
- projects, which do not meet the funding ratio

Additionally:

- applications are unable to be submitted after the application closing date
- incomplete applications have not been considered in the first round of assessments
- incomplete applications have been provided with 14 days to supply required information/documentation to qualify for a second round assessment; those who do not supply the required information within the 14 days will not be eligible for assessment.

The 2022/23 Community Grants – Group 2 enabled applicants, that were required to provide further information, a limited opportunity to provide the required documentation before being presented to Council at the August Council meeting.

ISSUES/DISCUSSION

In total 24 applications requesting financial assistance to the approximate value of \$163,600 were received. Of these 24 applications:

- Four (4) applications were subsequently withdrawn by applicants.
- Seven (7) applications were complete and endorsed at the July Council meeting.

Of the remaining 13 applications, ten (10) have been recommended for funding totalling \$69,851 – further details are provided in attachment 1.

These projects are:

- Boort Yando Cricket Club – Install storage, shade and viewing structure
- Bridgewater Cricket Club – Reinstate cricket nets and new matting
- Calivil United Football and Netball Club – Calivil Recreation Reserve Hall internal repainting
- Inglewood Bowling Club – Bowling green renovation
- Inglewood Town Hall Hub Community Asset Committee – Installation of blinds in the board room
- Lifeline Central Victoria and Mallee – Accidental Counsellor workshops
- Northern Victorian Quarter Horse Association – Wash Bay improvements
- Pyramid Hill Golf Club – Installation of split system air-conditioner
- Wedderburn Band Cricket Club – Construction of two new practice nets
- Wedderburn Bowls Club – Construction of footpath from the clubhouse to carpark

The following applications are not recommended for funding, as they do not adhere to the programs application guidelines:

- Boort Memorial Hall
- Pyramid Hill Memorial Hall Committee of Management
- Wedderburn Community House

COST/BENEFITS

The Community Grants Program offers significant benefits to the local community through the provision of funding for specific projects, which may otherwise struggle to secure funding through other infrastructure programs or initiatives. As demonstrated in the value of projects delivered since the inception of the program, Council's investment towards these grants yields far greater community benefit in terms of both financial investment and social wellbeing.

Without the significant volunteer contribution and drive of Loddon Shire residents, projects such as those recommended for funding would not be possible within the limited financial resources of Council or the community alone. The benefits of this partnership with our small communities contributes significantly to the quality of life within Loddon Shire.

RISK ANALYSIS

Primary risks associated with the Community Grants Program are believed to be as follows:

Adherence to Program Guidelines: Detailed program guidelines identify which projects and programs are considered eligible for Community Grants. All applications are assessed against these guidelines for eligibility to ensure that funding made available through this program is distributed equitably and provides the greatest benefit to the overall Loddon community.

Failure to adhere to these guidelines could comprise the integrity of the grant program and the ability of the Council to adequately fund appropriate community projects.

Failure to deliver projects: All successful applicants are required to adhere to a formal funding agreement, which clearly identifies the purpose of the grant, delivery timeframes and reporting requirements. This is to ensure that the expenditure of public money is conducted in a transparent and efficient manner.

CONSULTATION AND ENGAGEMENT

The Loddon Shire Community Grants program is advertised annually with applications for the 2022/23 round closing on 1 May 2022. During this period, community groups or individuals interested in applying for grants were able to contact relevant staff to discuss their proposals.

Funding guidelines are made available to prospective applicants via Council's website.

All unsuccessful applicants will be provided with feedback about their applications after recommendations are finalised and endorsed by Council.

Community Grants Summary: 2022-2023 (Group 2)						
Applications assessed as eligible for funding						
Applicant	Project Title	Project description	Total project cost	Amount requested	Community contribution	Recommended allocation
Boort Yando Cricket Club	The final puzzle piece – clubrooms we can call home	To install a permanent storage, shade and viewing area structure.	\$59,730	\$10,000	\$49,730	\$10,000
Bridgewater Cricket Club	Cricket nets (fixed structure)	Reinstate two cricket nets and replace the matting.	\$15,000	\$10,000	\$5,000	\$10,000
Calivil United Football and Netball Club	Calivil hub refurb refresh	Repainting of Calivil Recreation Reserve Hall	\$15,980	\$10,000	\$5,980	\$10,000
Inglewood Bowling Club	Bowling green renovation	Renovate the grass bowling green to maintain the playing surface to an acceptable level.	\$4,420	\$3,046	\$1,473	\$2,947
Inglewood Town Hall Hub Community Asset Committee	Board room shade blinds	Install shade blinds to enhance the experience of the Hall.	\$1,807	\$1,204	\$603	\$1,204
Lifeline Central Victoria and Mallee	Accidental Counsellor	To deliver four Accidental Counsellor workshops within the Loddon Shire.	\$15,540	\$10,000	\$5,540	\$10,000
Northern Victorian Quarter Horse Association	Wash Bay Improvements	Concrete the horse wash bay area.	\$5,250	\$3,500	\$1,750	\$3,500
Pyramid Hill Golf Club	Split system installation	Installation of a split system air conditioner in the main room of the clubhouse.	\$3,377	\$2,200	\$1,177	\$2,200
Wedderburn Band Cricket Club	WBCC practice nets upgrade	Installation of new two-lane cricket training nets.	\$40,465	\$10,000	\$30,465	\$10,000
Wedderburn Bowls Club	Footpath/walkway to clubhouse	Construction of concrete path from clubrooms to carpark.	\$21,700	\$10,000	\$11,700	\$10,000
TOTAL			\$183,269	\$69,950	\$113,418	\$69,851 Total funding recommended

Applications assessed as ineligible for funding					
Applicant	Project Title	Total project cost	Amount requested	Community contribution	Recommended allocation
Boort Memorial Hall	Light up the stage	\$15,000	\$10,000	\$5,000	\$0
Pyramid Hill Memorial Hall Committee of Management	Memorial Hall north side beautification	\$12,212	\$8,141	\$4,071	\$0
Wedderburn Community House	Hidden Treasures Op Shop	\$16,750	\$10,000	\$6,750	\$0

11 INFORMATION REPORTS**11.1 PUBLIC HEALTH QUARTERLY 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 Quarterly 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 final report for the 2021-22 financial year, summarising public health activities within the Development and Compliance Department for the months from April 2022 to June 2022.

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 Senior Public Health Officer has regular contact with business operators, community groups, homeowners 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/DISCUSSIONPandemic Response

Council's Senior Public Health Officer is currently on secondment into the role of Pandemic Coordinator. The Pandemic Coordinator role is a requirement of Council's Municipal Pandemic Plan which was activated in March 2020 due to the declaration of the Coronavirus Pandemic.

Considerable time has been devoted to both roles including community messaging, visiting businesses impacted by the restrictions, management of funding applications, provision of advice to community groups and attendance at briefings. There has been a significant number of enquiries regarding the restrictions and the impacts that they have on community gatherings, community facilities and businesses, and this increases each time changes to the restrictions are announced. This has affected the normal functions significantly of Council's Public Health staff.

When available an additional staff member has been supporting the public health activities in order to address urgent public health duties such as enquiries, complaints and applications.

Japanese Encephalitis Virus (JEV)

Council was advised in early March 2022 that the presence of JEV had been confirmed at a piggery within the Shire. This is the first time that JEV has been detected in Australia and on March 4th the Federal Government declared JEV to be a communicable disease of national significance.

Japanese encephalitis virus (JEV) is a rare but potentially serious infection of the brain caused by a virus spread to humans through mosquito bites. Most JEV infections are asymptomatic, however those with severe infection (less than one per cent) may experience headache, vomiting, disorientation, seizures, coma, and more rarely, permanent neurological complications or death

The presence of JEV has now been confirmed in three piggeries within Loddon Shire, at the request of the Department of Health, Council's Senior Public Health Officer with the assistance of 2 staff members has been undertaking mosquito trapping at the piggeries and around the Bridgewater on Loddon township. Spraying has also been undertaken within Bridgewater Township to reduce the number of adult mosquitos.

The Department of Health have request that Council continue to monitor mosquito numbers across the Shire over winter with fortnightly trapping occurring in Wedderburn, Boort, Pyramid Hill, Serpentine and Bridgewater.

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

1 April 2022 to 30 June 2022		
Governing Legislation	Inspection Outcome	Number of inspections
Food Premises	Compliant*	55
	Major Non Compliance	2
Health Premises	Compliant*	7
	Major Non Compliance	1
Swimming Pools	Satisfactory	0
	Unsatisfactory	0
Residential Tenancies	Compliant*	0
Total number of inspections for reporting period		65

* Compliant includes sites that were fully compliant and some sites that required minor actions to become compliant

Council officers are working with the non-compliant premises to address the issues that were identified.

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 kindergartens, schools, playgrounds and sporting reserves. Table 2 summaries the Tobacco Act activities undertaken during the reporting period.

Table 2: Tobacco Act inspections

1 April 2022 to 30 June 2022	
Inspection Type	Number
Tobacco Retailer (including vending machine)	8
Tobacco – Indoor Dining and drinking area	10
Tobacco – Outdoor Dining and drinking area	3
Outdoors & Other locations	6
Total number of inspections	27

Septic Systems

Table 4 summarises septic system permit applications processed during the reporting period.

Table 4: Septic system permits

1 April 2022 to 30 June 2022	
Permit Type	Number
Installation or alteration	8
Certificate to use	7
Total number of Permits	15

The average processing time for permits to install or alter is twelve days.

Table 5 summarises the activities associated with management of septic tank applications and installed systems.

Table 5: Septic system activity

1 April 2022 to 30 June 2022	
Activity / Inspection Type	Number
Application Inspection	8
Installation Inspection	5
Final Inspection	5
Total number of inspections	18

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

1 April 2022 to 30 June 2022				
Nature of complaint	Number carried over from previous reporting period	Number received	Number resolved	Number currently pursuing resolution
Food Premises	0	0	0	0
Wastewater	1	0	1	0

Other	0	0	0	0
Total	1	0	1	0

COST/BENEFITS

The actual expenditure for the fourth quarter of the 2021-2022 financial year of the public health unit activities contained within this report is \$41,851.

Administration of the Acts that the Public Health Officer has responsibility for includes significant fieldwork, 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.

11.2 QUARTERLY 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 2021 - 2022 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 (01/04/2022 – 30/06/2022)						
Work Group	Number of scheduled inspections	Number completed by due date	Number completed after due date	Number not completed	Compliance	Number of Defects Raised
Loddon Plains	120	120	0	0	100.0%	240
Loddon Goldfields	128	128	0	0	100.0%	256
Total	248	248	0	0	100.0%	496

During the fourth quarter of 2021 – 2022 financial year, 100.0% 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 (01/04/2022 – 30/06/2022)								
Work Group	Number of Defects				Compliant with RMP			
	Ad hoc	Requests	Defects from inspections	Total	Yes	No	Not complete	%
Loddon Goldfields	19	33	229	281	277	4	0	98.6
Loddon Plains	1	19	260	280	278	2	0	99.3
Shire Wide	4	7	205	216	213	3	0	98.6
Townscape Services	24	1	147	172	157	15	0	91.3
Total	48	60	841	949	925	24	0	97.5

Table 2 comprises a summary of defects that have been identified through programmed inspections, customer requests and works crews identifying and rectifying defects as they find them, known as ad hoc work actions. During the fourth quarter of 2021 – 2022 financial year, 97.5% of all date imposed defects were completed before their due date. This is 2.5% 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 programmed 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.

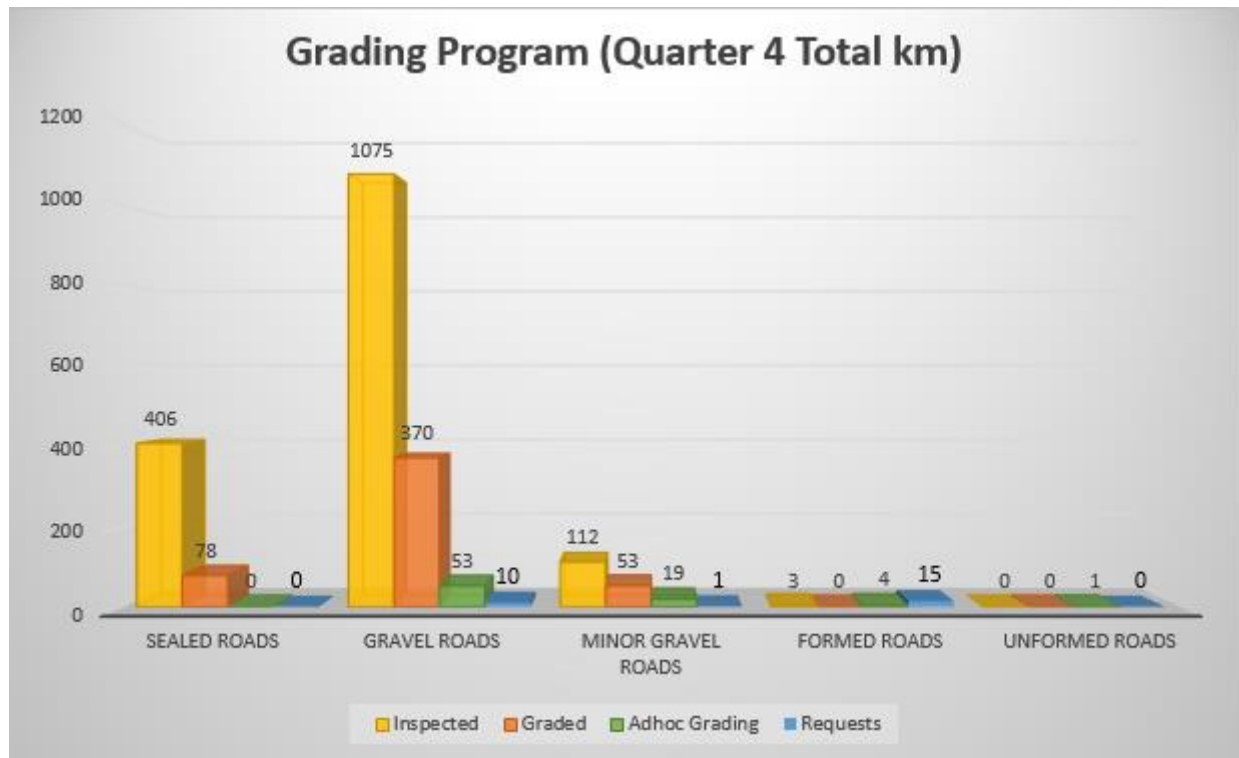
Table 3: Maintenance grading program

Quarter 4 (01/04/2022 – 30/06/2022)											
Work Group	Number of Grading Work Actions					Compliant with scheduled timeframes				KM Graded	KM Inspected
	Roads Graded	Defects	Requests	Ad hoc	Total	Yes	No	Now completed	%		
Loddon Goldfields	151	1	5	0	157	156	1	0	99.4.0%	309	648
Loddon Plains	87	0	10	0	97	97	0	0	100.0%	295	950
Shire Wide	0	0	2	0	2	2	0	0	100.0%	0	0
Total	238	1	17	0	256	255	1	0	99.6%	604	1597

The data in Table 3 indicates that 256 grading work actions were completed in the fourth quarter of 2021 – 2022 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 2021 – 2022 financial year of the Local Road Maintenance Program is \$6,346,173. The expenditure for the fourth quarter was \$1,480,377

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.

11.3 LOCAL LAWS AND PLANNING COMPLIANCE QUARTERLY ACTIVITY REPORT

File Number: FOL/19/115192
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 Planning Compliance Quarterly Activity report.

CONFLICT OF INTEREST

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

PREVIOUS COUNCIL DISCUSSION

This is the fourth and final report for the 2021-2022 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 and local law compliance for community and township amenity.

A number of organisational 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
- control of roadside activities, occupation and utilisation
- investigate planning scheme breaches and enforce planning permit conditions
- intervention in public nuisance issues.

ISSUES/DISCUSSIONAdministrative

Table 1 provides a summary of administrative functions undertaken.

Table 1: Administrative

Quarter 4 (1 April 2022 – 30 June 2022)			
Activity	After hours call outs (*)	Littering or illegal rubbish dumping	Local law permits issued
No. actions	4	1	19

(*) 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 unightly properties is provided in Table 2. Identified unightly properties are assessed and prioritised for compliance action.

Staffing vacancies within the unightly properties area has limited the ability for significant progress to be made in this area.

Table 2: Summary of unightly properties activities

Quarter 4 (1 April 2022 – 30 June 2022)																
Town/Locality	Eddington	Rheola	Newbridge	Tarnagulla	Inglewood	Bridgewater	Wedderburn	Korong Vale	Borong	Boort	Pyramid Hill	Mitiamo	Dingee	Serpentine	Rural/Other	Total
No. identified from previous report period	2	0	5	1	6	2	19	3	4	4	4	1	1	0	0	52
No. resolved during quarter	0	0	0	0	2	0	0	0	0	0	0	0	0	0	0	2
New action commenced	0	0	0	0	2	0	0	0	0	0	0	0	0	0	0	2
No. currently pursuing	2	0	5	1	6	2	19	3	4	4	4	1	1	0	0	52
Progress Activities																
Site meeting / discussion held	0	0	0	0	2	0	0	0	0	0	0	0	0	0	0	2
Letter to comply issued	0	0	0	0	2	0	0	0	0	0	0	0	0	0	0	2
Occupier has commenced clean-up work	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Notice to comply issued	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Contractor engaged for clean-up work	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Animal management

Table 3 provides a high level summary of animal management activities.

Table 3: Summary of animal management activities

Quarter 4 (1 April 2022 – 30 June 2022)						
Activity	Wandering livestock	Trespassing livestock	Dog attack	Domestic animal at large	Distribution of cat traps	General complaints / other
No. of actions	0	2	2	8	16	28

Table 4 summarises animal management activities that resulted in impoundments, encompassing both domestic animals and livestock.

Table 4: Impoundment activities

Quarter 4 (1 April 2022 – 30 June 2022)				
Animal type	Impoundments	Returned to owners	Animals rehoused	Animals disposed
Livestock	0	0	0	0
Dogs	7	5	2	0
Cats	9	1	8	0
Feral Animals	-	-	-	43
Total	16	6	10	43

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 2022 – 30 June 2022)					
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	4	1	0	1	4
Native vegetation removal without a permit	5	2	0	1	6
Breach of planning permit	2	0	0	1	1
Dog breeding / animal keeping	3	2	0	1	4
Land used as a store without planning permit	1	1	0	0	2

Occupation of a site without a planning permit	5	0	0	0	5
Total	20	6	0	4	22

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 2021-2022 financial year for the local laws and compliance activities contained within this report is \$64,996. 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 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* 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 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.

11.4 QUARTERLY REPORT: ANNUAL INFRASTRUCTURE PROGRAM 2021-2022 AND OTHER PROJECTS.**File Number:** 14.01.001**Author:** Adam Cooper, Project Management Coordinator**Authoriser:** David Southcombe, Manager Assets and Infrastructure**Attachments:** 1. **Annual Infrastructure Program 2021-2022 - Confidential**

This attachment is designated as confidential in accordance with Section 3(1)(a) and (g(ii)) of the *Local Government Act 2020*. It contains Council business information, being information that would prejudice the Council's position in commercial negotiations if prematurely released; AND private commercial information, being information provided by a business, commercial or financial undertaking that if released, would unreasonably expose the business, commercial or financial undertaking to disadvantage.

Pursuant to Section 66 (5)(b) of the Local Government Act 2020, If released the information to be received, discussed or considered in relation to this agenda item, may prejudice the commercial position of Council and/or disadvantage a private business, as various negotiations remain pending. **(under separate cover)**

2. **Annual Infrastructure Program 2021-2022 - No Budget**3. **Other Projects - Confidential**

This attachment is designated as confidential in accordance with Section 3(1)(a) and (g(ii)) of the *Local Government Act 2020*. It contains Council business information, being information that would prejudice the Council's position in commercial negotiations if prematurely released; AND private commercial information, being information provided by a business, commercial or financial undertaking that if released, would unreasonably expose the business, commercial or financial undertaking to disadvantage.

Pursuant to Section 66 (5)(b) of the Local Government Act 2020, If released the information to be received, discussed or considered in relation to this agenda item, may prejudice the commercial position of Council and/or disadvantage a private business, as various negotiations remain pending. **(under separate cover)**

4. **Other Projects - No Budget****RECOMMENDATION**

That Council note the update on progress of the Annual Infrastructure Program 2021-2022 and Other Projects as at the end of June 2022.

CONFLICT OF INTEREST

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

PREVIOUS COUNCIL DISCUSSION

This report is for the final quarter of 2021-2022 financial year, providing an update on the progress of the Annual Infrastructure Program. The status of other projects that are delivered by the Assets & Infrastructure Department, but are not part of the Annual Infrastructure Program, are also included in the report.

The Annual Infrastructure Program 2021-2022 was approved at the July 2021 Council meeting with a budget expenditure of \$3,985,985.

BACKGROUND

This report is produced quarterly and is provided to Council for the purpose of reporting progress of the Annual Infrastructure Program and other projects that the Assets & Infrastructure Department is responsible for delivering.

ISSUES/DISCUSSION

Annual Infrastructure Program

Attachment 1 provides a progress summary of the Annual Infrastructure Program for the final quarter of the 2021-2022 financial year.

There are 73 individual projects listed including carryovers from the previous financial year 82% of these are either complete or have commenced. Of these projects, 42 are complete and 18 have commenced and/or are under contract. Three projects had been awarded and now require re-quoting due to the contractor withdrawing.

Other Projects

In addition to the Annual Infrastructure Program, the Assets & Infrastructure Department is responsible to oversee the delivery of a number of different projects. Attachment 2 provides a summary of the other projects at the end of second quarter of 2021-2022 financial year. All completed projects are removed from subsequent quarterly progress reports.

Community Support Projects of Donaldson Park upgrade – Stage 2 have been added to the list.

COST/BENEFITS

Attachment 1 gives a summary of progress of individual projects within this program as at 30 June 2022. Please note that the attachment includes additional projects such as new grants and carry over projects in addition to the 2021-2022 Annual Infrastructure Program. This brings the total value of projects being delivered to \$9,800,149. The attachment is including recently completed projects with expenditure figures to be finalised. The expenditure at the end of the final quarter is \$6,493,363, this includes payments made against projects completed just after the end of the last financial year.

The Assets & Infrastructure Department is currently managing other significant, multi-year, complex projects covered in Attachment 2, which are in different stages of progress. The combined value currently of such projects is \$14,991,352. With a number of these projects having recently commenced, expenditure to date on these active projects is \$460,314. While some projects are at construction stage, others are currently within the design stage and will progress to construction in the coming financial years.

RISK ANALYSIS

There are a number of risks associated with the delivery of the Annual Infrastructure 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 and other significant projects to ensure that any issues are minimised.

CONSULTATION AND ENGAGEMENT

The information provided in this report is presented after consultation with the Manager Assets and Infrastructure and the Works Department.

Attachment 1 - Annual Infrastructure Program 2021-2022

Category	Project No.	Project Name	Project Details	Expenditure	% Activity	Comments
Local Road Resheet	LRS1237	Old Leitchville Rd, PYRAMID HILL	Resheet 6.945 to 8.72km	\$ 84,436	100%	Complete
	LRS1192	Williamsons Rd, LAANECOORIE	Resheet 0.0 to 0.6km	\$ 15,987	100%	Complete
	LRS1236	Loddon River Rd, LEAGHUR	Resheet 17.5 to 19.3km	\$ 56,884	100%	Complete
	LRS1243	Angle Rd, WOODSTOCK WEST	Resheet 0.0 to 1.5km	\$ 28,199	100%	Complete
	LRS1138	Derby-Serpentine Rd, BRIDGEWATER NORTH	Resheet 9.4 to 11.0km	\$ 45,827	100%	Complete
	LRS1184	Wedderburn Brenanah Rd, BREANANAH	Resheet 11.3 to 12.1km	\$ 8,640	100%	Complete
	LRS1186	Michael La, NEWBRIDGE	Resheet 0.0 to 0.9km	\$ 24,518	100%	Complete
Local Road Shoulder Sheet	LRSS0367	Wedderburn-Serpentine Rd, GLENALBYN	Shoulder Resheet 3.34 to 5.94km	\$ 37,242	100%	Complete
	LRSS0365	Korong Vale-Kinypaniel Rd, KINYSPANIAL	Shoulder Resheet 5.58 to 7.88km	\$ 42,337	100%	Complete
Local Road Construction - Asset Preservation	LRC0487	Bridgewater Raywood Rd	Rehabilitation and widening of existing pavement and seal	\$ 1,087,870	100%	Stage 1 -Complete Stage 2 - Complete
	LRC0496	Laanecoorie-Newbridge Rd	Rehabilitation and widening of existing pavement and seal	\$ 739,553	100%	Complete. Project extended.
	LRC0498	Prairie Rd, PRAIRIE	Reconstruction 4.96 to 7.12km	\$ 609,648	100%	Complete
	LRC0471	Tandarra Serpentine Rd, TANDARRA	Reconstruction 1.3 to 2.14km	\$ 180,623	100%	Complete
	LRC0482	Wedderburn-Wedderburn Junction Road, WEDDERBURN	Reconstruction 1.9 to 2.4km	\$ 115,628	100%	Complete
Local Road Construction - Amenity	AMN 037	Lane b/h E of High St, WEDDERBURN	Sealing of local township road	\$ 77,250	100%	Complete
	AMN 046	Potters Hill La, Market St, and Nixon St, INGLEWOOD	GATT seal upgrade	\$ 150,075	100%	Complete
Local Road Construction - Safety	SAF0039	Dunns Rd, KAMAROOKA NORTH	Removal of Hazardous Trees	\$ 75,376	100%	Complete
	SAF0042	Laucke Access - Lily Street Upgrade - BRIDGEWATER	Widen Existing formation to appropriate clear zone width	\$ 13,332	95%	Re-tendered - Works Completed in August 2022
	SAF0043	Signage Instalation for Restricted Structures	Install signs of load limits on restricted structures	\$ 15,200	33%	Commenced - Carry over to 2022-2023

Attachment 1 - Annual Infrastructure Program 2021-2022

Category	Project No.	Project Name	Project Details	Expenditure	% Activity	Comments
Township St Improvement	TSI0386	Lakeview St, BOORT	Kerb and Channel King St to Weaver St (West Side)	\$ 129,551	100%	Complete
	TSI0400	Andrews St, BOORT	160m Kerb & Channel	\$ 39,993	100%	Complete
	TSI0412	Barber Street, PYRAMID HILL	Construct new footpath on Eastern side of Barber Street.	\$ 96,176	100%	Completed July 22
	TSI0456	Sullivan St, INGLEWOOD	230m x 1.5m footpath on one side	\$ 63,019	100%	Complete
	TSI0495	Southey St, INGLEWOOD	130m x 1.5m footpath on west side			Carry over - Commence Sep 2022
	TSI0496	Belmont St, INGLEWOOD	230m x 1.5m footpath on one side	\$ 87,234	100%	Complete
	TSI0498	Belmont St, INGLEWOOD	330m x 1.5m footpath on one side	\$ 81,110	100%	Complete
	TSI0499	Armstrong St, BOORT	180m x 1.5m footpath on one side			Carry Over - Commence August 2022
	TSI0500	Armstrong St, BOORT	145m x 1.5m footpath on one side			Carry Over - Commence August 2022
	TSI0501	McMillans Rd, BOORT	170m x 1.5m footpath West Side			Carry Over - Commence August 2022
	TSI0502	Nelson St, NEWBRIDGE	210m x 1.5m footpath East side	\$ 34,169	85%	Carry Over - Commenced July 2022
	TSI0524	Kerr St, WEDDERBURN	100 x 2m footpath renewal	\$ 40,848	100%	Complete July 2022
	TSI0513	Commercial Rd Footpath, TARNAGULLA	185m x 3.8m footpath renewal			Commence August 2022
	TSI0402	High St Footpath Renewal, WEDDERBURN	175m x 1.8m footpath renewal	\$ 58,275	100%	Complete July 2022
TSI0444	Grant St Kerb & Channel Renewal, INGLEWOOD	Old Kerb and Channel needs to be replaced			Carry Over - Re-tendered in Aug 2022	
Local Bridges and Culverts	LBCC0370	Pickles Rd	Replace box culvert	\$ 17,607	100%	Complete
	LBCC0379	Baileys Rd Bridge (SN0164)	Replace bridge	\$ 738,540	100%	Complete
	LBCC0421	Godfrey St Bridge, WEDDERBURN	Replace culvert and upgrade	\$ 87,195	15%	Carry over - Awarded - Culverts on site, Construction from November 2022
	LBCC0404	Gladfield Road Box Culvert Replacement	Culvert Replacement	\$ 163,278	100%	Complete
Reseals	34 Projects	Multiple	Reseal Program. 34 Roads, 58 segments	\$ 826,246	95%	Complete bar 1 Carry over

Attachment 1 - Annual Infrastructure Program 2021-2022

Category	Project No.	Project Name	Project Details	Expenditure	% Activity	Comments
Urban Drainage	TSD0148	Arnold Rd, BRIDGEWATER	Existing pipe is damaged	\$ 44,786	100%	Complete
	TSD0173	Skidders Flat Safety Manual and Site Investigation	Develop a safety manual and engage consultant to inspect reservoir and recommend safety upgrades	\$ 87,007	90%	To be completed in 2022-2023
	TSD0184	Skidders Flat Wedderburn Design	Additional allocation to the Skidders Flat project to allow geotechnical investigation, survey and design of the embankment upgrade	\$ 59,425	50%	Commenced
	TSD0171	Vernon Street Drainage Alleviation Project, INGLEWOOD	Installation of underground stormwater pipe and easement creation in Primary School ground			Awarded, commence September 2022
	TSD0156	Davies Lane, KORONG VALE	Stormwater Drain Extension			Re-tendering in 2022-2023
Parks and Gardens	PGC028	Boort Park Playground Footpath. BOORT	Footpath installation			Carry Over
	PGC029	The Hill Reserve Works	Car Park, walk track entry, picnic ground. Retaining wall, furniture renewal, public place bin surround, tree assessment and uplift, and planting out native shrubs.	\$ 18,843	100%	Complete
	PGC032	Progress Park, NEWBRIDGE	Install a BBQ and shelter	\$ 19,413	90%	Carry over - Quarter 4
	PGC034	Township Tree Identification Project	Tree identification of all street trees within Council township boundaries, parks and open spaces. An audit of tree species on nature strips by township			Carry Over to 2022-2023
	PGC041	Lions Park East, PYRAMID HILL	Replace barbecue shelter and benches	\$ 19,414	50%	Shelter purchased. Awaiting Building permit.
	PGC043	Shire Wide	Completion of remainder of public bin replacements	\$ 2,883	5%	Carry over to 2022-23
	PGC042	Shire Wide General Allocation	Tree removal and replacment - high priority trees first			Carry over 2022-2023
	PGC036	Mitiamo Recreation Reserve Water Supply Tank from Pipeline	Installation of 250 k Litre water tank and pump	\$ 54,433	100%	Complete

Attachment 1 - Annual Infrastructure Program 2021-2022

Category	Project No.	Project Name	Project Details	Expenditure	% Activity	Comments
Buildings	BLD047	Botanic Gardens, INGLEWOOD	Septic tank and field replacement			Awaiting DELWP approval
	BLD048	Town Hall, INGLEWOOD	Install deck in atrium		20%	Carry over - Re-quote
	BLD066	Mechanics Institute Hall, KORONG VALE	Replace whole outer building fasard including but not limited to Roof, Weatherboards, Windows, Doors, and Fascia. Also maybe significant water rot in frame and restumping in parts.	\$ 95,325	45%	Commenced April 2022
	BLD069	Public Toilets, SERPENTINE	New septic field (rest stop toilets)	\$ 1,676	10%	Arranging moving of underground power and water lines.
	BLD078	Memorial Hall, BOORT	Foundation restumping	\$ 6,440	20%	Commenced
	BLD079	Croquet Club, BOORT	Water supply from pool upgrade	\$ 17,723	100%	Complete
	BLD085	Senior Citizens, WEDDERBURN	Remove partial wall left of front verandah	\$ 5,179	100%	Complete
	BLD040	Public Toilets, TARNAGULLA	Replace waste water system - dispersal field	\$ 1,883	20%	Tendered in July 2022
	BLD092	Public Toilets, EDDINGTON	Replace floor tiles and cubicle doors	\$ 6,087	100%	Complete
	BLD093	Public Toilets, TARNAGULLA	Install floor tiles and replace cubicle doors	\$ 1,855	100%	Complete
	BLD046	Public Hall, EDDINGTON	Septic Tank and field replacement	\$ 2,657	5%	Quarter 1 2022/2023 tender
	BLD007	Asbestos removals	Asbestos audits	\$ 49,646	100%	Complete
	BLD099	James Boyle Hall, BOORT	Sound shell gutter replacement	\$ 1,304	100%	Complete
	BLD027	Public Toilets, KORONG VALE	Upgrade sewer pipes	\$ 11,050	100%	Complete
	BLD096	Community Centre, EAST LODDON	Paint exterior	\$ 32,797	100%	Complete
	BLD102	Building Emergency Works Allocation	Allowance for emergency works	\$ 45,365	100%	Complete
BLD103	Building Floor Plan Updates	Providing new floor plan drawings for nominated list of buildings	\$ 13,350	100%	Complete	
BLD104	Building Compliance audits & minor rectification works	Undertake 12 x buildings audits (1 per month) & minor rectification works	\$ 22,956	100%	Complete	

Attachment 1 - Annual Infrastructure Program 2021-2022

Category	Project No.	Project Name	Project Details	Expenditure	% Activity	Comments
	BLD100	Community Facilities Sewage Project, TARNAGULLA	Three waste points from Public Toilets, Town Hall and Community Centre. Primary waste managemnt at site then all pipe to a secondary processing, then onto filter array located accorss Sandy Creek at old oval.		10%	Tendered in July 2022, award in Aug 2022.
	BLD101	EPU Waste Water Project, DINGEE	Septic tank and filter system. Septic field will need to be fenced with a gate for access.		5%	Design to be completed
	BLD097	Historial Society Building, WEDDERBURN (KORONG)	Construction of addition building for kitchen and toilets			Carry over 22/23.
Total				\$	6,493,363	

Attachment 2: Other Projects

Project no.	Project Description	Expenditure	Responsible Office	Activity %	Comments
1	Boort Levee	\$ 138,345	PMC, PO	25%	Council continuing negotiations with Dja Dja Wurrung.
2	Pyramid Hill Drainage Strategy and Drainage data capture	\$ 26,730	PMC, PO	55%	Draft strategy completed. Multi-year approach.
3	Pyramid Hill Flood Mitigation Works	\$ -	PMC, PO	10%	Design complete, Landowner consultation commenced
4	Pedestrian crossing - Coutts St, Boort - Lighting	\$ -	PO, MAI	20%	Lighting design for construction commenced
5	Donaldson Park Construction - Stage 1	\$ 160,034	MCS, PMC	10%	Demolition completed in August. Tender awarded - September commencement
6	Pyramid Hill Streetscape	\$ 50,800	MCS, PMC	10%	Tender awarded - July commencement
7	Pyramid Hill Community Centre Design and Construct	\$ 67,322	MCS, PMC	5%	Tender awarded for design phase
8	Donaldson Park Construction - Stage 2	\$ 17,083	MCS, PMC	10%	Design work commenced

Total \$ **460,313.96**

Responsible Officer

PMC	Project Management Coordinator
PO	Project Officer/Engineer
MAI	Manager Assets and Infrastructure
BMO	Building Maintenance Officer
MEC	Manager Executive and Commercial Services
MCS	Manager Community Support

11.5 QUARTERLY STATUTORY PLANNING PERMIT ACTIVITY REPORT

File Number:

Author: Louise Johnston, Statutory Planning Coordinator

Authoriser: Glenn Harvey, Manager Development and Compliance

Attachments:

1. Applications completed in the quarter
2. Applications being processed in the quarter

RECOMMENDATION

That Council receive and note the Quarterly Statutory Planning Permit Activity Report for April to June 2022.

CONFLICT OF INTEREST

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

PREVIOUS COUNCIL DISCUSSION

This is the fourth report for the 2021- 2022 financial year summarising planning application activities undertaken within the Development and Compliance Department.

BACKGROUND

This report covers the planning permit activity for the previous 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/DISCUSSIONPlanning permit activities

A detailed summary of the status of planning permits can be found in Attachments 1 and 2.

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 is to be measured following the acceptance of a planning permit application.

Table 1 provides a summary of the average timeframe in which the Development and Compliance Department assessed and issued Planning Permits during the fourth quarter of the 2022-2022 financial year and compares these to the Victorian rural average.

Table 1: Average timeframes for decisions

Quarter 2 of the 2021/2022 financial year				
Month	Average gross days to determine	Median processing days to determine	Completed within 60 days	Rural average completed within 60 days
April	70	25	78%	65.1%
May	67	61	75%	68.6%
June	159	34	88%	63.6%
Total Quarterly average	104	33	81.0%	64.6%

During the fourth quarter of the 2021-2022 financial year 81% of all Planning Permit applications were assessed and issued within the timeframes as set in the Planning & Environment Act 1987. This is 16% above the rural average. In addition, the median processing days for Council to make a determination on applications is 33 days, well below the rural average of 73 days, a great result for Council and its planning team.

COST/BENEFITS

The expenditure for the fourth quarter of 2021-2022 financial year of the statutory planning activities contained within this report is \$78,623

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
- correct implementation of 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 consult with a number of stakeholders on a regular basis including:

- applicants
- surrounding land owners
- regulatory authorities
- other Loddon Shire Council departments
- other municipalities

Planning Application Completed in the Quarter

1st April, 2022 to 30th June, 2022

Decisions
23

App Number	Lodged	Site Address	Locality	Status	Development Description	Applicant Name	Applicant Organisation
5357	9/06/2022	Lot 2 Wedderburn-Serpentine Road	Glenalbyn	Withdrawn	Amendment to the endorsed plans. Change in location, and design of approved dwelling	Trudy Nelsson	
5446	17/05/2019	1477 Yorkshire Road	Newbridge	Lapsed	Construction & operation mushroom growing associated facilities	Andrew Glatte	Scato Plus
5569	8/04/2022	4027 Bendigo-Maryborough Road	Eddington	Application Complete	Buildings and works (machinery shed) under an ESO2 and buildings and works associated with a section 2 use (industry) in the Farming Zone	Caddick Designs	
5652	10/03/2021	Tamagulla Road	Inglewood	Application Complete	Licensed Wild Game Pet Meat Processing Facility	David Preece	Campaspe Meat Company Pty Ltd
5742	27/01/2022	69 Southey Street	Inglewood	Application Complete	3 lot subdivision	Shaw Land Surveys	
5752	27/01/2022	Lot 1 Boort-Pyramid Road	Boort	Application Complete	Upgrading of existing signage to reflect the rebranding of Caltex to Ampol ***Cultural Sensitivity Applies	SLR Consulting Australia Pty Ltd	
5759	28/01/2022	Lot 17 Wakefield Street	Wedderburn	Withdrawn	Use and development of the land for a dwelling and associated outbuildings	Charlotte Edwards	
5761	10/02/2022	20 Main Street	Bridgewater on Loddon	Application Complete	Construction of a garage under the Heritage Overlay, construction of non-habitable outbuilding with a floor area of more than 130 square metres under the Land Subject to Inundation Overlay.	Ian & Shirlene Cox	
5764	16/02/2022	8 Commercial Road	Tarnagulla	Lapsed	Development of a relocatable dwelling	Justine Smith	
5771	16/03/2022	Lot 1 Greens Lane	Berrimal	Application Complete	Use and development of a dwelling and shed	Shane Muir Consulting Engineers P/L	
5772	18/03/2022	Lot 1 Scotts Lane	Wedderburn	Application Complete	Development of a dwelling within 100m of a waterway	Andrew Morrow	
5773	18/03/2022	7243 Calder Highway	Wedderburn	Application Complete	Re- subdivision of three existing lots into three new lots	Shane & Rebecca Douglas (Vella)	
5774	22/03/2022	11 King Street	Dingee	Application Complete	Use and development of the land for a store associated with a rural fencing business	Kieren Lewin	Lewin Fencing

App Number	Lodged	Site Address	Locality	Status	Development Description	Applicant Name	Applicant Organisation
5776	30/03/2022	79 Northlands Road	Derby	Application Complete	Use and development of a second dwelling on Lot 1 TP 561511E (formerly CA 49A2)	Mervyn & Laurel Broad	
5778	14/04/2022	106 Thompson Street	Inglewood	Application Complete	Development of a building less than 5 metres from a property boundary	Brett McEwan	C/- Entegra Signature Structures
5779	21/04/2022	54 Bennetts Road	Leaghur	Application Complete	Extension to existing dwelling and associated works under the LSIO	Matthew Kane	
5781	26/04/2022	845 Old Boort Road	Bears Lagoon	Application Complete	Development of a shed with a total area of more than 130 metres squared under the LSIO, and within 100 metres of a designated waterway	Brent Williams	BW&A National
5784	4/05/2022	1201 Derby Serpentine Road	Bridgewater North	Application Complete	Removal of native vegetation (1 large tree) for the development of pivot irrigation	David & Sue Collins	
5785	6/05/2022	6 Guiney Street	Laanecoorie	Application Complete	Extension to the north of the existing Emergency Services Facility	Leonnard Lawrence Architect	
5786	10/05/2022	8 Slys Road	Loddon Vale	Application Complete	Buildings and works (machinery shed) with a total area more than 130 metres squared under the Land Subject to Inundation Overlay	Graeme Bear	AH BEAR & SONS
5788	31/05/2022	1185 Boort-Wedderburn Road	Korong Vale	Application Complete	Development of a carport associated with an existing dwelling	Rhonda Owen	Spanline Home Additions
5790	1/06/2022	East Loddon Lions Club, Pyramid Yarraberb Road	Dingee	Application Complete	Painting of murals on existing buildings and installation of memorial rock and sculpture	Lions Club of East Loddon	
5793	8/06/2022	47 Sullivan Street	Inglewood	Application Complete	Externally paint a heritage building with external paint controls	Lisa Evans	

Applications being processed in the quarter

1st April, 2022 to 30th June, 2022

Number of Applications
23

Number	Lodged	Site Address	Site Address Suburb	Status	Development Description	Applicant Name	Applicant Organisation
5275	18/04/2018	Boyds Road	Newbridge	Referral	Modify road access to property via Yorkshire Rd & Boyds Rd North & amend locction of retarding basin.	Tim Martin	
5407	10/12/2018	16 Park Street	Bridgewater on Loddon	Further Information	Landscaping and 2 Lot Subdivision	Dave Edwards	
5419	25/01/2019	135 Old Logan-Burkes Flat Road	Burkes Flat	Referral	Gold Mining	K R Johnson	Dunolly Gold Developments
5693	30/07/2021	Bendigo-St Arnaud Road	Moliagul	Further Information	Gold mining and native vegetation removal	Shayne Dixon	
5767	10/03/2022	358 Hills Road	Barraport West	Advertising Complete	Removal of native vegetation (19 Trees) to allow the development of a lateral irrigator	Angus Parry	Airedale
5768	11/03/2022	Grant Street	Newbridge	Referred	Use and development of the land for a dwelling, removal of native vegetation and associated works	NR Links	
5769	10/03/2022	317 Cumows Road	Calivil	Planner Assessment	Installation of a drainage flow control structure within the north-eastern corner of the land to allow outflow/stormwater discharge point from the land	Jade Clymo	Calmo Farms
5777	4/04/2022	Wychitella Road	Wedderburn	Further Information	Development of a Dwelling & Sheds	Graham Connell	Black Forest Drafting Service
5780	14/04/2022	92 Victoria Street	Pyramid Hill	Further Information	To keep four dogs- two breeding dogs & two pet dogs	Patricia Quaife	TAQ Mechanical
5796	15/06/2022	Calder Highway	Wedderburn	Ready For Decision	Retrospective development of two Shipping Containers with new roof for storage	Garry Stephenson	
5797		Inglewood Railway Station & AJ Mitchell Park, 2 Thompson Street	Inglewood	New Application	Replacement and refurbishment of rail concrete swale and box culvert	V/Line	
5802	11/07/2022	Inglewood Road	Bridgewater	Referral	Create a new access into Transport Road Zone (Arnold Road)	Jessica Taelangi	

Number	Lodged	Site Address	Site Address Suburb	Status	Development Description	Applicant Name	Applicant Organisation
5803	27/07/2022	Victoria Street	Boort	Advertising	Removal of redundant rail infrastructure within the Heritage Overlay	V/Line	
5806	15/07/2022	58-74 Main Street	Bridgewater on Loddon	Advertising	34 Lot residential subdivision and removal of native vegetation.	Josh Cummins Land Surveyor	
5808		6 Main Street	Bridgewater on Loddon	New Application	Extension and alterations to shop front	Patrick O'Toole	Bridgewater Bakehouse
5809	4/08/2022	Lot 3A Marong-Serpentine Road	Bridgewater North	Further Information	Use and development of the land for a dwelling	Jordan Evely	
5810	27/07/2022	15 Verdon Street	Inglewood	Advertising	Use of shed to operate automotive electrical business	Tyson Kloester	
5811	27/07/2022	Lot 8 Mason Drive	Moliagul	Further Information	Use and development of the land for a dwelling	Rod Hinton	Bendigo Planning Services
5812	2/08/2022	3668 Tandarra Elmore Road	Tandarra	Referral	Development of a inground pool in the LSIO	Benjamin Govett	
5813	2/08/2022	Lot 13 Wakefield Street	Wedderburn	Advertising	Use and development of a Dwelling	Rod Hinton	Bendigo Planning Services
5814		75 Southey Street	Inglewood	New Application	2 Lot Subdivision	Bernard Koolstra	
5815		Lot 1 Bretts Road	Kurraca	New Application	Proposed industrial use of site with rural worker accommodation, onsite chemical storage and construction of distillery building and machinery shed ** Cultural Sensitivity	Rod Hinton	Bendigo Planning Services
5816	4/08/2022	72 Brooke Street	Inglewood	Further Information	Two 2400 x 600 signs to be mounted onto existing fascia	Khanh Cung	

11.6 STRATEGIC PLANNING QUARTERLY 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 Quarterly 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 final report for the 2021-2022 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, relevant and is consistent with 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/DISCUSSIONCurrent 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 2021-2022 financial year.

Table 1: Current Strategic Planning Projects

Current Strategic Planning Projects Quarter 3 (1 April 2022 – 30 June 2022)			
Project	Tasks undertaken during the quarter	Future tasks	Estimated task completion
Heritage loan policy	Preparation of a draft that provides conditions and criteria for applications has been completed.	Internal review by Policy Review Group.	October 2022
Wedderburn Housing Development (Stage 2) feasibility assessment.	A report containing concept design and estimated costing has been completed. An additional economic	Presentation to Council at the October Forum.	October 2022

Current Strategic Planning Projects Quarter 3 (1 April 2022 – 30 June 2022)			
Project	Tasks undertaken during the quarter	Future tasks	Estimated task completion
	analysis has been prepared to improve the understanding of the cost / benefit of the project.		
Industrial Land Strategy.	A discussion paper is being finalised. The information in the discussion paper will provide a starting point for community consultation.	Internal review by Policy Review Group.	December 2022
Detailed feasibility assessment of key residential development sites identified in the Settlement Strategy.	Preliminary assessment of the sites has commenced in house. A funding submission to the Victorian Planning Authority has been lodged seeking support for this project.	Seek suitable consultant to provide additional assessment following refinement of the issues.	November 2022
Planning Scheme Review	The review report has been commenced.	Internal review by Policy Review Group.	December 2022
Updated flood controls planning scheme amendment (Land Subject to Inundation Overlay and Floodway Overlay).	Draft amendment documents are being prepared in conjunction with the NCCMA.	Exhibition of the planning scheme amendment.	December 2022

COST/BENEFITS

The expenditure for the final quarter of the 2021-2022 financial year for the strategic planning activities contained within this report is \$16,399.

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 and the North Central Catchment Management Authority
- other Loddon Shire Council departments
- other municipalities.

11.7 QUARTERLY BUILDING SERVICES ACTIVITY REPORT

File Number: 13/06/001, 13/08/001, 13/08/003
Author: Glenn Harvey, Manager Development and Compliance
Authoriser: Steven Phillips, Director Operations
Attachments: Nil

RECOMMENDATION

That Council receive and note the Quarterly 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

Council is provided with information quarterly summarising building services activities relating to permits, certificates and statutory enforcement activity undertaken within the Development & Compliance Department. This is the fourth quarterly report for the 2021-2022 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 and 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 and 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 permits, occupancy permits and final inspections is a basic indicator of building development and investment within the Loddon Shire Council area.

ISSUES/DISCUSSION

Throughout the fourth quarter of the 2021-2022 financial year, items of significance relating to the activity of Council's building services include:

- swimming pool registration requirements and registration of the Complying Barrier Certificates
- inspecting and decommissioning over 60 pools and spas
- follow up on enforcement activities including following up Court and Building Appeals items
- ongoing implementation and improvement of software system changes.

Building permits

Table 1 provides the number and total value of building permits issued for the last quarter of 2020-2021 and the first, second and third quarters of 2021-2022. There is variation in the value of permits throughout any given financial year and this is attributable to the scale and cost of individual projects.

Table 1: Summary of new building permits issued

	Quarter 1 2021-22 (01/07/2021 – 30/09/2021)	Quarter 2 2021-22 (01/10/2021 – 31/12/2021)	Quarter 3 2021-22 (01/01/2022 – 31/03/2022)	Quarter 4 2021-22 (01/04/2022 – 30/06/2022)
No. of new Permits	39	45	37	47
Value of Works	\$3,144,433	\$5,782,648	\$4,324,892	\$16,258,455

The significant increase in value of works for quarter four is due to a high value extension to a Piggery in Yarrawalla.

Table 2 provides a summary of the number of final inspections and certificates of occupancy issued for building permits for each quarter.

Table 2: Summary of final inspections and occupancy permits

	Quarter 1 2021-22 (01/07/2021 – 30/09/2021)	Quarter 2 2021-22 (01/10/2021 – 31/12/2021)	Quarter 3 2021-22 (01/01/2022 – 31/03/2022)	Quarter 4 2021-22 (01/04/2022 – 30/06/2022)
Certificates of final inspection	21	34	31	25
Occupancy Permits	9	9	18	8

Council Building Services staff continue to work proactively with Council issued permit holders, sending follow up letters to notify building owners approximately two months before their building permits are due to lapse. This allows owners to arrange a final inspection/occupancy permit or apply for an extension of time for their building permit.

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	Total actions	Building notice issued	Building order issued	Appeal to Building Appeals Board	Legal action / solicitors letter started this quarter	Legal action ongoing	No. resolved during this quarter
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Type	Actions incomplete from previous report period	New action started	Total actions	Building notice issued	Building order issued	Appeal to Building Appeals Board	Legal action / solicitors letter started this quarter	Legal action ongoing	No. resolved during this quarter
Building damaged by fire	0	1	1	0	0	0	0	0	0
Works required to make building safe (including pools)	19	1	20	3	2	1	0	1	0
Carrying out building works without a permit	4	4	8	1	1	0	0	0	0
Works not in accordance with building permit	2	0	2	0	0	0	0	0	0
Illegal occupation of non-habitable building	0	0	0	0	0	0	0	0	0
Building with non-complying essential safety measures	1	0	1	0	0	0	0	0	0

Whilst new issues requiring enforcement are identified regularly, it is also noted there are some longstanding enforcement activities that are ongoing. The time spent on individual items can be significant particularly when it requires escalation to Court. Council officers work to try to resolve matters without legal intervention.

The Manager Development and Compliance is currently also performing the role of Municipal Building Surveyor whilst recruitment for the vacancy is continuing. This is impacting on progressing compliance matters as well as permit applications. Community members that are making Building Permit applications are being advised that there will be delays in processing their applications due to our current situation. They are also being informed of the alternative of engaging a Private Building Surveyor.

COST/BENEFITS

The expenditure for the fourth quarter of the 2021-2022 financial year for building services activities was \$14,732. The functions associated with the delivery of the Municipal Building Surveyor service have been delivered by the Manager Development and Compliance.

The cost to Council of enforcement activity can be quite significant, particularly in terms of Council officers' 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 Municipal Building Surveyor, together with other 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 all building and development works. As such, it is vital 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.

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.

A significant risk within Loddon Shire is unregulated developments, in particular small allotments which are sold to purchasers that have expectations of using it for a cheap home or "weekender". Often the landholder is unable or unwilling to meet the regulatory requirements to safely utilise the site as they desire. This has led to a number of undesirable and potentially unsafe outcomes of unregulated developments. This remains a matter of concern for Council's Municipal Building Surveyor and Local Laws & Planning Compliance Officer.

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 essential safety measures assessments/inspections to the provision of advice relating to the need for building permits and other functions administered by the Municipal Building Surveyor under the Building Act and Building Regulations. Any business operator, developer, resident or ratepayer that is subject to enforcement action is regularly consulted with during the enforcement process to give them the opportunity to avoid the escalation of enforcement action.

12 COMPLIANCE REPORTS**12.1 MINUTES OF AUDIT AND RISK COMMITTEE MEETING****File Number:****Author:** Amanda Wilson, Director Corporate**Authoriser:** Lincoln Fitzgerald, Chief Executive Officer**Attachments:** 1. Audit and Risk Committee Meeting Minutes - August 2022**RECOMMENDATION**

That Council receives and notes the unconfirmed minutes of the Audit and Risk Committee 1 August 2022

CONFLICT OF INTEREST

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

PREVIOUS COUNCIL DISCUSSION

Council is provided with the minutes of each Audit and Risk Committee meeting. There are four Audit and Risk Committee meetings held each year – February, May, August and November.

BACKGROUND

This report is provided under the Local Government Act 2020 (the Act) and the Audit and Risk Committee Charter.

Section 9 of the Charter states:

- a) *Minutes of Committee meetings will be provided to Council at the first available opportunity after clearance by the Committee Chairperson following each Committee meeting.*
- b) *The Director Corporate will provide a copy of the Audit and Risk Committee annual self-assessment survey to the Chief Executive Officer for tabling at the next Council meeting, in accordance with section 54(4)(b).*

ISSUES/DISCUSSION

The Audit and Risk Committee agenda for the meeting held on 1 August 2022 included the following items:

Decision Reports

- Internal audit report: review of Council Governance Framework
- VAGO fraud control over local governance grants
- Financial and performance statements for endorsing the year ended 30 June 2022
- Business impact analysis - Operations

Compliance Reports

- Outstanding audit actions reports
- Proposed outstanding audit actions report
- Verbal fraud and corruption report presented by the Chief Executive Officer

- Matters referred by Council that may impact the Audit and Risk Committee

Information Reports

- Management letter – end of financial year
- Quarterly report on Councillor expenses

An in camera meeting was also held with internal and external auditors without Officers present.

There was full Committee attendance at the meeting of all Independent Members, a Councillor representative, the Chief Executive Officer, Director Corporate and relevant Officers.

COST/BENEFITS

There are no financial resource requirements from this report.

There are costs associated with the Audit and Risk 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 Audit and Risk Committee oversees all risks related to the organisation. There is significant risk management value for Council by having independent people providing oversight and expertise for Loddon Shire Council's audit and risk functions.

CONSULTATION AND ENGAGEMENT

Nil



Date: Monday, 1 August 2022
Time: 1.00pm
Location: Loddon Shire Council Chambers, Wedderburn

MINUTES

Audit and Risk Committee Meeting

1 August 2022

AUDIT AND RISK COMMITTEE MEETING MINUTES

1 AUGUST 2022

**MINUTES OF LODDON SHIRE COUNCIL
AUDIT AND RISK COMMITTEE MEETING
HELD AT THE LODDON SHIRE COUNCIL CHAMBERS, WEDDERBURN
ON MONDAY, 1 AUGUST 2022 AT 1.00PM**

PRESENT: Cr Neil Beattie, Mr Rod Poxon, Mr Rod Baker, Mr Jarrah O'Shea (online), Ms Rachelle Tippett

IN ATTENDANCE: Lincoln Fitzgerald (Chief Executive Officer), Michelle Hargreaves (Administration Officer Corporate), Amanda Wilson (Director Corporate), Kirsten Nichols (Governance Coordinator)

1 WELCOME

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

Cr Gavan Holt

4 DECLARATIONS OF CONFLICT OF INTEREST

Nil

AUDIT AND RISK COMMITTEE MEETING MINUTES

1 AUGUST 2022

5 PREVIOUS MINUTES**5.1 QUARTERLY REPORT TO ENDORSE MINUTES AND APPROVE PROVISION OF MINUTES TO COUNCIL**

File Number: FOL/20/612

Author: Michelle Hargreaves, Administration Officer

Authoriser: Amanda Wilson, Director Corporate

Attachments: Nil

RECOMMENDATION

1. That the Audit and Risk Committee accepts the minutes of the meeting held on 2 May 2022.
2. That the Audit and Risk Committee accepts the minutes of the meeting held 2 May 2022 have been presented at the Council Meeting, 26 July 2022.

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.

COMMITTEE REFERENCES

Committee Charter 9a

Annual Work Plan 42

ISSUES/DISCUSSION

A copy of the 2 May 2022 Audit and Risk Committee Meeting Minutes were made available in Sharefile for the Committee Member's reference and feedback. The Committee Chair advised that there were no alterations to the draft Minutes.

The minutes have been tabled at the July Council meeting in accordance with the Charter.

AUDIT AND RISK COMMITTEE COMMENTS

Nil

COMMITTEE RESOLUTION 2022/47

Moved: Mr Rod Poxon

Seconded: Ms Rachelle Tippett

1. That the Audit and Risk Committee accepts the minutes of the meeting held on 2 May 2022.
2. That the Audit and Risk Committee accepts the minutes of the meeting held 2 May 2022 have been presented at the Council Meeting, 26 July 2022.

CARRIED

AUDIT AND RISK COMMITTEE MEETING MINUTES

1 AUGUST 2022

6 REVIEW OF ACTION SHEET**6.1 QUARTERLY ACTION SHEET ON OUTSTANDING ACTIONS FROM MINUTES OF THE COMMITTEE**

File Number: FOL/20/612

Author: Michelle Hargreaves, Administration Officer

Authoriser: Amanda Wilson, Director Corporate

Attachments: 1. RPT Outstanding completed actions from Audit and Risk meeting May 2022

RECOMMENDATION

That the Audit and Risk Committee notes there are no outstanding actions from the minutes of previous meetings.

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.

COMMITTEE REFERENCES

Committee Charter 6.1.8

Annual Work Plan 49

CONSULTATION AND ENGAGEMENT

The outstanding action list from previous Audit and Risk Committee Meeting minutes is provided in the Agenda quarterly.

There are no outstanding actions from previous minutes.

AUDIT AND RISK COMMITTEE COMMENTS

The Committee stated it was difficult to see what actions were signed off and what procedure was taken to complete the action. The Committee agreed:

- minutes endorsing reports for Council reports do not need to be included in the action register
- only actions requiring further discussion should be registered
- it is preferred if a table of actions can be captured rather than the current presentation

COMMITTEE RESOLUTION 2022/48

Moved: Mr Rod Poxon

Seconded: Ms Rachelle Tippett

1. That the Audit and Risk Committee notes there are no outstanding actions from the minutes of previous meetings.
2. That there is a review of presentation of outstanding actions completed or current, provided in the report.

CARRIED

AUDIT AND RISK COMMITTEE MEETING MINUTES

1 AUGUST 2022

7 DECISION REPORTS - PRESENTED BY EXTERNAL PARTIES

7.1 INTERNAL AUDIT REPORT: REVIEW OF COUNCIL GOVERNANCE FRAMEWORK

File Number: FOL/20/612
Author: Kirsten Nichols, Governance Coordinator
Authoriser: Amanda Wilson, Director Corporate
Attachments: 1. Review of Council Governance Framework Audit Report

RECOMMENDATION

That the Audit and Risk Committee endorses the Internal Audit Report: Review of Council Governance Framework (incl. Councillor Survey) and accepts the four recommended audit actions.

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.

COMMITTEE REFERENCES

Committee Charter 7.5.5	Annual Work Plan 26
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PREVIOUS AUDIT COMMITTEE DISCUSSION

Each quarter the Audit and Risk Committee discusses the latest finalised internal audit report.

BACKGROUND

The Audit and Risk Committee Charter states that each quarter the committee with review reports on internal audit reviews, including recommendations for improvement arising from those reviews.

ISSUES/DISCUSSION

The internal audit report presented to the Audit and Risk Committee this quarter is the Review of Council Governance Framework (incl. Councillor survey). This report contains four findings and four associated audit actions all of which are categorised as low risk.

The four findings are summarised below.

Finding	Number of recommended actions	Risk Rating
There is a need to establish formal self-assessment processes for the key committees/group(s).	1	Low
Certain policies, procedures and terms of references had surpassed their next review date	1	Low
Minor improvement opportunity identified to enhance Councillor training and awareness processes.	1	Low
The Council Governance Framework document is currently in draft version and needs to be finalised.	1	Low

AUDIT AND RISK COMMITTEE MEETING MINUTES

1 AUGUST 2022

COST/BENEFITS

The cost of the audit is in accordance with the contract awarded to HLB Mann Judd following the 2019 tender.

RISK ANALYSIS

The Audit and Risk Committee is Council's assurance oversight, which is known as the third line of defence. The first and second line of defence are:

1. Management controls and internal control measures (own and manage the risks)
2. Financial controls, risk management processes, quality controls, security (such as delegations), inspection and compliance (oversee risks).

The three lines of defence are designed to improve the risk management process in the organisation, and the Committee's work is integral to that.

CONSULTATION AND ENGAGEMENT

The report identifies the key stakeholders consulted during the audit and these staff members were consulted in reviewing the audit recommendations and providing management comments.

AUDIT AND RISK COMMITTEE COMMENTS

Audit report 21/22 assesses adequacies of the Governance framework. Minor improvements are noted in the report. With only four low recommendations it reflects a good practice.

COMMITTEE RESOLUTION 2022/49

Moved: Mr Jarrah O'Shea
Seconded: Ms Rachelle Tippett

That the Audit and Risk Committee endorses the Internal Audit Report: Review of Council Governance Framework (incl. Councillor Survey) and accepts the four recommended audit actions.

CARRIED

AUDIT AND RISK COMMITTEE MEETING MINUTES

1 AUGUST 2022

8 INFORMATION REPORTS - PRESENTED BY EXTERNAL PARTIES**8.1 RECENT REPORTS AND PUBLICATIONS REPORT**

File Number: FOL

Author: Amanda Wilson, Director Corporate

Authoriser: Amanda Wilson, Director Corporate

Attachments: 1. Recent Reports and Publications, Local Government Sector, May 2022

RECOMMENDATION

That the Audit and Risk Committee:

- (a) Note the Recent Reports and Publications, Local Government Sector, May 2022
- (b) Note the verbally presented Recent Reports and Publications, Local Government Sector, August 2022, and note the report will tabled at the November 2022 meeting.

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.

COMMITTEE REFERENCES

Committee Charter 7.7.4

Annual Work Plan 41

PREVIOUS AUDIT COMMITTEE DISCUSSION

The Audit and Risk Committee were verbally presented with the Recent Reports and Publications May 2022 report at the May meeting and that report is now tabled for noting.

BACKGROUND

The Audit and Risk Committee is provided with quarterly reports with details of investigations that have been undertaken by regulatory and integrity agencies that are relevant to the sector.

ISSUES/DISCUSSION

The Recent Reports and Publications, Local Government Sector, August 2022 will be verbally presented by HLB Mann Judd.

COST/BENEFITS

The benefit is providing the Committee with current reports that may be relevant to Council and its operations. The Committee may choose to have further information provided or seek action from the reports provided.

There is no cost associated with this report.

RISK ANALYSIS

The reports are generally related to risk mitigation in the sector, which Council can leverage if it chooses.

CONSULTATION AND ENGAGEMENT

Nil.

AUDIT AND RISK COMMITTEE MEETING MINUTES**1 AUGUST 2022****AUDIT AND RISK COMMITTEE COMMENTS**

Future publications are to be circulated via email out of session once available and a verbal presentation included at the meeting. Publications are not required in the agenda pack.

COMMITTEE RESOLUTION 2022/50

Moved: Mr Rod Poxon

Seconded: Mr Jarrah O'Shea

That the Audit and Risk Committee:

- (a) Note the Recent Reports and Publications, Local Government Sector, May 2022
- (b) Note the verbally presented Recent Reports and Publications, Local Government Sector, August 2022, and note the report will tabled at the November 2022 meeting.

CARRIED

AUDIT AND RISK COMMITTEE MEETING MINUTES

1 AUGUST 2022

8.2 REVIEW OF PROPOSED INTERNAL AUDIT SCOPE

File Number: FOL/19/58
Author: Amanda Wilson, Director Corporate
Authoriser: Amanda Wilson, Director Corporate
Attachments: Nil

RECOMMENDATION

That the Audit and Risk Committee notes there is no scope presented at this meeting.

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.

COMMITTEE REFERENCES

Committee Charter: 7.5.3, 7.5.4	Annual Work Plan: 24, 25
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PREVIOUS AUDIT COMMITTEE DISCUSSION

The Strategic Internal Audit Plan identifies upcoming internal audit reviews requiring a scope to be presented to the Committee for review and endorsing. A scope is provided to the Audit and Risk Committee for endorsement quarterly.

BACKGROUND

The focus this quarter has remained on finalising internal audits that have been already been scoped.

The Review of Council Governance Framework audit has been finalised this quarter and the finalised report is presented as part of this meetings agenda.

The fieldwork for the Fraud and Corruption Control Framework internal audit review is scheduled to commence in early August 2022.

The upcoming scopes for 2022-23 as per the Strategic Internal Audit Plan endorsed at the May Audit and Risk Committee meeting are:

- Data Governance (Information Technology)
- Payroll incl. data Interrogation (Financial Systems and Controls)

ISSUES/DISCUSSION

Nil

COST/BENEFITS

A benefit of the Committee reviewing the scope prior to commencement of work is that it sets the expectation for the review and its outcomes.

RISK ANALYSIS

Any perceived risk is mitigated by the presentation of the Strategic Internal Audit Plan.

CONSULTATION AND ENGAGEMENT

It was identified during the meeting for the development of the Strategic Internal Audit Plan that a scope would not be required.

AUDIT AND RISK COMMITTEE MEETING MINUTES

1 AUGUST 2022

AUDIT AND RISK COMMITTEE COMMENTS

Nil.

COMMITTEE RESOLUTION 2022/51

Moved: Mr Jarrah O'Shea

Seconded: Ms Rachelle Tippett

That the Audit and Risk Committee notes there is no scope presented at this meeting.

CARRIED

AUDIT AND RISK COMMITTEE MEETING MINUTES

1 AUGUST 2022

9 DECISION REPORTS - PRESENTED BY COUNCIL OFFICERS**9.1 VAGO FRAUD CONTROL OVER LOCAL GOVERNMENT GRANTS****File Number:** FOL/19/58**Author:** Amanda Wilson, Director Corporate**Authoriser:** Amanda Wilson, Director Corporate

Attachments:

1. Action plan to address recommendations
2. Formal response letter from Mayor

RECOMMENDATION

That the Audit and Risk Committee:

1. Note the Victorian Auditor-Generals' Office review into fraud control over local government grants report.
2. Note the 10 actions arising from Victorian Auditor-Generals' Office review into fraud control over local government grants report will be included in the quarterly audit actions report for the Audit and Risk Committee's oversight.

EXECUTIVE SUMMARY

The Victorian Auditor-Generals' Office (VAGO) review into fraud control over local government grants audit was finalised in May 2022. The final report was circulated to the Audit and Risk Committee members out of session. The 10 audit recommendations, along with management's agreed action plan is provided to the Committee for full oversight and monitoring. The progress of these actions will be reported to the Committee as part of the outstanding actions report going forward. All ten actions are due to be completed on, or prior to, 30 November 2022.

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.

COMMITTEE REFERENCES

Committee Charter 7.7.4

Annual Work Plan 41

PREVIOUS AUDIT COMMITTEE DISCUSSION

That the Audit and Risk Committee noted the status of the VAGO review into fraud control over local government grants at the May meeting.

BACKGROUND

In May 2021 VAGO commenced a review into fraud control over local government grants. Loddon Shire Council was one of six participating councils. The other Councils were Hume, Knox, Southern Grampians, Warrnambool and West Wimmera.

The final *Fraud Control Over Local Government Grants* findings report was published in May and circulated out of session to the Audit and Risk Committee on 17 May 2022. It can also be accessed online via <https://www.audit.vic.gov.au/sites/default/files/2022-05/20220511-Fraud-Control-Over-Local-Government-Grants.pdf>

AUDIT AND RISK COMMITTEE MEETING MINUTES**1 AUGUST 2022**

The below table summarises the stages of the review.

Audit timeframe and major milestones				
Milestone	Action	When	Responsibilities	Status
Audit initiation	Letter to the Mayor advising that the audit has commenced with an outline of objectives and issues	May/June 2021	Respond to initiation letter	Complete
			Nominate contact officer	Complete
			Establish staff availability	Complete
			Provide access to relevant documentation is this complete	Complete
Draft audit plan	Draft evaluation	June 2021	Provide feedback on terms	Complete
Final audit plan	Final evaluation criteria, scope and focus	July 2021	Confirm understanding of terms of engagement	Complete
End of planning	A presentation/meeting to discuss the results of the planning process	August 2021 Updated - September 2021	Provide feedback on the preliminary risks in order to confirm and refine the terms of the audit	Complete
End of conduct	Briefing on results of audit fieldwork, facts and findings	November 2021 Updated – January/February 2022	Confirm that all relevant evidence has been provided and provide feedback on facts and findings to be presented in the brief	Complete
Provisional draft	Working draft of audit reports	February 2022 Update – March 2022	Provide written comments within 10 working days to confirm factual accuracy and fairness of report	Complete
Proposed draft	Final report issued prior to tabling	April 2022	Provide formal written response within 10 working days	Complete
Report tabling	Report with agency submissions and comments is tabled in both houses of parliament	April 2022	Maintain confidentiality of report until it is tabled	Complete
Ministerial briefing	Relevant portfolio minister offered courtesy VAGO briefing	April 2022	Not applicable to Council	Complete

ISSUES/DISCUSSION

The final report provided performance ratings of audited Councils covering seven areas. Councils were rated either as having either weak fraud controls, gaps in fraud controls or strong fraud controls. The report identified that Loddon Shire Council could improve in all seven areas:

- Declaring and managing conflicts of interest
- Documenting practice through policies
- Training staff and councillors
- Applying fair and reasonable eligibility criteria
- Assessing and approving applications
- Monitoring and acquitting spending
- Evaluating outcomes

AUDIT AND RISK COMMITTEE MEETING MINUTES**1 AUGUST 2022**

There have been 10 recommendations provided in the report. In considering and responding to the recommendations management agreed with two of the recommendations and partially agreed with eight of the recommendations.

Where management partially agreed to a recommendation the current practice was provided along with the proposed actions in the action plan. The current practice comments provide assurance that system and process improvements are already in place however unfortunately not considered as part of the audit findings. This was due to the improvements being introduced in the past couple of years and not being in place for the full five-year period of the audit review.

The formal response from Loddon Shire Council Mayor, Cr Straub is attached along with the action plan noting the findings and agreed actions. They are included in the final VAGO report on pages 47-54.

The recommendations from this review will also be taken into consideration for the upcoming Review of Fraud internal audit.

COST/BENEFITS

There are no direct costs associated with this report or the review. There has been considerable staff input and time required however all absorbed within existing operational costs. There will be no costs associated with implementing the recommendations.

The benefit is an opportunity for continuous improvement with practice, process and policy.

RISK ANALYSIS

There is reputation risk if the actions are not implemented to address the recommendations. This is mitigated through the oversight of the Audit and Risk Committee.

CONSULTATION AND ENGAGEMENT

In formulating the action plan to the VAGO recommendation key stakeholders within the Corporate and Community Support directorates were consulted.

AUDIT AND RISK COMMITTEE COMMENTS

General discussion around audit process with VAGO and management expanded on why the recommendations were 'partially accepted' not fully accepted.

COMMITTEE RESOLUTION 2022/52

Moved: Ms Rachelle Tippett

Seconded: Mr Rod Poxon

That the Audit and Risk Committee:

1. Note the Victorian Auditor-Generals' Office review into fraud control over local government grants report.
2. Note the 10 actions arising from Victorian Auditor-Generals' Office review into fraud control over local government grants report will be included in the quarterly audit actions report for the Audit and Risk Committee's oversight.

CARRIED

AUDIT AND RISK COMMITTEE MEETING MINUTES

1 AUGUST 2022

9.2 FINANCIAL AND PERFORMANCE STATEMENTS FOR ENDORSING FOR THE YEAR ENDED 30 JUNE 2022

File Number: FOL/20/2518
Author: Deanne Caserta, Manager Financial Services
Authoriser: Amanda Wilson, Director Corporate
Attachments: 1. **DRAFT Financial Statements**
 2. **DRAFT Performance Statements**

RECOMMENDATION

That the Audit and Risk Committee:

1. Endorses the Financial Statements and Performance Statements for the year ended 30 June 2022.
2. Recommends to Council adoption of the Financial Statements and Performance Statements for the year ended 30 June 2022.

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.

COMMITTEE REFERENCES

Committee Charter 7.1.3, 7.1.5	Annual Work Plan 3, 5
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PREVIOUS AUDIT COMMITTEE DISCUSSION

Every year the financial and performance statements are presented to the Audit and Risk Committee prior to adoption by Council.

BACKGROUND

Council's Audit and Risk Committee Charter states that one of the duties of the Audit and Risk Committee is to review Council's draft annual financial report, focusing on:

- accounting policies and practices
- changes to accounting policies and practices
- the process used in making significant accounting estimates
- explanations for significant adjustments to the financial report (if any) arising from the audit process
- compliance with accounting standards and other reporting requirements
- significant variances from prior years.

The Charter further states that the Committee will recommend adoption of the annual financial report to Council, and will review any significant changes that may arise subsequent to any such recommendation but before the financial report is signed.

ISSUES/DISCUSSION

The external auditors (RSD Audit on behalf of the Victorian Auditor General's Office), partially completed the audit remotely and attended Council premises in late July 2022.

AUDIT AND RISK COMMITTEE MEETING MINUTES**1 AUGUST 2022**

Due to the timing of the report, the attached Financial and Performance Statements are in draft form and include all workings up until the 19 July 2022. The Finance Department at the time of writing this report were still waiting on library financials, some unspent grant confirmations and LGPRF data from other departments. This is expected to be completed in full by the Audit and Risk Committee Meeting date and an updated version will be emailed direct or tabled at the meeting.

COST/BENEFITS

The cost of the external audit is \$42,800 (exc. GST). The benefit of annual audit is compliance with legislation and standards and reassuring councillors, officers and the Audit Committee.

RISK ANALYSIS

There is a risk that the Financial and Performance Statements will not be ready for the August Audit and Risk Committee meeting. This risk is mitigated by developing a timetable of events required to meet various deadlines including the Risk and Audit Committee meeting.

CONSULTATION AND ENGAGEMENT

The Finance Department has been extensively consulted in the review of the Financial and Performance Statements.

AUDIT AND RISK COMMITTEE COMMENTS

It was questioned by the committee the term of 'endorsement' by the Audit and Risk Committee. It was clarified that the Committee in their advisory and oversight function is endorsing the process undertaken, the audit and risk function, and a review of content.

COMMITTEE RESOLUTION 2022/53

Moved: Mr Rod Poxon
Seconded: Mr Jarrah O'Shea

That the Audit and Risk Committee pending RSD and VAGO review:

1. Endorses the Financial Statements and Performance Statements for the year ended 30 June 2022.
2. Recommends to Council adoption of the Financial Statements and Performance Statements for the year ended 30 June 2022.

CARRIED

AUDIT AND RISK COMMITTEE MEETING MINUTES

1 AUGUST 2022

9.3 BUSINESS IMPACT ANALYSIS - OPERATIONS**File Number:** 22/2693**Author:** Janine Jackson, Manager Organisation Development**Authoriser:** Amanda Wilson, Director Corporate

- Attachments:**
1. **BIA Review - Stock on Roads**
 2. **BIA Review - Planning regulatory permits**
 3. **BIA Review - Building regulatory permits**
 4. **BIA Review - Maintain safe, usable roads and public spaces**
 5. **BIA Review - Waste Collection**

RECOMMENDATION

That Audit and Risk Committee:

1. Endorses the Business Impact Analysis (BIA) for the maintain safe, useable roads and public spaces, building regulatory permits, planning regulatory permits, stock on roads and waste collection services functions.
2. Notes that the Business Continuity Plan will be updated to reflect the changes identified in the BIA process.
3. Notes the Business Continuity Framework will be updated to reflect administrative changes identified through the BIA process.

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.

COMMITTEE REFERENCES

Committee Charter 7.3.6	Annual Work Plan 17
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PREVIOUS AUDIT COMMITTEE DISCUSSION

Nil

BACKGROUND

The Audit and Risk Committee Charter contains an obligation to “*review the approach to business continuity planning arrangements including whether business continuity and disaster recovery plans have been regularly updated and tested*”.

The annual review of the Business Continuity Policy, Framework and Plan is scheduled for February annually.

In accordance with the minutes of the Audit and Risk Committee Meeting of 17 June 2021, one Directorate per quarter will undergo a detailed Business Impact Analysis (BIA). The Audit and Risk Committee will be provided with a quarterly report that outlines any changes made to the critical business function schedules in the Business Continuity Plan (BCP) for the Directorate being assessed.

The schedule for review is:

- February – Executive Services
- May – Community Wellbeing

AUDIT AND RISK COMMITTEE MEETING MINUTES**1 AUGUST 2022**

- August – Operations
- November – Corporate.

ISSUES/DISCUSSION

A BIA was undertaken on the critical business functions of the Operations Directorate which has previously identified five critical business functions: planning - regulatory permits; building - regulatory permits; stock on roads; waste collection and maintaining safe and usable roads.

Planning regulatory permits give permission to develop or use land in a particular way. Planning permits can be required for a new home, extension, renovation or an additional dwelling on the land.

Building regulatory permits are documents certifying that a proposed building complies with the relevant building regulations.

Stock on roads is the reference to when livestock (such as sheep, cattle, horses etc) are on roads within the Loddon Shire. This is all roads within Loddon Shire as the Loddon Shire Council are the contact for Vic Roads which is in addition to our own roads.

Waste collection is the collection of all roadside waste collections in designated areas of the Loddon Shire.

Maintaining safe and useable roads refers to ensuring roads within the Loddon Shire are safe and usable at all times. This includes removing obstacles (such as fallen trees), and repairing roads.

There are three key terms for the BIA:

1. Maximum Tolerable Period of Disruption (MTPD)
2. Recovery Time Objective (RTO), and
3. Recovery Point Objective (RPO).

The Business Continuity Plan defines the terms as below:

- MTPD: The time it would take for adverse impacts, which might arise as a result of not providing a product/service or performing an activity, to become unacceptable.
- RTO: The period of time following an incident within which a product or an activity must be resumed or resources must be recovered.
- RPO: The point to which information (data) used by an activity must be restored to enable the activity to operate on resumption.

The updates to the BIAs are tracked in the attachments to this report. They mostly remain current with a high level summary noted below:

- MTPD, RTO, and RPO are appropriate, and do not require alteration
- External dependencies were updated
- IT application and devices were updated
- The resources for business as usual activities (BAU) were updated to reflect the current cohort of staff mobile devices used
- Titles of roles were updated to reflect current roles
- Stock on roads function was reworded to exclude fire prevention

There was agreement that the business continuity resource box in Serpentine will be maintained as a back up to the Wedderburn Office resource box. The box contains resources such as hard copies of telephone lists, USB with all Council policies and procedures, waste pickup routes etc.

AUDIT AND RISK COMMITTEE MEETING MINUTES**1 AUGUST 2022****COST/BENEFITS**

The cost of conducting quarterly BIA's is contained within the operational budget and existing staff resources.

RISK ANALYSIS

Conducting BIA on a regular basis is good risk management and ensures Council is prepared should there be a requirement to activate the Business Continuity Plan.

CONSULTATION AND ENGAGEMENT

For this review key personnel from the Operations directorate were involved in addition to key personnel from the Organisation Development Department.

Feedback from the relevant Operations directorate personnel was that this process gave them important information about what is required by them in an event.

AUDIT AND RISK COMMITTEE COMMENTS

ACTION: Provide Committee with confirmation that Veolia have provided their own business continuity plan as part of the procurement process and existing contract.

COMMITTEE RESOLUTION 2022/54

Moved: Mr Rod Poxon

Seconded: Ms Rachelle Tippett

That Audit and Risk Committee:

1. Endorses the Business Impact Analysis (BIA) for the maintain safe, useable roads and public spaces, building regulatory permits, planning regulatory permits, stock on roads and waste collection services functions.
2. Notes that the Business Continuity Plan will be updated to reflect the changes identified in the BIA process.
3. Notes the Business Continuity Framework will be updated to reflect administrative changes identified through the BIA process.

CARRIED

AUDIT AND RISK COMMITTEE MEETING MINUTES

1 AUGUST 2022

10 COMPLIANCE REPORTS - PRESENTED BY COUNCIL OFFICERS**10.1 OUTSTANDING AUDIT ACTIONS REPORT**

File Number: FOL/20/612
Author: Kirsten Nichols, Governance Coordinator
Authoriser: Amanda Wilson, Director Corporate
Attachments: Nil

RECOMMENDATION

That the Audit and Risk Committee note the progress by management on outstanding audit actions.

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.

COMMITTEE REFERENCES

Committee Charter 7.5.7	Annual Work Plan 28
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PREVIOUS AUDIT COMMITTEE DISCUSSION

A review of outstanding audit recommendations is a standing item on the Audit and Risk Committee Meeting agenda in accordance with the Annual Work Plan.

BACKGROUND

At the previous Audit and Risk Committee meeting it was reported there were a total of 49 open audit actions as shown in the table below:

Audit Type	Status	
	Current and due soon	Overdue
Internal audits	22	27

ISSUES/DISCUSSION

During the previous quarter there has been an active follow up of open audit actions, particularly those which are considered overdue, and those that are high and medium risk.

As a result there has been 23 audit actions closed in the quarter.

Audit Type	Status	
	Current and due soon	Overdue
Internal audits	9	17

There are two high risk actions, both of which are overdue. These relate to the Victorian Protective Data Security Standards audit. With the appointment of the Manager Information Technology these actions are expected to be closed in the next quarter. Nine of the medium overdue risks relate to the same audit and these are also expected to be progressed in the next quarter.

The Governance Coordinator and Director Corporate will continue to meet with relevant officers with open actions to support the progression of action actions.

The open audit actions are summarised in the table below.

AUDIT AND RISK COMMITTEE MEETING MINUTES

1 AUGUST 2022

	Risk Level			
Audit name by status	HIGH RISK	MEDIUM RISK	LOW RISK	Grand Total
Overdue	2	15		17
Review of asset management and maintenance		1		1
Review of recreation reserves management		3		3
Review of swimming pool management (new regulations)		1		1
Review of Victorian Protective Data Security Standards (VPDSS)	2	9		11
Review of whole of life costing		1		1
Current		2	7	9
Management of caravan parks			3	3
Review of capital project management			1	1
Review of Fleet management (inc fuel usage)			3	3
Review of recreation reserves management		2		2
Grand Total	2	17	7	26

COST/BENEFITS

The benefit of this report is transparency in the progress of actions, and the opportunity for the Audit and Risk Committee to discuss priorities. There is no cost associated with the development of this report.

RISK ANALYSIS

Audit actions have been identified to mitigate risks and/or add value to a Council process.

CONSULTATION AND ENGAGEMENT

Staff with responsibility for managing actions are consulted in the collating of status reports for outstanding actions.

AUDIT AND RISK COMMITTEE COMMENTS

Nil

COMMITTEE RESOLUTION 2022/55

Moved: Mr Rod Poxon
Seconded: Mr Jarrah O'Shea

That the Audit and Risk Committee note the progress by management on outstanding audit actions.

CARRIED

AUDIT AND RISK COMMITTEE MEETING MINUTES

1 AUGUST 2022

10.2 PROPOSED OUTSTANDING AUDIT ACTIONS REPORT

File Number:

Author: Amanda Wilson, Director Corporate

Authoriser: Amanda Wilson, Director Corporate

Attachments: 1. Proposed Outstanding Audit Actions Report

RECOMMENDATION

That the Audit and Risk Committee provide input into the structure of the proposed outstanding audit actions report.

EXECUTIVE SUMMARY

A dedicated software module is currently being implemented to manage all audit and risk actions. Custom reporting is a part of the implementation phase. To ensure the Audit and Risk Committee are being provided with relevant reports and sufficient information a draft report for outstanding audit actions is provided for the Committee’s feedback. Any requests or alternations can then be incorporated into the report before implementation is finalised.

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.

COMMITTEE REFERENCES

Committee Charter 7.6.3	Annual Work Plan 33
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PREVIOUS AUDIT COMMITTEE DISCUSSION

The Audit and Risk Committee have previously requested further information to be provided in the reporting of audit action progress, including the details of action taken to close out action actions.

BACKGROUND

Implementation of a dedicated audit and risk module within Pulse, an existing program, has commenced. All internal and external audit actions will be captured within the module and allow for streamlined management of the audit actions along with automated reporting capability.

ISSUES/DISCUSSION

The draft report incorporates previous feedback from the Committee and attempts to capture:

- Status update of – complete, in progress, not due to commence and not updated
- Progress in percentage update
- Due date and adjusted due date to reflect any extensions that are approved by the Committee
- Risk ratings have been aligned with the risk management framework and risk policy
- The Comments column will require officers to provide an update as to what steps and actions have been taken as progress, or to close out the action

This will provide the committee with oversight as to what actions have been closed for the quarter.

AUDIT AND RISK COMMITTEE MEETING MINUTES**1 AUGUST 2022**

At present the Committee is provided with numbers of actions closed but not which internal audit they relate to or the details around how or why the action was closed.

COST/BENEFITS

The cost of implementing this module is mitigated by the cessation of another program which did not have the capability to manage audit actions.

The benefits will be increased transparency and greater oversight around the management of audit actions.

RISK ANALYSIS

Reporting with greater detail on all audit actions will provide the Committee with greater oversight and assurance and reduce the risk of any actions being closed prematurely or not the Committee's satisfaction.

CONSULTATION AND ENGAGEMENT

Nil.

AUDIT AND RISK COMMITTEE COMMENTS

The committee reviewed the layout with new software for future reports. It was discussed to build in an escalation process so the actions are dealt with in a timely manner and to be closed out.

If not closed out in a timely manner it was suggested the responsible staff present a report to the Audit and Risk committee in person the reason for not being completed. Encourage staff to be realistic with timeframes to avoid actions to become overdue.

COMMITTEE RESOLUTION 2022/56

Moved: Ms Rachelle Tippett

Seconded: Mr Jarrah O'Shea

That the Audit and Risk Committee provide input into the structure of the proposed outstanding audit actions report.

CARRIED

AUDIT AND RISK COMMITTEE MEETING MINUTES

1 AUGUST 2022

10.3 VERBAL FRAUD AND CORRUPTION REPORT PRESENTED BY THE CHIEF EXECUTIVE OFFICER

File Number:

Author: Amanda Wilson, Director Corporate

Authoriser: Amanda Wilson, Director Corporate

Attachments: Nil

RECOMMENDATION

That the Audit and Risk Committee notes the verbal fraud and corruption report presented by the Chief Executive Officer.

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.

COMMITTEE REFERENCES

Committee Charter: 7.4.1

Annual Work Plan: 18

PREVIOUS AUDIT COMMITTEE DISCUSSION

A verbal fraud and corruption report is a standing item on the Audit and Risk Committee agenda.

BACKGROUND

The Chief Executive Officer will provide a verbal fraud and corruption report.

The report will include:

- actual or suspected instances of fraud or corruption
- analysis of the underlying control failures
- actions taken to address each event.

The report will also include actions taken by Council to report such matters to the appropriate integrity bodies (where applicable).

AUDIT AND RISK COMMITTEE COMMENTS

The CEO provided a verbal update that no fraud or corruption matters have been reported or identified. The following cyber security update was verbally provided:

Over the last quarter (1 April – 30 June 2022) DarkTrace has reported 22 model breaches triggering an alert. Of these alerts officers identified three potential attacks from external entities and have taken the required actions to permanently block these incoming attacks against Council's Exchange email server and Zulty's phone system. The other model breaches were investigated and identified as being triggered primarily as a part of BAU support functions. All investigations have been closed.

Over the last quarter (1 April – 30 June 2022) Mimecast has blocked 18 malicious email address and 6 malicious files with a total of 24784 rejected emails. There has also been a targeted attack against learning@loddon.vic.gov.au from a single email address acting as a potential phishing and fraud attack. Approximately 60% of rejected emails were from known spam, malware or virus and rejected before entering our systems with an average of 16% of all inbound mail rejected.

AUDIT AND RISK COMMITTEE MEETING MINUTES

1 AUGUST 2022

COMMITTEE RESOLUTION 2022/57

Moved: Mr Rod Poxon

Seconded: Ms Rachelle Tippett

That the Audit and Risk Committee notes the verbal fraud and corruption report presented by the Chief Executive Officer.

CARRIED

AUDIT AND RISK COMMITTEE MEETING MINUTES

1 AUGUST 2022

10.4 MATTERS REFERRED BY COUNCIL THAT MAY IMPACT THE AUDIT AND RISK COMMITTEE

File Number: FOL/20/612
Author: Amanda Wilson, Director Corporate
Authoriser: Amanda Wilson, Director Corporate
Attachments: Nil

RECOMMENDATION

That the Audit and Risk Committee notes the matters raised by Cr Holt.

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.

COMMITTEE REFERENCES

Committee Charter 4.9	Annual Work Plan 48
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ISSUES/DISCUSSION

This quarterly report provides an opportunity for Cr Holt to provide a verbal update at the meeting on items raised by Council that may impact the Audit and Risk Committee.

AUDIT AND RISK COMMITTEE COMMENTS

Cr Beattie was invited to present this report due to Cr Holt being an apology.

COMMITTEE RESOLUTION 2022/58

Moved: Mr Jarrah O'Shea
 Seconded: Mr Rod Poxon

That the Audit and Risk Committee notes the matters raised by Cr Beattie.

CARRIED

AUDIT AND RISK COMMITTEE MEETING MINUTES

1 AUGUST 2022

11 INFORMATION REPORTS - PRESENTED BY COUNCIL OFFICERS**11.1 MANAGEMENT LETTER - END OF FINANCIAL YEAR****File Number:** FOL/20/2518**Author:** Deanne Caserta, Manager Financial Services**Authoriser:** Amanda Wilson, Director Corporate**Attachments:** Nil**RECOMMENDATION**

That the Audit and Risk Committee notes the Final Management Letter and Closing Report for the year ended 30 June 2022.

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.

COMMITTEE REFERENCES

Committee Charter 7.1	Annual Work Plan 3, 6
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PREVIOUS AUDIT COMMITTEE DISCUSSION

Each year the Audit and Risk Committee are presented with the Financial Management Letter upon completion of the financial audit process.

BACKGROUND

Each year the external auditors conduct an audit to express an opinion on the financial report and performance statement. A closing report is usually presented by the auditors at or around the August meeting. This closing report is followed by a final management letter.

ISSUES/DISCUSSION

There is no final management letter attached to this report due to the timing of the Audit and Risk Meeting, however any items raised in this report will be raised by the external auditor during the scheduled meeting

There are no carried forward findings as all were actioned in the last 12 months.

COST/BENEFITS

The cost of this audit is included in Council's operational budget.

RISK ANALYSIS

There are compliance and reputational risks in the instance the operational activities associated with this report not be completed. This report confirms compliance and mitigates the risk.

CONSULTATION AND ENGAGEMENT

Various employees are consulted during the audit.

AUDIT AND RISK COMMITTEE COMMENTS

The management letter has not been completed but a closing report has been circulated. A summary was provided by auditor with any key issues raised with the financial reports.

AUDIT AND RISK COMMITTEE MEETING MINUTES**1 AUGUST 2022**

Performance statements to be finalised, external auditors confirmed that around 85% of testing has occurred.

COMMITTEE RESOLUTION 2022/59

Moved: Mr Rod Poxon

Seconded: Ms Rachelle Tippett

That the Audit and Risk Committee notes the Final Management Letter and Closing Report for the year ended 30 June 2022.

CARRIED

AUDIT AND RISK COMMITTEE MEETING MINUTES

1 AUGUST 2022

11.2 QUARTERLY REPORT ON COUNCILLOR EXPENSES

File Number: FOL/20/612
Author: Deanne Caserta, Manager Financial Services
Authoriser: Amanda Wilson, Director Corporate
Attachments: Nil

RECOMMENDATION
 That the Audit and Risk Committee note the quarterly report on Councillor expenses.

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.

COMMITTEE REFERENCES

Committee Charter 7.1.7	Annual Work Plan 7
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This report is provided to the Audit and Risk Committee quarterly.

BACKGROUND

A requirement under Section 40(2) of the Local Government Act 2020 (the Act) is that a Council must provide details to the Audit and Risk Committee of all reimbursements under this section.

It is also a requirement that Council publishes this information annually in the Annual Report, and the information provided to the Audit and Risk Committee will be in this same format for consistency purposes.

ISSUES/DISCUSSION

This Councillor Expenses Report provides the Audit and Risk Committee with a quarterly snapshot of the allowances, reimbursements and expenses provided to or on behalf of the Councillors for the current financial year.

Cost incurred for quarter four of 2021/22 (April 2022 to June 2022) are:

Quarter Four 2021/22	Cr Beattie	Cr Holt	Cr Jungwirth	Cr Murphy	Cr Straub
Councillor Allowance	\$ 6,020.01	\$ 6,020.01	\$ 6,020.01	\$ 6,020.01	\$ 18,676.50
Car Mileage	\$ -	\$ -	\$ 3,118.00	\$ -	\$ 4,500.00
Conference and Training Expenses	\$ -	\$ 1,836.08	\$ 3,030.44	\$ 2,391.22	\$ 1,204.79
Information and Communication Expenses	\$ 273.81	\$ 273.80	\$ 273.82	\$ 273.82	\$ 273.82
TOTALS	\$ 6,293.82	\$ 8,129.88	\$ 12,442.26	\$ 8,685.04	\$ 24,655.10

For comparison purposes, costs incurred for quarter one (July 2021 to September 2021), quarter two (October 2021 to December 2021) and quarter three (January 2022 to March 2022) are also listed below:

AUDIT AND RISK COMMITTEE MEETING MINUTES

1 AUGUST 2022

Quarter Three 2021/22	Cr Beattie	Cr Holt	Cr Jungwirth	Cr Murphy	Cr Straub
Councillor Allowance	\$ 6,055.56	\$ 6,055.56	\$ 6,055.56	\$ 6,055.56	\$ 18,888.75
Car Mileage	\$ 520.00	\$ -	\$ 1,240.00	\$ 26.00	\$ 4,500.00
Conference and Training Expenses	\$ -	\$ -	\$ 1,081.82	\$ -	\$ 1,499.00
Information and Communication Expenses	\$ 521.66	\$ 521.66	\$ 521.65	\$ 521.65	\$ 521.65
TOTALS	\$ 7,097.22	\$ 6,577.22	\$ 8,899.03	\$ 6,603.21	\$ 25,409.40

Quarter Two 2021/22	Cr Beattie	Cr Holt	Cr Jungwirth	Cr Murphy	Cr Straub
Councillor Allowance	\$ 10,593.46	\$ 5,770.75	\$ 5,770.75	\$ 5,770.75	\$ 12,417.94
Car Mileage	\$ 1,500.00	\$ -	\$ 1,754.00	\$ 613.00	\$ 3,771.00
Conference and Training Expenses	\$ -	\$ -	\$ 73.70	\$ -	\$ -
Information and Communication Expenses	\$ 65.27	\$ 302.82	\$ 65.27	\$ 65.28	\$ 65.28
TOTALS	\$ 12,158.73	\$ 6,073.57	\$ 7,663.72	\$ 6,449.03	\$ 16,254.22

Quarter One 2021/22	Cr Beattie	Cr Holt	Cr Jungwirth	Cr Murphy	Cr Straub
Councillor Allowance	\$ 17,345.45	\$ 5,805.83	\$ 5,805.83	\$ 5,805.83	\$ 5,805.83
Car Mileage	\$ 4,500.00	\$ -	\$ 873.00	\$ 346.00	\$ -
Conference and Training Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Information and Communication Expenses	\$ 65.12	\$ 65.12	\$ 65.12	\$ 65.11	\$ 65.11
TOTALS	\$ 21,910.57	\$ 5,870.95	\$ 6,743.95	\$ 6,216.94	\$ 5,870.94

Please note that the car mileage cost for the Mayor is a pro rata charge of \$18,000 for the provision of a car and includes the vehicle and all related running costs.

COST/BENEFITS

The benefit of providing this report to the Audit and Risk Committee is enabling the Committee to monitor Council reimbursements and ensure that these are in line with the approved Council Expenses Policy. There no other costs associated with the report.

RISK ANALYSIS

Failure to provide this report is a breach of the requirements under Section 40(2) of the Local Government Act 2020, which states: "A Council must provide details of all reimbursements under this section to the Audit and Risk Committee."

CONSULTATION AND ENGAGEMENT

Nil.

AUDIT AND RISK COMMITTEE COMMENTS

Nil.

<p>COMMITTEE RESOLUTION 2022/60</p> <p>Moved: Mr Rod Poxon Seconded: Ms Rachelle Tippett</p> <p>That the Audit and Risk Committee note the quarterly report on Councillor expenses.</p> <p>CARRIED</p>

AUDIT AND RISK COMMITTEE MEETING MINUTES

1 AUGUST 2022

12 GENERAL BUSINESS

12.1 MEETING HELD WITH INTERNAL AND EXTERNAL AUDITORS WITHOUT OFFICERS PRESENT

File Number: FOL/20/612
Author: Amanda Wilson, Director Corporate
Authoriser: Amanda Wilson, Director Corporate
Attachments: Nil

RECOMMENDATION
 That the Audit and Risk Committee confirms the occurrence of the meeting held with the internal and external auditors without officers present.

COMMITTEE REFERENCES

Committee Charter: 7.5.6, 7.6.6	Annual Work plan: 27, 36
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The Audit and Risk Committee will met with the internal and external auditors without officers present, in accordance with the Charter requirements.

Feedback was positive and council staff have been very supportive with providing information for the audits.

COMMITTEE RESOLUTION 2022/61
 Moved: Mr Jarrah O'Shea
 Seconded: Mr Rod Poxon
 That the Audit and Risk Committee confirms the occurrence of the meeting held with the internal and external auditors without officers present.
CARRIED

AUDIT AND RISK COMMITTEE MEETING MINUTES**1 AUGUST 2022****13 NEXT REVIEW**

Nil

GENERAL BUSINESS

Discussion around continual improvement and developing a reporting mechanism for reviewing audits individually with measurement and effectiveness of reporting. Director Corporate to discuss with HLB Mann Judd to establish a survey.

The work to reduce the outstanding audit actions was acknowledged.

In summary three actions were identified in the minutes and will be included for future reporting:

- Outstanding actions completed and current to be reported in table format. Only bring back to Committee if discussion needed or action requested.
- Reports or attachments circulated by outside of meeting do not need to be included in the agenda, a verbal presentation and key summary to be included instead.
- Confirmation of waste contractor providing their Business Continuity Plan to Council

NEXT MEETING

The next Audit Committee meeting will be held on 7 November 2022 at Wedderburn commencing at 1.00pm.

There being no further business the meeting was closed at 3.28pm.

13 URGENT BUSINESS

In accordance with Council's Governance Rules, Clause 53 provides that at a scheduled or special meeting of Council, business that is not included in the agenda notice must only be considered if no more than one Councillor is absent and the Council resolves that the matter is urgent.

Despite this requirement, a matter that is not included in the agenda notice must not be considered at a Council meeting if it will:

- (a) directly and significantly affect the exercise of a person's rights;
- (b) alter the Council Plan or the budget; or
- (c) commit the Council to expenditure exceeding \$20,000.

14 CONFIDENTIAL ITEMS**RECOMMENDATION**

That Council considers the confidential report(s) listed below in a meeting closed to the public in accordance with Section 66(1) and 66(2)(a) of the Local Government Act 2020:

14.1 REVIEW OF CONFIDENTIAL ACTIONS

This matter is considered to be confidential under Section 3(1)(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 confidential meeting information, being the records of meetings closed to the public under section 66(2)(a).

Pursuant to section 66(5)(b) of the Local Government Act 2020, if released the information to be received, discussed or considered in relation to this agenda item, may disclose confidential meeting information, being the records of meetings closed to the public under section 66(2)(a)

14.2 Lease of Council Property - Inglewood

This matter is considered to be confidential under Section 3(1)(a) and (g(ii)) 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 Council business information, being information that would prejudice the Council's position in commercial negotiations if prematurely released and private commercial information, being information provided by a business, commercial or financial undertaking that if released, would unreasonably expose the business, commercial or financial undertaking to disadvantage.

Contractual - lease 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 27 September 2022 at Wedderburn commencing at at 3pm.

There being no further business the meeting was closed at [enter time](#).

Confirmed this.....day of..... 2022

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