



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

**Date:** Tuesday, 23 March 2021  
**Time:** 3pm  
**Location:** Wedderburn Council Chambers, behind  
Wedderburn office  
Public access via live audio stream

# **AGENDA**

**Ordinary Council Meeting**

**23 March 2021**

## Order Of Business

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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:** Lynne Habner, Manager Executive and Commercial Services

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

**Attachments:** Nil

**RECOMMENDATION**

That Council confirm:

1. The minutes of the Council Briefing of 23 February 2021.
2. The minutes of the Ordinary Council Meeting of 23 February 2021.
3. The minutes of the Confidential Council Meeting of 23 February 2021.
4. The minutes of the Council Forum of 9 March 2021.

**REPORT**

Seeking approval of the unconfirmed minutes of the previous meetings.

**6 ASSEMBLY OF COUNCILLORS****6.1 RECORD OF ASSEMBLY OF COUNCILLORS**

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

**Author:** Christine Coombes, Executive and Commercial Services Officer

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

**Attachments:** Nil

**RECOMMENDATION**

That Council note the Assembly of Councillors records for the following meetings:

1. Council Briefing 23 February 2021.
2. Council Forum 9 March 2021.

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

The record is therefore presented for Council's noting.

## RECORD OF ASSEMBLIES OF COUNCIL

Assembly details	Briefing
Date	23 February 2021
Councillor Attendees	Cr Beattie Cr Holt Cr Jungwirth Cr Murphy Cr Straub
Staff/Stakeholder representatives	Phil Pinyon, Chef Executive Officer Wendy Gladman, Director Community Wellbeing Sharon Morrison, Director Corporate Services Steven Phillips, Director Operations Lynne Habner, Manager Executive and Commercial Services David Southcombe, Manager Assets and Infrastructure Glen Harvey, Manager Development and Compliance Christine Coombes, Executive and Commercial Services Officer  Applicant and object to Planning application 5542
Items discussed.	<ol style="list-style-type: none"> <li>1. CEO performance review</li> <li>2. Additional projects for the Annual Infrastructure Program</li> <li>3. Planning Permit Application 5542 – 58 Fantasy Road Bridgewater</li> <li>4. Planning Permit Application 5622 – 67 Brooke Street Inglewood</li> <li>5. Female friendly change rooms, Bridgewater Recreation Reserve</li> <li>6. Recognition of Community Planning committees</li> <li>7. Proposal for sale of Council Property, 12-14 Allen Street Korong Vale</li> <li>8. Request to access unallocated community planning funding</li> <li>9. Public comment on the Councillor Code of Conduct</li> <li>10. Public comment on Community Engagement Policy</li> <li>11. General business: <ul style="list-style-type: none"> <li>• Mitchell Park Recreation Reserve pipe works</li> <li>• COVID deep cleaning of community assets</li> <li>• Water for recreation reserves</li> <li>• Duck hunting</li> </ul> </li> </ol>
Conflict of Interest Disclosures - Councillor/officer making disclosure	Nil
Councillor/officer left room	

Assembly details	Forum
Date	9 March 2021
Councillor Attendees	Cr Holt (only for item 3.7) Cr Jungwirth Cr Murphy Cr Straub
Staff/Stakeholder representatives	Phil Pinyon, Chef Executive Officer Wendy Gladman, Director Community Wellbeing Sharon Morrison, Director Corporate Services Steven Phillips, Director Operations Lynne Habner, Manager Executive and Commercial Services David Price, Local Laws / Planning Compliance Officer Robyn Vella, Tourism & Marketing Officer Deanne Caserta, Manager Financial Services Janine Jackson, Manager Organisational Development Jayden Baber, OHS, Risk Management and Fire Prevention Officer  GWM Water representatives Projectura representatives
Items discussed.	<ol style="list-style-type: none"> <li>1. Economic Development and Tourism monthly progress report</li> <li>2. Update on the implementation of the Local Government Act 2020</li> <li>3. Development of the Community Local Law</li> <li>4. Future Management of the Inglewood Blue Eucy Museum</li> <li>5. Newbridge water and sewerage business case</li> <li>6. Risk management framework – next steps</li> <li>7. GWM water’s strategic direction</li> <li>8. Community Support facility/projects overview</li> <li>9. Fire permit applications</li> <li>10. Fees and Charges schedule 2021/22</li> <li>11. Revenue and rating plan – major revenue and rating principles discussion</li> <li>12. Review of Councillor allowances</li> <li>13. Call for notices of motion ALGA and MAV state council</li> <li>14. Update on The Loddon Project – spotlight on community vision</li> <li>15. Signing of Councillor Code of Conduct (deferred to March Council Briefing due to the absence of two Councillors)</li> <li>16. General business: <ul style="list-style-type: none"> <li>• John Forbes OAM</li> <li>• Salaries and wages cap</li> <li>• NDIS</li> <li>• Murray River Group of Councils</li> </ul> </li> </ol>
Conflict of Interest Disclosures -	Nil

Councillor/officer making disclosure	
Councillor/officer left room	



**7 REVIEW OF ACTION SHEET****7.1 REVIEW OF ACTIONS**

**File Number:** 02/01/002

**Author:** Christine Coombes, Executive and Commercial Services Officer

**Authoriser:** Phil Pinyon, 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><b>Division:</b> <b>Committee:</b> Council <b>Officer:</b></p> <p><a href="#">Action Sheets Report</a></p>	<p><b>Date From:</b> <b>Date To:</b></p> <p><b>Printed: Monday, 15 March 2021 3:08:26 PM</b></p>
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### Outstanding actions from previous meetings

Meeting	Officer/Director	Section	Subject
Council 28/01/2020	Phillips, Steven Pinyon, Phil	New Item	Skinnners Flat reservoir
<p>Cr Holt requested that Council staff continue to liaise with Grampians Wimmera Mallee Water regarding changes to the originally proposed arrangements for the supply of permanent recreation water to Skinnners Flat, and provide a report to the next Council meeting about progress with finalising the heads of agreement between Council and GWM Water.</p>			
<p><b>14 Feb 2020 5:26pm Phillips, Steven</b> Council Staff have been in discussions with GWMWater staff about the terms contained within the Heads of Agreement for several months, with a major sticking point being the allocation of Recreational Water for Skinnners Flat Reservoir. GWMWater is seeking that Council acquire a water entitlement up to the maximum volume as listed at Item 5 of Schedule A of the Heads Of Agreement (currently stated as 200 MI) from Northern Victoria trading zone 1A (Goulburn regulated). Council Officers have been able to secure agreement from GWMWater for the allocation of up to 200 MI of Recreational Water once off as an initial allowance. Arrangements are being made to secure a meeting between senior members of Council and GWMWater to continue negotiations over this matter.</p>			
<p><b>13 Mar 2020 5:21pm Phillips, Steven</b> The Southwest Loddon Pipeline Steering Committee has a meeting scheduled for Friday 20 March. GWMWater are continuing discussion with Coliban Water to further investigate opportunities for the provision of an ongoing water supply for Skinnners Flat Reservoir.</p>			
<p><b>14 Apr 2020 5:22pm Phillips, Steven</b> Discussions have been undertaken and an agreement has been reached to honor the provision of recreational water to Skinnners Flat.</p>			
<p><b>11 May 2020 8:42pm Phillips, Steven</b> According to GWMWater staff, a definitive solution to the 200 megalitre problem remains to be found. Discussions are ongoing with GWMWater Staff.</p>			
<p><b>11 Jun 2020 2:25pm Phillips, Steven</b> This matter was discussed at the June 2020 Council Forum noting that the supply of water to Skinnners Flat is still an outstanding issue. Cr Beattie undertook to contact the Chairman of the Board of GWMWater to discuss how to progress the matter.</p>			
<p><b>20 Jul 2020 1:48pm Phillips, Steven</b> A meeting between Cr Holt, Cr Beattie, Phil Pinyon CEO Loddon Shire Council and Peter Vogel Chairman of the Board of GWMWater and Mark Williams Managing Director GWMWater was held on 22 June 2020 in Beaufort. Following this meeting Cr Holt, Cr Beattie, Phil Pinyon CEO Loddon Shire Council were to meet with Damian Wells Managing Director of Coliban Water to discuss possible solutions to this matter. This meeting has not been able to take place due to COVID-19 restrictions.</p>			
<p><b>10 Aug 2020 11:44am Phillips, Steven</b> Progress has been significantly hampered due to the current COVID – 19 restrictions and the desire for a face to face meeting with Coliban Water. Once restrictions allow, a face to face meeting with Coliban Water will be arranged.</p>			
<p><b>01 Sep 2020 6:05pm Phillips, Steven</b> This matter is scheduled on the September Council Forum agenda for discussion. The timing and circumstances for a meeting with Coliban Water remains a critical issue. It is important that Council is able to engage with them in a meaningful way about potential solutions that they may be able to assist with.</p>			
<p><b>01 Oct 2020 6:17pm Phillips, Steven</b> Following the discussion at the September Council Forum contact has been made with GHD for them to provide Council with a fee proposal to investigate the required works associated with actively maintaining the water level at Skinnners Flat. The meeting with Coliban Water has not yet been scheduled.</p>			

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**Action Sheets Report**

**09 Nov 2020 1:02pm Phillips, Steven**  
 GHD came back with a proposal to complete the Intermediate Inspection Report in October/November as it is due for review next year. This will provide them with sufficient information to report to Council with recommendations based on the findings. They have also been engaged to attend a Council Forum to discuss the report and its recommendations. , The meeting with Coliban Water remains on hold to discuss opportunities to partner with Council on the provision of recreational water for Skinners Flat Reservoir.

**07 Dec 2020 9:17am Phillips, Steven**  
 The Skinners Flat Reservoir Intermediate Dam Safety Inspection has been completed by GHD and its author will be attending the December Council Briefing for discussion on the matter. , The meeting with Coliban Water to discuss opportunities to partner with Council on the provision of recreational water for Skinners Flat Reservoir remains on hold.

**11 Jan 2021 6:22pm Phillips, Steven**  
 The Intermediate Dam Safety Inspection report was presented to Council by GHD at its December Forum. That report recommended further assessment of the impacts of flooding to the dam and spillway. Work on the further assessments necessary are being arranged so that a more complete picture can be utilised to establish cost estimates of the required works to ensure that the dam and spillway are safe and suitable for managing water levels of the Reservoir. Council officers will report back to Council once a cost estimate is established for the required works to support the safe use of the Reservoir. , A meeting with Coliban Water executives has been arranged for early February 2021 to explore opportunities for Coliban and Council to partner on the provision of recreational water for Skinner Flat Reservoir. Council representatives attending this meeting will include Cr Mayor Beattie and Cr Holt as well senior Council Staff.

**12 Feb 2021 11:22am Phillips, Steven**  
 On Friday 5 February Cr Mayor Beattie and Cr Holt and senior Council Staff met with Damian Wells CEO and Steve Healy Executive General Manager Climate and Population Adaption from Coliban Water to discuss opportunities to work together on the provision of recreational water to Skinners Flat. The meeting was productive with both parties committing to continue to work together on finding a solution. Coliban Water is going to investigate and provide a few options for a commercial leasing arrangement for Council to consider. , Work is continuing on scoping the required works to the dam and spillway. It will take some time for the required information to be obtained and assessed. GHD have been engaged and should be able to provide Council with advice and cost estimates within the next 5 months.

**09 Mar 2021 3:16pm Phillips, Steven**  
 Council is waiting on information for the following: , • survey and assessment of the dam and spillway by GHD. , • Coliban Water to complete its investigations into possible options for water leasing arrangements. , No further actions taken at this stage until the above information is provided.

Meeting	Officer/Director	Section	Subject
Council 23/02/2021	Morrison, Sharon Morrison, Sharon	Decision Reports	Version 2 of the Community Engagement Policy proposed for adoption

**RESOLUTION 2021/38**

Moved: Cr Wendy Murphy  
 Seconded: Cr Dan Straub

That Council:

1. adopt the Community Engagement Policy

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**Action Sheets Report**

2. approve the cost of the design and printing of a community version of the policy and
3. consider a business case for the resourcing of the implementation of the policy.

**CARRIED**

**09 Mar 2021 11:55am Morrison, Sharon**

Policy has been added to the internet. Community version is being finalised with the printer. Business case for community engagement officer is in draft.

Meeting	Officer/Director	Section	Subject
Council 23/02/2021	Morrison, Sharon Morrison, Sharon	Decision Reports	Version 5 of Councillor Code of Conduct proposed for adoption
 <b>RESOLUTION 2021/39</b>			
Moved: Cr Dan Straub			
Seconded: Cr Linda Jungwirth			
That Council adopt version 5 of the Councillor Code of Conduct as publicly exhibited and that the public submissions received be given further consideration by Council within 6 months of the adoption of this version.			
<b>CARRIED</b>			
 <b>09 Mar 2021 11:56am Morrison, Sharon</b>			
New version has been added to the internet. Signing of the Code has been deferred to the Council Briefing to be held on 23 March due to the unavailability of two Councillors at the Forum on 9 March. The document is to be reviewed before the August Council meeting.			

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**Actions completed since last meeting**

Meeting	Officer/Director	Section	Subject
Council 23/02/2021	Stephenson, Carolyn Phillips, Steven	Decision Reports	Planning permit application 5542 - 58 Fantasy Road Bridgewater
<b>RESOLUTION 2021/31</b>			
Moved: Cr Wendy Murphy Seconded: Cr Gavan Holt  That Council resolve to issue a Notice of Decision to grant a planning permit for the use and development of land for a dwelling, development of the site for an aircraft hangar, use of land for industry (aircraft maintenance), works in the Land Subject to Inundation Overlay and creation of access to a road in a Road Zone Category 1 in accordance with the endorsed plans at 58 Fantasy Road, Bridgewater, subject to the conditions set out in the attached decision report.			
<b>CARRIED</b>			
<b>01 Mar 2021 2:20pm Stephenson, Carolyn - Completion</b> Notice decision was sent on 24.2.21. Action completed by Stephenson, Carolyn			

Meeting	Officer/Director	Section	Subject
Council 23/02/2021	Stephenson, Carolyn Phillips, Steven	Decision Reports	Planning Permit Application 5622 - 67 Brooke Street Inglewood
<b>RESOLUTION 2021/32</b>			
Moved: Cr Wendy Murphy Seconded: Cr Dan Straub  That Council resolve to grant a permit for demolition of the verandah (with the exception of the verandah posts to 2m and grape vine), associated building works and painting at the Royal Hotel, 67 Brooke Street, Inglewood subject to the conditions defined in the attached decision report.			
<b>CARRIED</b>			
<b>01 Mar 2021 2:17pm Stephenson, Carolyn</b> Permit issued 24.2.21 <b>01 Mar 2021 2:19pm Stephenson, Carolyn - Completion</b> Action completed by Stephenson, Carolyn			

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Meeting	Officer/Director	Section	Subject
Council 23/02/2021	Southcombe, David Phillips, Steven	Decision Reports	Additional Projects for Annual Infrastructure Program
<p><b>RESOLUTION 2021/33</b></p> <p>Moved: Cr Linda Jungwirth                      Seconded: Cr Dan Straub</p> <p>That Council adopt the additional projects into the Annual Infrastructure Program as detailed within this report.</p> <p style="text-align: right;"><b>CARRIED</b></p> <p><b>15 Mar 2021 2:02pm Southcombe, David</b>                      Action has been completed. Projects have commenced.  <b>15 Mar 2021 2:02pm Southcombe, David - Completion</b>                      Action completed by Southcombe, David</p>			

Meeting	Officer/Director	Section	Subject
Council 23/02/2021	Gladman, Wendy Gladman, Wendy	Decision Reports	REQUEST TO ACCESS UNALLOCATED COMMUNITY PLANNING FUNDING
<p><b>RESOLUTION 2021/34</b></p> <p>Moved: Cr Gavan Holt                      Seconded: Cr Dan Straub</p> <p>That Council allocate \$10,000 from the Loddon Shire Wedderburn Ward unallocated community planning funding to the Wedderburn Development Association in support of their application to assist the Wedderburn Mural project: 'Birds Eye View'.</p> <p style="text-align: right;"><b>CARRIED</b></p> <p><b>01 Mar 2021 12:39pm Gladman, Wendy – Completion</b>                      Funding agreement has been provided to the Wedderburn Development Association through smartygrants.                      Action completed by Gladman, Wendy</p>			

Meeting	Officer/Director	Section	Subject
Council 23/02/2021	Perry, Sarah Gladman, Wendy	Decision Reports	Recognition of Community Planning Committees
<p><b>RESOLUTION 2021/35</b></p>			

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**Action Sheets Report**

Moved: Cr Dan Straub  
 Seconded: Cr Wendy Murphy

That Council formally recognises the groups noted in this report as the Community Planning Committees for the nominated communities.

**CARRIED**

**25 Feb 2021 1:49pm Perry, Sarah – Completion**  
 A letter of formal recognition has been sent to each Community Planning Committee as noted in the report.  
 Action completed by Perry, Sarah

Meeting	Officer/Director	Section	Subject
Council 23/02/2021	Caserta, Deanne Morrison, Sharon	Decision Reports	Finance Report for the period ending 31 January 2021

**RESOLUTION 2021/36**

Moved: Cr Wendy Murphy  
 Seconded: Cr Gavan Holt

That Council:

1. receives and notes the 'Finance Report for the period ending 31 January 2021'
2. approves budget revisions included in the report for internal reporting purposes only
3. approves the supplementary valuations of rateable and non-rateable properties in respect of the 2020/21 financial year, as returned by the Shire Valuer, LG Valuations Pty Ltd, and endorses them being incorporated into the Register of Rateable and Non Rateable Properties and Rate Book for 2020/21.

**CARRIED**

**25 Feb 2021 10:35am Caserta, Deanne - Completion**  
 Report for information only.  
 Action completed by Caserta, Deanne

Meeting	Officer/Director	Section	Subject
Council 23/02/2021	Gladman, Wendy Gladman, Wendy	Decision Reports	Community Support Policy

**RESOLUTION 2021/37**

Moved: Cr Linda Jungwirth

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**Action Sheets Report**

Seconded: Cr Wendy Murphy

That:

1. the Community Support Policy be amended to provide for the reimbursement of:
  - (a) administrative costs as outlined in the cost/benefit section of this report
  - (b) insurance costs as outlined in the cost/benefit section of this report
2. the financial impact of the amendment to the Community Support Policy be funded from surplus.

**CARRIED**

**15 Mar 2021 11:00am Morrison, Sharon - Reallocation**  
 Action reassigned to Gladman, Wendy by Morrison, Sharon - Wendy Gladman owns the Community Support Policy and is currently updating it with other items.

**15 Mar 2021 1:28pm Gladman, Wendy - Completion**  
 The item has been added to the activities to be included in the revised Community Support Policy.  
 Individual funds will be allocated via the responsible officers.  
 Action completed by Gladman, Wendy

Meeting	Officer/Director	Section	Subject
Council 23/02/2021	Morrison, Sharon Morrison, Sharon	Decision Reports	Proposed Corporate Credit and Fuel Card Policy version 5 for adoption

**RESOLUTION 2021/40**

Moved: Cr Gavan Holt  
 Seconded: Cr Wendy Murphy

That Council adopt the Corporate Credit and Fuel Card Policy version 5

**CARRIED**

**09 Mar 2021 11:59am Morrison, Sharon - Completion**  
 Policy has been added to the internet and a credit card has been ordered for the Mayor.  
 Action completed by Morrison, Sharon

Meeting	Officer/Director	Section	Subject
Council 23/02/2021	Gladman, Wendy Gladman, Wendy	Decision Reports	REQUEST TO ACCESS FUNDS HELD IN THE LITTLE LAKE BOORT WATER RESERVE

**RESOLUTION 2021/41**



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**Action Sheets Report**

Moved: Cr Gavan Holt  
 Seconded: Cr Dan Straub

That Council allocate up to \$10,000 from the Little Lake Boort Water Reserve to provide for beaching works adjacent to the location of the Little Lake Boort Footpath extension.

**CARRIED**

**26 Feb 2021 10:32am Gladman, Wendy – Completion**

Budget revision has been forwarded to the finance department.  
 Action completed by Gladman, Wendy

Meeting	Officer/Director	Section	Subject
Council 23/02/2021	Gladman, Wendy Gladman, Wendy	Decision Reports	DONALDSON PARK COMMUNITY HUB REDEVELOPMENT FUNDING APPLICATION

**RESOLUTION 2021/42**

Moved: Cr Gavan Holt  
 Seconded: Cr Linda Jungwirth

That Council resolve to support an application to the Community Sports Infrastructure Stimulus Program, ratifying Council's endorsement of the project and confirming the resources required to commence construction within six (6) months of signing the funding agreement are available.

**CARRIED**

**03 Mar 2021 4:56pm Gladman, Wendy – Completion**

Application was submitted on 2 March.  
 Action completed by Gladman, Wendy

Meeting	Officer/Director	Section	Subject
Council 23/02/2021	Perry, Sarah Gladman, Wendy	New Item	

**RESOLUTION 2021/55**

Moved: Cr Dan Straub  
 Seconded: Cr Gavan Holt

That Council allocate \$6,843 from the 2020/21 community grants unallocated funds to the Mitchell Park Committee of Management with the co-contribution of their allocated funds of \$3,421 in support of the irrigation infrastructure replacement program.

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<b>25 Feb 2021 1:50pm Perry, Sarah - Completion</b> The terms and conditions form has been sent to Mitchell Park Committee of management via SmartyGrants program to enable payment of allocation. Action completed by Perry, Sarah	<b>CARRIED</b>
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**8 MAYORAL REPORT**

**8.1 MAYORAL REPORT**

**File Number:** 02/01/001  
**Author:** Lynne Habner, Manager Executive and Commercial Services  
**Authoriser:** Phil Pinyon, Chief Executive Officer  
**Attachments:** Nil

**RECOMMENDATION**  
 That Council receive and note the Mayoral Report

**REPORT**

The Mayor will present a report at the meeting.

**Cr Beattie**

<b>Rail Freight Alliance</b>	
<b>Loddon Campaspe Councils</b>	
<b>Murray River Group of Councils</b>	
<b>Special Committees Of Council (Section 65 Community Asset Committees):</b>	
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	
<b>DATE</b>	<b>Activity</b>

**9 COUNCILLORS' REPORT****9.1 COUNCILLORS' REPORTS**

**File Number:** 02/01/001  
**Author:** Lynne Habner, Manager Executive and Commercial Services  
**Authoriser:** Phil Pinyon, Chief Executive Officer  
**Attachments:** Nil

**RECOMMENDATION**

That Council receive and note the Councillors' reports

**REPORT**

Each Councillor will present a report at the meeting.

**Cr Holt**

<b>Municipal Association of Victoria</b>	
<b>Audit and Risk Committee</b>	
<b>Special Committees Of Council (Section 65 Community Asset Committees):</b> 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 Reserve Community Asset Committee	
<b>Other Council activities</b>	
<b>DATE</b>	<b>Activity</b>

**Cr Jungwirth**

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

**Cr Murphy**

<b>Calder Highway Improvement Committee</b>	
<b>Local Government Womens Charter</b>	
<b>Australia Day Committee</b>	
<b>Healthy Minds Network</b>	
<b>Special Committees Of Council (Section 65 Community Asset Committees):</b>	
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	
Jones Eucalyptus Distillery Site Community Asset Committee	

<b>Other Council activities</b>	
<b>DATE</b>	<b>Activity</b>

**Cr Straub**

<b>North Central Goldfields Regional Library</b>	
<b>North Central Local Learning and Employment Network</b>	
<b>Special Committees Of Council (Section 65 Community Asset Committees):</b>	
East Loddon Community Centre Community Asset Committee	
Pyramid Hill Memorial Hall Community Asset Committee	
Pyramid Hill Swimming Pool Kiosk Community Asset Committee	
<b>Other Council activities</b>	
<b>DATE</b>	<b>Activity</b>

**10 DECISION REPORTS****10.1 ADOPTION OF THE WASTE MANAGEMENT STRATEGY 2020-2030**

**File Number:** 15/05/001  
**Author:** Daniel Lloyd, Manager Works  
**Authoriser:** Steven Phillips, Director Operations  
**Attachments:** 1. Waste Management Strategy 2020-2030

**RECOMMENDATION**

That Council resolve to adopt the Waste Management Strategy 2020-2030

**CONFLICT OF INTEREST**

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

**PREVIOUS COUNCIL DISCUSSION**

Council considered the draft Waste Management Strategy 2020-2030 in December 2020, where it resolved to release it for public comment.

**BACKGROUND**

Council's current Waste Management Strategy was adopted in 2011. The strategy has provided the framework for the development and implementation of environmentally sustainable and financially viable waste management policies and initiatives. Specific waste management services and methodologies addressed within that strategy included:

- kerbside waste and recycling collections
- resource recovery opportunities
- sustainable waste management education
- waste management and monitoring

The Waste Management Strategy requires a review to guide and support Council's future direction in waste management. Council engaged Rawtec to conduct an assessment of Council's waste services and waste facilities to assist in preparing a new Waste Management Strategy.

The Waste Management Strategy outlines key elements involved in managing Council's waste services and waste facilities. It combines financial management, and technical practices with the aim to improve systems and processes to maximise the use of our limited resources and provide a guide to better practice management of waste and recyclables.

**ISSUES/DISCUSSION**

The Waste Management Strategy 2020-2030 provides a proportional framework for development and implementation of environmentally sustainable waste management policies and initiatives over a ten-year period. Several targets are identified in the new Strategy, the achievement of which will rely on the commitment of all key stakeholders including Council, residents, businesses, and visitors.

The targets have been based on current baseline data and State Government modelling. The two main targets include aiming for greater than 60 percent diversion across the Shire by weight (currently 38 percent) and a resident satisfaction index score of greater than 70

(currently 69) for waste services in the Local Government Community Satisfaction Survey by 2030.

The ten year Waste Management Strategy will be used to guide and shape, not define the future direction of Council's waste management. The details of Council's management of kerbside collection services are provided in its Kerbside Waste and Recycling Policy.

The Strategy is based on the latest information in what is a rapidly changing sector as both the National and State Governments seek to ensure a future for a recycling industry in Australia.

### **COST/BENEFITS**

Council spends significant funds on its waste management services each year. The current Long Term Financial Plan has average annual expenditure at \$1,727,677 for kerbside collections and facility management. The Waste Management Strategy 2020-2030 identifies several actions to support the achievement of the stated objectives. The estimated additional costs over the ten year life of the Strategy total \$730,000.

During the process of data collection and assessment, indicative costs have been estimated for the proposed action plan. However, several actions within the Strategy will require detailed scoping and costing before they can proceed.

The actions covered in the Strategy will be funded in accordance with Council's Rating Strategy section 7.3 Services rates and charges under Section 162 which states:

*"Council currently applies a service charge for the collection and disposal of refuse on properties that fall within the collection area. Council's objective is to fully recover the costs of the waste management and waste removal function."*

Council provides approximately 3,800 properties with weekly kerbside general waste and fortnightly mixed recycling bins. Council also provides public place bin collections, event bins and additional kerbside collections during the peak periods Easter/Christmas at high traffic locations. In addition to kerbside collections, Council manages six waste facilities including three unlicensed landfills which also accept recyclables and three Resource Recovery Centres.

### **RISK ANALYSIS**

The risk to Council of not considering and then advertising the Waste Management Strategy 2020-2030 is that it will not comply with requirements under the Local Government Act 1989.

Without an agreed strategy, there is the risk that Council's efforts and resources could be applied ad hoc to tasks without clear objectives or results. The Strategy identifies priorities and actions which reflect research, consultation and consistency with wider regional directions to give clarity on where Council's resources and efforts should be directed.

### **CONSULTATION AND ENGAGEMENT**

The Waste Management Strategy 2020-2030 has been discussed with internal stakeholders on a number of occasions, this includes the Management Executive Group as well as other staff who have had multiple opportunities to review the outcomes of the Strategy.

The Council was provided opportunity to have input into the development of the Waste Management Strategy 2020-2030 at its June 2020 Forum. Following further development Council was presented with a draft Waste Management Strategy at the November 2020 Council Briefing for review.

The draft strategy was released for public comment during January/February 2021, with no submission received.





# LODDON SHIRE COUNCIL WASTE MANAGEMENT STRATEGY 2020-2030



## DOCUMENT INFORMATION

DOCUMENT TYPE:	Strategic document
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RELATED STRATEGIC DOCUMENTS, POLICIES OR PROCEDURES:	<p>Loddon Shire Council Documents:            Council Plan 2017-2021            Fees and Charges            Kerbside Waste and Recycling Policy            Procurement Strategy            Rating Strategy</p> <p>Australian Government National Waste Policy 2018            Recycling Victoria, A new Economy Feb 2020            Victoria Statewide Waste and Resource Recovery            Infrastructure Plan 2018            Victorian Government Loddon Mallee Waste and            Resource Recovery Group (LMWRRG) Statement of            Expectations 2019</p> <p>Loddon Mallee Waste Resource Recovery Group            Documents:            Implementation Plan 2016-2026            Strategic Plan 2017-2020            Organics Strategy 2019-2025            Regional Litter Plan 2019</p>
RELATED LEGISLATION:	Environment Protection Act 1970 Local Government Act 2020 Public Health and Wellbeing Act 2008
EVIDENCE OF APPROVAL:	<hr style="width: 100%;"/> Signed by Chief Executive Officer
FILE LOCATION:	Document2

**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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## EXECUTIVE SUMMARY

The Loddon Shire Council (Council) has a mission to enhance the sustainability and liveability of the Shire. Sound waste management practices play an important role in achieving this. This strategy provides a proportional framework for developing and implementing environmentally sustainable waste management policies and initiatives over a ten-year period. Several targets are identified, the achievement of which will rely on the commitment of all key stakeholders including the Council, Loddon residents, businesses, and visitors.

### Where we are now

Area	Current performance
Diversion	<ul style="list-style-type: none"> <li>38% diversion across the Shire including kerbside and resource recovery centres (RRCs)</li> <li>28% diversion rate at kerbside</li> <li>We are separating out our hard waste to maximise recovery</li> <li>E-waste, mattresses, metals, tyres, cardboard, concrete, green organics and other streams are captured at RRCs</li> </ul>
Circular economy	<ul style="list-style-type: none"> <li>&gt;3,900 tonnes of waste and recyclables are generated across the Shire per annum (~525 kg/person/annum)</li> <li>&gt;1,500 tonnes of recyclables are captured across the shire or ~200 kg/person/annum</li> <li>We have a policy that encourages buy-back of recycled material</li> </ul>
Resident satisfaction	<ul style="list-style-type: none"> <li>We offer our residents four free transactions per annum to bring their waste and recyclables to our RRCs</li> <li>Loddon Shire received an index score of 69 for waste management in the Local Government Community Satisfaction Survey</li> </ul>

### Where we would like to be by 2030

The following objectives will help us achieve our key performance indicators (KPIs):

- increase diversion at kerbside and RRCs
- deliver cost-effective, efficient and continuously improved services
- promote the circular economy and drive up demand for recycled products.

Area	Key performance Indicator
Diversion	Aim for >60% diversion across the Shire by weight by 2030.
Circular economy	<p>Aim to purchase back 5-10%<sup>1</sup> (by weight) of recyclables (comingled and organics) disposed across the Shire in goods (park benches, bollards, irrigation, compost, etc) per annum by 2030.</p> <p>Aim to reduce kilograms per capita (kerbside and resource recovery centres) by 10%, from 525 to 470 kg/capita/annum by 2030.</p>
Resident satisfaction	Aim for >70 index score for waste services in the Local Government Community Satisfaction Survey by 2030.

<sup>1</sup> Percentage to be confirmed when baseline established

## 1 PURPOSE

The waste management strategy outlines key elements involved in managing Council's waste services and waste facilities.

It combines management, financial, and technical practices with the aim to improve systems and processes to maximise the use of our limited resources and move to better practice management of waste and recyclables.

## 2 BUDGET IMPLICATIONS

Indicative costs have been estimated for the proposed work plan, however, several actions within the Strategy will require detailed scoping before they can be properly costed.

Estimated costs (additional to operating budgets) over the life of the Strategy total \$730,000. The indicative timing for expenditure is:

- 2020-21: \$3,000
- 2021-22: \$53,000
- 2022-23: \$58,000
- 2023-24: \$43,000
- 2024-25: \$343,000
- 2025-26: \$43,000
- 2026-27: \$43,000
- 2027-28: \$58,000
- 2028-29: \$43,000
- 2029-30: \$43,000

## 3 RISK ANALYSIS

Without an agreed strategy, there are risks that Council's efforts and resources could be applied to ad hoc tasks without clear objectives or results. The Strategy identifies priorities and actions which reflect research, consultation and consistency with wider regional directions to give clarity on where Council's resources and efforts should be directed.

It will never avoid all ad hoc initiatives and opportunities being raised and pursued, but decisions by Council to pursue these opportunities can be measured against the relative merits (and resourcing requirements) of the initiatives in this Strategy.

#### 4 GLOSSARY OF ACRONYMS AND TERMS

Acronym	Description
CDL	Container deposit legislation
RRC	Resource Recovery Centre. This is often called a transfer station and the two terms are interchangeable.
E-waste	Electronic waste. This includes anything with a cord such as computers, televisions, and appliances (e.g. microwave) but does not include white goods such as refrigerators.
KPI	Key Performance Indicator
LMWRRG	Loddon Mallee Waste and Resource Recovery Group

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## 5 INTRODUCTION

This document details Council's Waste Management Strategy for 2020–2030 (Strategy). The Strategy encompasses Council's overall vision and mission and how this relates to waste management, our waste service offering to residents, waste performance and current initiatives. We set out three objectives and an action plan over the next ten years, with associated KPIs to measure our success.

This is a fluid document in an ever-changing industry. Recent changes and challenges include ongoing impact of China Sword, roll out of four bins at kerbside in metro Vic, COVID\_19 and the recent release of Recycling Victoria, A new Economy in February 2020 which may impact kerbside bin service offered to Victorian residents and have new waste targets.

### 5.1 Who we are

Loddon Shire (Shire) is in the Loddon Mallee region of Victoria, 175km northwest of Melbourne<sup>2</sup> (Figure 1). The terrain across the Shire varies greatly, encompassing approximately 6,700 square kilometres of land including prime agricultural and farming areas which support the primary agricultural and horticultural activities in the region. Many within the population are employed in agriculture, forestry and fishing, the largest industry in the area by employment.

The Shire has an estimated population of 7,500 people<sup>3</sup>, with half the population distributed among several small towns. Averaging just over 1 person per square kilometre, the Shire has a low density compared to other councils within Victoria.



<sup>2</sup> <https://knowyourcouncil.vic.gov.au/councils/loddon>

<sup>3</sup> <https://profile.id.com.au/loddon>

<sup>4</sup> Image from Loddon Shire Council Plan 2017 - 2021



## 5.2 Council vision and mission

In June 2017, Council released the 2017-2021 Council Plan. This plan contained Loddon Shire Council's Vision, Mission and Values to be used to guide Council's decisions and growth for the years to come.

### 5.2.1 Vision

Loddon Shire Council's vision is to be a prosperous, vibrant and engaged community.

### 5.2.2 Mission

Its mission is to enhance the sustainability and liveability of Loddon Shire.

As can be seen above, sustainability is at the forefront of Council's goals and objectives, within which waste and resource management play a critical role. The Strategy considers waste management planning for Council over the next ten years.

## 5.3 Link to the LMWRRG

Council is part of the Loddon Mallee Waste and Resource Recovery Group (LMWRRG) along with seven other Victorian councils. The LMWRRG facilitates the procurement of waste and resource recovery infrastructure and services across the eight councils. It also aims to educate businesses and communities to reduce waste going to landfill and to integrate regional and local knowledge into State-wide waste strategies. Council is committed to remaining a proactive member of the LMWRRG to work with the group for better waste and resource recovery outcomes as well as seeking their support and guidance where appropriate.

## 6 WASTE SERVICE OFFERING FOR OUR RESIDENTS

Council provides some 3,800 households with kerbside weekly general waste and fortnightly comingled recycling bins. We also have six facilities that accept waste and recyclables. This includes three landfills which also accept recyclables, and three resource recovery centres (RRCs) which accept a range of recyclables including metals, tyres, E-waste, and mattresses. A map of waste infrastructure throughout Loddon Shire can be seen in Figure 2 below.

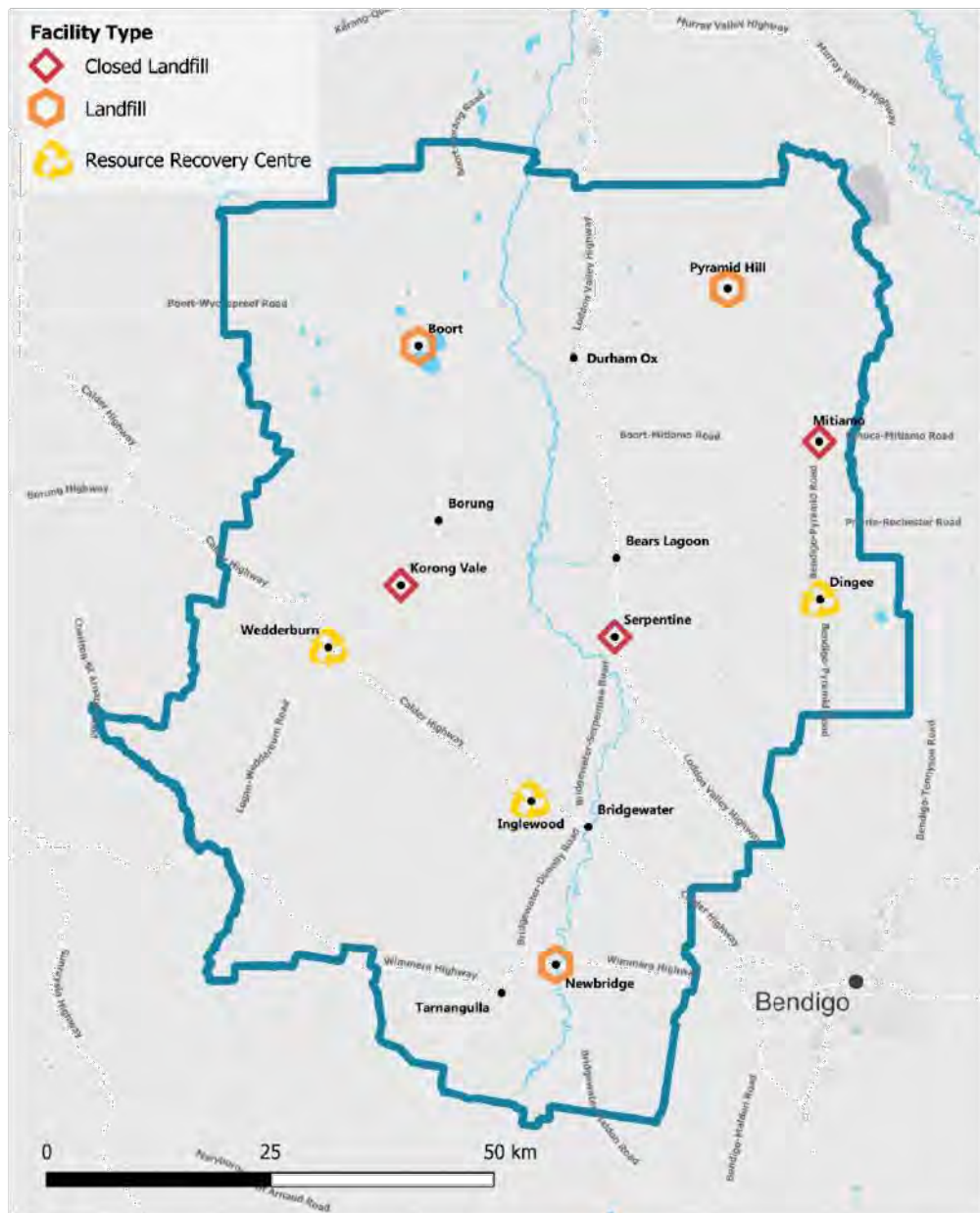


Figure 2: Loddon Shire area and waste infrastructure

## 7 STRATEGIC CONTEXT

The following section outlines the concepts, policies and strategies that influence this document. This includes broader waste management concepts such as the waste hierarchy and circular economy, and relevant national, state, regional and local policies and strategies.

### 7.1 Waste hierarchy

The *Environment Protection Act 1970* describes eleven principles of environment protection which are intended as a guide for EPA Victoria<sup>5</sup>. The waste hierarchy is one such principle which guides the management of waste by preferencing options at the top of the hierarchy. Figure 3 illustrates the waste hierarchy, with avoidance being the most preferable waste management option and disposal being the least preferable option.



Figure 3: Victoria EPA Waste Hierarchy<sup>5</sup>

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<sup>5</sup> <https://ref.epa.vic.gov.au/your-environment/waste>

**7.2 Circular economy**

Typical consumer systems follow make-take-dispose models, which consume materials in an inefficient manner and can negatively impact the environment. A circular economy model, detailed in Figure 4, is characterised by the avoidance of waste through the efficient and productive use of materials throughout their life cycle. This is achieved by prioritising the reduction of waste through good design and by encouraging the reuse and repair of items to keep materials within the system for as long as possible before disposal. When items can no longer be reused or repaired, they should be made available for recycling and energy recovery processes, with minimal materials sent to landfill if they cannot be recovered. An effective circular economy requires the development of markets for recovered materials to complete the cycle and maximise material use.

A circular economy encourages manufacturers and retailers of products to provide end-of-life options for the recycling and energy recovery stage of the cycle. This might include a service that assists consumers with maintenance or disposal of a product.

While a circular economy aims to reduce environmental impacts, it has the added benefits of maximising the economic value obtained from resources, encouraging innovative thinking, stimulating economies, generating business in existing areas and encouraging the development of new businesses and jobs.

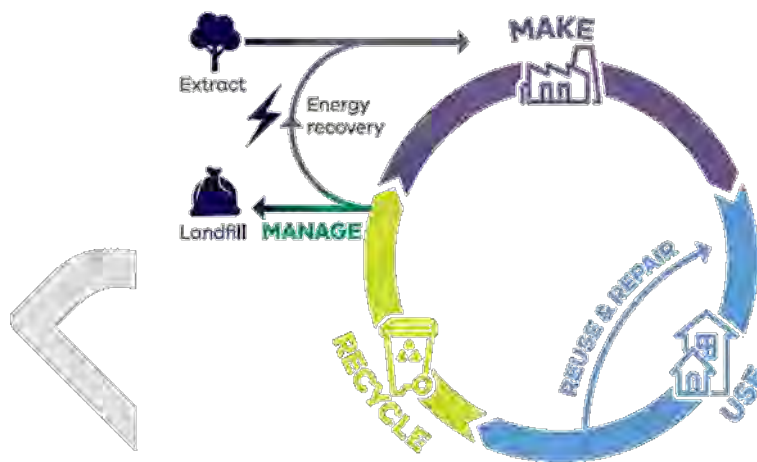


Figure 4: Resource flows in a circular economy from *Recycling in Victoria, a New Economy*, Feb 2020

**7.3 Relevant policies and strategies**

The Strategy is informed by the policies, strategies and other waste-related documents detailed in Figure 5, including the *Australian Government National Waste Policy 2018* and *Recycling Victoria, A New Economy 2020*.

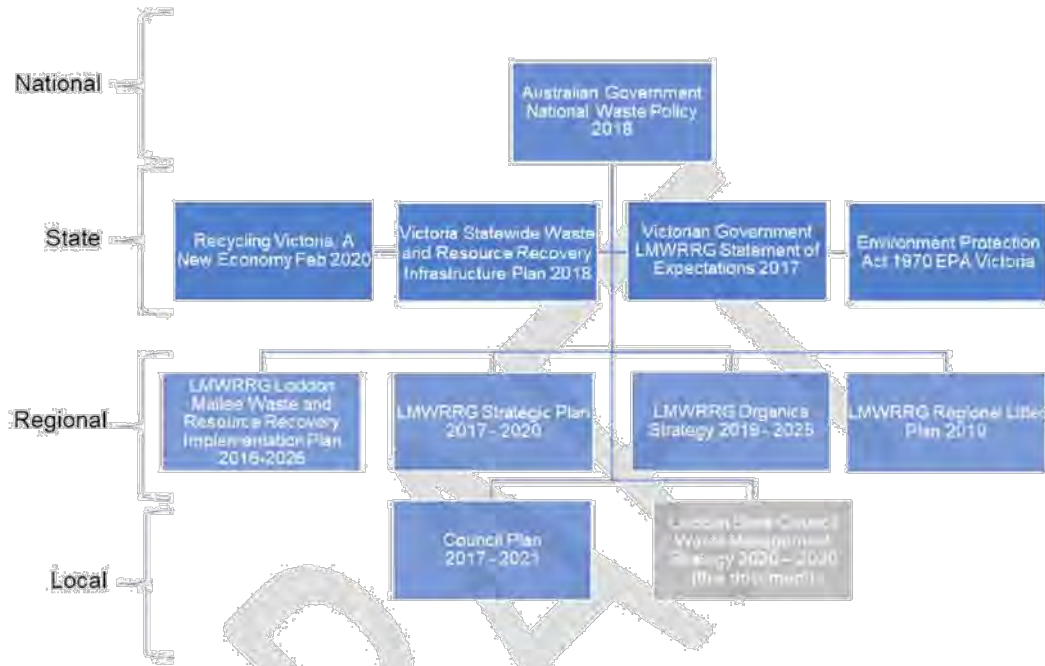


Figure 5: Relevant policies, strategies and other waste-related documents<sup>6</sup>

<sup>6</sup> Note LMWRRG = Loddon Mallee Waste Resource Recovery Group

#### 7.4 Key objectives from these policies and strategies

Key themes across these documents include reducing waste generation and an increase in diversion, particularly through organics recycling.

Relevant objectives/direction from these policies and strategies are included below.

1. Recycling Victoria, a New Economy (2020). In this document the Victorian Government is:
  - proposing a four-bin system at kerbside including comingled recycling, general waste, food and garden organics and glass<sup>7</sup>
  - aiming to reduce waste generation per capita by 15 per cent and to divert 80 per cent of waste from landfill by 2030. There is an interim diversion target of 72 per cent by 2025
  - aiming to cut the volume of organic material going to landfill by 50 per cent between 2020 and 2030, with an interim target of 20 per cent reduction by 2025
  - aiming for 100 per cent of households have access to a separate food and organics recovery service or local composting by 2030.
2. The LMWRRG Waste and Resource Recovery Implementation Plan 2016-2026 indicates the LMWRRG is aiming to:
  - educate the community to reduce waste generation per capita
  - enable beneficial use of organics
  - increase reuse and resource recovery rates across the region
  - encourage and support innovation and research to develop new waste management solutions and markets.
3. The LMWRRG developed a Regional Organics Strategy 2019-2025 with an overarching vision of zero organics to landfill.

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<sup>7</sup> See <https://www.vic.gov.au/four-bin-waste-and-recycling-system>

**8 LODDON SHIRE COUNCIL CURRENT WASTE PERFORMANCE**

Council achieved the following results in 2019-20.

**38%**

diversion rate overall including kerbside and RRCs. Total waste generation is 3,900 tonnes at RRCs/landfills and kerbside or 525 kg/person

**28%**

diversion rate at kerbside which is a 2% increase from 2018-19 and a 5% increase from 2016-17.

**1,500 tonnes recycled or 200 kg/person**



across the Shire including metals, glass, cardboard, E-waste. 45% of this is from kerbside comingled recyclables.

**Over 300 tonnes of green waste**



recovered at our RRCs.

**7 tonnes of mattresses**



recovered in 2019-20 and made into various items including carpet, roof sheeting and mulch.

**Four waste transactions per annum**



provided to our residents. Each quarter, residents can bring 4m<sup>3</sup> of domestic waste and recyclables to RRCs and landfills for free.

**New E-waste infrastructure built**



at the Boort, Dingee, Inglewood and Wedderburn facilities over the past two years. We have recovered over 50 tonnes of E-waste over the past four years.

**Improved hard waste recovery and tracking**



with Council separating recoverable items from non-recoverable items. We are tracking volumes of each material to better understand hard waste in the Shire.

## 9 OBJECTIVES FOR LODDON SHIRE COUNCIL

Council has three objectives relating to waste and recycling:

1. deliver cost-effective, efficient and continuously improved services
2. increase diversion at kerbside and RRCs
3. promote the circular economy and drive up demand for recycled products.

### **Objective One – Deliver cost-effective, efficient, and continuously improved services**

Council will continue to deliver cost-effective, efficient, and continuously improved services for our residents. We will seek opportunities to improve in these areas and continue to measure our performance. For example, reducing unnecessary collection of street litter bins and finalising a voucher system or similar in place of scheduled fee free days.

### **Objective Two – Increase diversion at kerbside and at RRCs**

In line with national and state targets of reducing waste to landfill, Council is also aiming to increase diversion. The Victorian Government has set a target of 80 per cent diversion of waste from landfill by 2030 and LMWRRG has a vision of zero organics to landfill.

Increasing diversion at kerbside and at our RRCs is one way that Council can contribute to these targets. We currently offer kerbside collection of general waste to landfill and comingled recyclables. We also separate out our hard waste where possible to maximise recovery and will continue to do so. Each landfill and RRC offers several separate recycling streams. However, there is room for improvement, and we are committed to exploring how we can increase diversion at kerbside and RRCs. For example, organics and glass bins at kerbside, and home composting solutions if kerbside organics is not viable.

### **Objective Three – Promote the circular economy (including reducing waste generation) and drive up demand for recycled products**

Council will explore methods for promoting the circular economy within the Shire. The Victorian Government and LMWRRG aim to reduce waste generation per capita and increase re-use opportunities, which are all aligned with the principles of the circular economy and waste hierarchy. There are also opportunities to drive up demand for recyclables through Council procurement of goods.



**10 KEY PERFORMANCE INDICATORS**

The following key performance indicators (KPIs) will be used to assess our success against our Objectives.

*Table 1: KPIs*

Area	Key performance indicator
Diversion	Aim for >60% diversion across the Shire by weight by 2030.
Circular economy	<p>Aim to purchase back 5-10%<sup>8</sup> (by weight) of recyclables (comingled and organics) disposed at kerbside in goods (park benches, bollards, irrigation, compost, etc) per annum by 2030.</p> <p>Aim to reduce kilograms per capita (kerbside and resource recovery centres) by 10%, from 525 to 470 kg/capita/annum by 2030.</p>
Resident satisfaction	Aim for >70 index score for waste services in the Local Government Community Satisfaction Survey by 2030.

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<sup>8</sup> Percentage to be confirmed when baseline established

## 11 ACTION PLAN AND FUNDING

Table 2: Actions to achieve objectives, including timelines<sup>9</sup>

Action	Timeline	Responsibility	Funding (additional to operating budget)
<b>Objective One - Deliver cost-effective, efficient, and continuously improved services</b>			
1. Better understand street litter bins required in the Shire to minimise collection costs whilst ensuring littering is also reduced.	Jun. 2023	Works and Assets and Infrastructure	\$0
2. Complete roll out of voucher system for RRC drop offs to all residents to replace fee free days.	Monitor annually 2020 - 2030	Works	\$3,000 per year
3. Explore options to maximise lifespan of landfills and RRCs. Update facilities as required to ensure longevity. Apply for funding support if applicable.	Review site masterplans to maximise lifespan of assets every 5 years. Next due 2022	Works and Assets and Infrastructure	\$30,000
4. Convert Newbridge landfill into an RRC.	2024 - 2025	Works and Assets and Infrastructure	\$300,000 (Potential to apply for Victorian Government contribution)
5. Consider opportunities to minimise kerbside waste costs. For example, joint procurement opportunities (if these will reduce costs), a rise and fall calculator that adjusts the gate rate based on the price of saleable commingled recycling materials etc.	2021 - 2030	Works	\$0
6. Additional support the recycling of materials from our landfills and RRCs	Annually	Works	\$40,000
7. Continue to track hard waste resource recovery performance and cost. Identify opportunities to increase re-use and recovery.	Monitor annually 2021 - 2030	Works	\$0
8. Review viability of E-waste contract after first two years. Adjust gate fees accordingly.	Monitor bi-annually 2022 - 2030	Works	\$0
9. Investigate the viability of a dedicated Environmental Officer that includes a waste focus.	Jun. 2025	Works	\$0
10. Review all gate fees to ensure fees are appropriate given recovery and landfill costs.	Review annually 2021 - 2030	Works	\$0
<b>Objective Two - Increase diversion at kerbside and at transfer stations</b>			
1. Explore costs, savings and potential diversion outcomes from organics recycling bins and/or glass bins at kerbside, and/or home composting or	Dec. 2021	Works	\$10,000

<sup>9</sup> Note RRC = Resource Recovery Centre/Transfer Station

Action	Timeline	Responsibility	Funding (additional to operating budget)
other models to increase household diversion. Compare to business as usual.			
2. Increase capture and reduce contamination of organics at transfer stations and landfills. Consider selling/giving back to community as mulch and if not viable, using as mulch on each site to improve amenity. Include supporting documentation to help minimise contamination and weeds (e.g. instructions for operators and RRC visitors).	Decision by Jun. 2021  Supporting documentation by Dec. 2021	Works	\$0
3. Keep abreast of waste to energy options for the region. Support local initiative of small scale waste to energy technology development, through the provision of nil cost undertakings. Investigate potential solutions for Loddon Shire and Council.	As required	Works	\$0
<b>Objective Three - Promote the circular economy (including reducing waste generation) and drive up demand for recycled products</b>			
1. In line with the Procurement Policy, buy back goods containing recycled content (bollards, park benches, compost, irrigation) and track kilograms purchased. Ensure Procurement Policy encourages the purchase of products containing recycled content.	Track volumes and monitor annually	All departments	\$0
2. Support businesses engaging in circular economy approaches. 'Businesses' may include those reducing waste, re-using materials, repairing, food sharing, extending product lifespan, using recycled materials in products, etc. 'Support' may include Council purchasing goods and engaging services of these businesses, providing grants, etc.	Assess progress in Dec. 2021	All departments	\$0
3. Explore opportunities to improve community participation in the circular economy (e.g. repair cafes, local sharing platforms). Apply for Victorian Government funding if required	Assess progress in Dec. 2021. New facilities built and businesses established by 2025.	Works, LMWRRG	\$0 Apply for Victorian Government funding if required.
4. Explore opportunities to improve our agriculture sector's use of waste materials, particularly organics.	Consultation with sector June 2022, identify opportunities and implement June 2023, monitor annually	Works, LMWRRG	\$0 Apply for Victorian Government funding if required.

## APPENDIX 1: DETAILED WASTE DATA

### Overall waste generation and diversion

Residents in Loddon Shire disposed 3,900 tonnes of waste in 2019-20, including 2,400 tonnes of general waste, 1,200 tonnes of recyclables and 300 tonnes of organic waste (Figure A1). This includes tonnes collected at kerbside and tonnes brought into our RRCs and landfills.

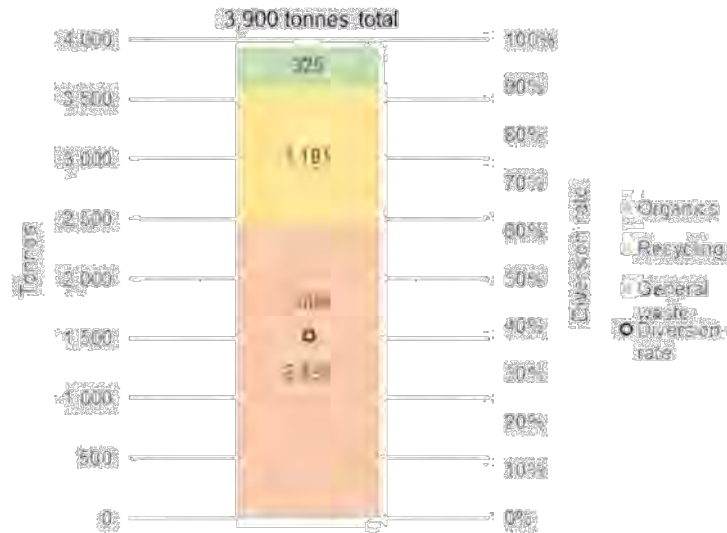


Figure A1: Total waste by stream and waste diversion rate across Council

### Kerbside

In 2019-20, 2,200 tonnes of waste was disposed through the kerbside service, including 1,600 tonnes of general waste and 600 tonnes of recyclables (Figure A2). This equates to 300 kilograms per resident. Waste collected via the kerbside service decreased by 600 tonnes from 2017-18 to 2019-20.

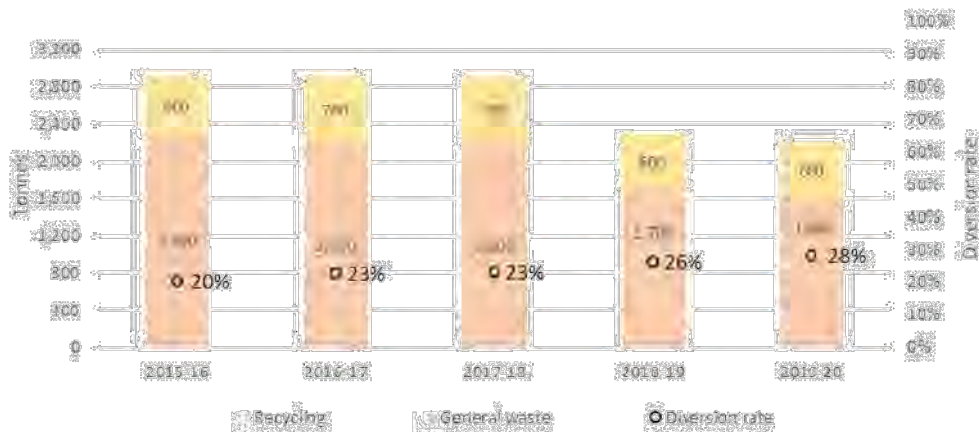


Figure A2: Kerbside waste by stream and waste diversion rate from 2015-16 to 2019-20

**Resource recovery centres and landfills**

We have six facilities that accept a variety of waste streams. The tonnes accepted at each facility in 2019-20 can be found in Figure A3, and tonnes by stream in 2019-20 across all facilities in Figure A4. Dingee accepts the lowest volumes per annum (approximately 30 tonnes) while the other facilities accept around ~250-350 tonnes per annum.

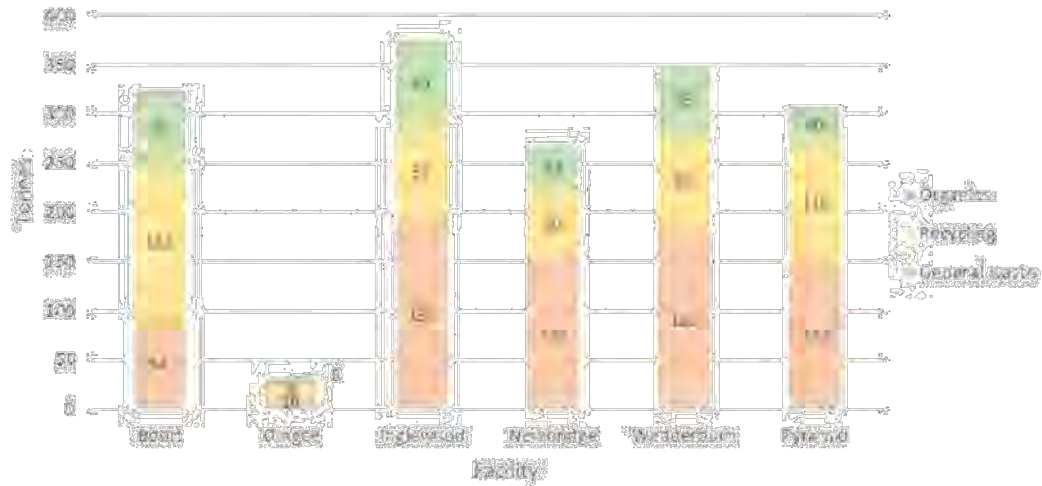


Figure A3: Total waste at each facility by stream in 2019-20

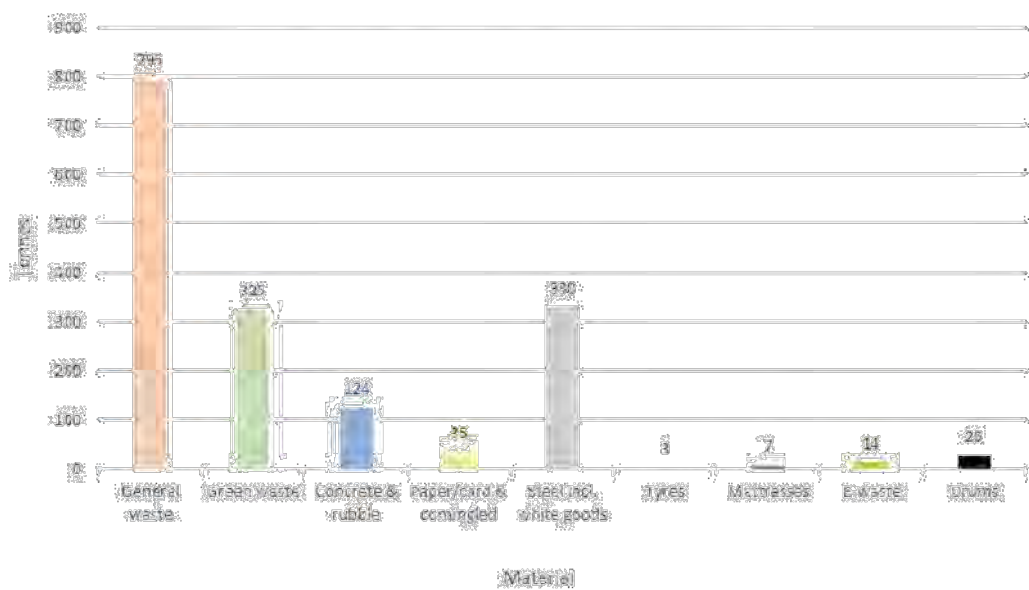


Figure A4: Total waste by material type in 2019-20 – RRCs and landfills only

*Table A1: Total waste (kerbside and RRCs) by stream and waste diversion rate (2015-16 to 2019-20)*

Waste stream	Tonnes per annum				
	2015-16	2016-17	2017-18	2018-19	2019-20
General waste	2,939	2,673	2,646	2,326	2,436
Recycling	1,129	1,514	1,137	1,066	1,181
Organics	179	301	157	218	325
<b>Total tonnes</b>	<b>4,247</b>	<b>4,487</b>	<b>3,940</b>	<b>3,610</b>	<b>3,942</b>
<b>Diversion rate</b>	<b>31%</b>	<b>40%</b>	<b>33%</b>	<b>36%</b>	<b>38%</b>

*Table A2: Total waste by stream and waste diversion rate (2015-16 to 2019-20) – Kerbside waste only*

Waste stream	Tonnes per annum				
	2015-16	2016-17	2017-18	2018-19	2019-20
General waste	2,323	2,196	2,183	1,730	1,600
Recycling	597	654	659	620	600
<b>Total tonnes</b>	<b>2,920</b>	<b>2,850</b>	<b>2,842</b>	<b>2,350</b>	<b>2,300</b>
<b>Diversion rate</b>	<b>20%</b>	<b>23%</b>	<b>23%</b>	<b>26%</b>	<b>28%</b>

*Table A3: Total waste by stream and waste diversion rate (2015-16 to 2019-20) – RRCs and landfills only*

Waste stream	Tonnes per annum				
	2015-16	2016-17	2017-18	2018-19	2019-20
General waste	616	476	463	597	795
Recycling	532	860	478	446	539
Organics	179	301	157	218	325
<b>Total tonnes</b>	<b>1,327</b>	<b>1,637</b>	<b>1,098</b>	<b>1,261</b>	<b>1,659</b>
<b>Diversion rate</b>	<b>54%</b>	<b>71%</b>	<b>58%</b>	<b>53%</b>	<b>52%</b>

*Table A4: Total waste by material type in (2015-16 to 2019-20) – RRCs and landfills only*

Material	2015-16	2016-17	2017-18	2018-19	2019-20
General waste	616	476	463	597	795
Green waste	179	301	157	218	325
Waste oil	5	0.2	0.3	2	0
Concrete & rubble	0	243	36	68	124
Paper/card & comingled	206	410	239	64	35
Steel	284	134	161	286	330
Tyres	10	20	1	3	3
Mattresses	2	10	5	5	7
E-waste	3	25	5	9	14
Drums	22	18	32	10	26
<b>Total</b>	<b>1,327</b>	<b>1,637</b>	<b>1,098</b>	<b>1,261</b>	<b>1,659</b>
<b>Diversion rate</b>	<b>54%</b>	<b>71%</b>	<b>58%</b>	<b>53%</b>	<b>52%</b>

**10.2 COUNCILLOR GIFT POLICY**

**File Number:** FOL/19/101  
**Author:** Lynne Habner, Manager Executive and Commercial Services  
**Authoriser:** Phil Pinyon, Chief Executive Officer  
**Attachments:** 1. Draft Councillor Gift Policy v1

**RECOMMENDATION**

That Council adopts version 1 of the Councillor Gift Policy.

**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 policy was discussed at the January 2021 Council Forum.

**BACKGROUND**

Section 138 of the Local Government Act 2020 (the Act) requires a Council to adopt a Councillor gift policy within six months of 24 October 2020, that is by 24 April 2021. The Policy must make provision for the maintenance of a gift register and any matters in the regulations, including a minimum value of gifts that must be disclosed. Councils must also ensure their policy complies with the public transparency principles.

There was no requirement for a Councillor Gift Policy in the 1989 Act. The purpose of this new requirement is to complement personal interest returns by recording gifts that may be below the threshold for disclosure in a personal interest return or that may have been received since the latest return was lodged.

**ISSUES/DISCUSSION**

Attached is a draft policy based on a better practice version developed by DELWP and used by a number of councils as the foundation for their policy.

**COST/BENEFITS**

The costs associated with the implementation of this policy are operational.

**RISK ANALYSIS**

There is a risk that the policy will not be followed. This risk will be mitigated by informing stakeholders of its adoption and including the policy in induction programs.

**CONSULTATION AND ENGAGEMENT**

Consultation has occurred with relevant stakeholders. No deliberative engagement is required for this policy.



## COUNCILLOR GIFT POLICY

DOCUMENT TYPE:	Council policy
DOCUMENT STATUS:	Draft
POLICY OWNER POSITION:	Manager Executive and Commercial Services
INTERNAL COMMITTEE ENDORSEMENT:	Not applicable
APPROVED BY:	Choose an item.
DATE ADOPTED:	<a href="#">Click here to enter date of approval</a>
VERSION NUMBER:	1
REVIEW DATE:	<a href="#">Click here to enter a date.</a>
DATE RESCINDED:	
RELATED STRATEGIC DOCUMENTS, POLICIES OR PROCEDURES:	<ul style="list-style-type: none"> <li>Gift register</li> <li>Gift procedure</li> <li>Staff, volunteer and contractor Code of Conduct</li> <li>Councillor Code of Conduct</li> <li>Anti-fraud and corruption policy</li> <li>DELWP model policy on Gifts, benefits and hospitality - responding to gift offers</li> </ul>
RELATED LEGISLATION:	Local Government Act 2020
EVIDENCE OF APPROVAL:	

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Signed by Chief Executive Officer

FILE LOCATION: Document2

**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.**





## COUNCILLOR GIFT POLICY

### 1 PURPOSE

The purpose of this policy is to provide guidance to Councillors relating to the acceptance or otherwise of a gift or other benefit such as hospitality and professional development opportunities offered to them.

This policy is intended to:

- support Councillors and Loddon Shire Council in avoiding conflicts of interest and maintaining high levels of integrity and building public trust
- comply with section 138 of the Local Government Act 2020.

### 2 SCOPE

This policy applies to Councillors.

### 3 POLICY

Loddon Shire Council is committed to and will uphold the following principles in applying this policy:

- **Obligations:** Councillors have a requirement to obey the provisions of the Act and to meet minimum accountabilities.
- **Impartiality:** Councillors have a duty to place the public interest above their private interests when carrying out their official functions and will not accept any offer of a gift, benefit or hospitality that may jeopardise this trust.

Councillors will not accept gifts, benefits or hospitality that could be perceived to influence decision making or service delivery.

Councillors must not accept offers from those whom are currently awarded or likely to apply for quotes, tenders and contracts.

- **Accountability:** Councillors are accountable for:
  - appropriately responding to the offer and provision of gifts, benefits and hospitality
  - declaring all non-token offers of gifts, benefits and hospitality
  - declining non-token offers of gifts, benefits and hospitality, or where an exception applies under this policy, seeking approval to accept the offer
  - the responsible provision of gifts, benefits and hospitality, and
  - modelling good practice and promoting awareness of gifts, benefits and hospitality policies and processes.
- **Integrity:** Councillors strive to earn and sustain public trust through responding to offers of gifts, benefits and hospitality in a manner that is consistent with community expectations.

Councillors will refuse any offer that may lead to an actual, perceived or potential conflict of interest. The acceptance of gifts, benefits and hospitality may be considered to influence, reflect bias or preferential treatment to the giver.

- **Risk-based approach:** Council, through its policies, processes and Audit and Risk Management Committee, will ensure gifts, benefits and hospitality risks are appropriately assessed and managed.



## COUNCILLOR GIFT POLICY

### **4 MANAGEMENT OF OFFERS OF GIFTS, BENEFITS AND HOSPITALITY**

This section sets out the process for accepting, declining and recording offers of gifts, benefits and hospitality. Any exceptions to this process must have the prior written approval of the Director Corporate Services.

#### **4.1 Gift Register**

A Gift Register will be maintained to keep a register of gifts, benefits or hospitality offered to Councillors. The Gift Register will be updated within 28 days of a Councillor being offered a gift, benefit or hospitality.

The public Gift Register will be published on the Loddon Shire Council website quarterly by 31 March, 30 June, 30 September and 31 December each year.

An internal Gift Register will contain more detail than the public Gift Register. Access to the internal Gift Register is restricted to relevant persons within Council.

The following information will be captured on the internal Gift Register:

- Offered to
- Date offered
- Date received
- Offered by (giver's name, organisation)
- Nature of gift item / benefit / hospitality
- Occasion
- Estimated value
- Circumstances of offer
- Was the gift retained by the recipient?
- Date recorded

The internal and public Gift Register will be maintained by the Executive and Commercial Services.

#### **4.2 Conflict of interest and reputational risks**

When deciding whether to accept an offer, Councillors should first consider if the offer could be perceived as influencing them in the performance of their duties or lead to reputational damage. The more valuable the offer, the more likely that a conflict of interest exists or reputational damage will occur. The GIFT test provides guidance on the assessment of offers.



## COUNCILLOR GIFT POLICY

### 4.2.1 Gift Test

<b>G</b>	<b>Giver</b>	Who is providing the gift, benefit or hospitality and what is their relationship to me? Does my role require me to select contractors, award grants, regulate industries or determine government policies? Could the person or organisation benefit from a decision I make?
<b>I</b>	<b>Influence</b>	Are they seeking to gain an advantage or influence my decisions or actions? Has the gift, benefit or hospitality been offered to me publicly or privately? Is it a courtesy or a token of appreciation or valuable non-token offer? Does its timing coincide with a decision I am about to make or my endorsement of a product or service?
<b>F</b>	<b>Favour</b>	Are they seeking a favour in return for the gift, benefit or hospitality? Has the gift, benefit or hospitality been offered honestly? Has the person or organisation made several offers over the last 12 months? Would accepting it create an obligation to return a favour?
<b>T</b>	<b>Trust</b>	Would accepting the gift, benefit or hospitality diminish public trust? How would the public view acceptance of this gift, benefit or hospitality? What would my colleagues, family, friends or associates think?

### 4.3 Requirement for refusing offers

Councillors should consider the GIFT test at 4.1.1 and the requirements below to help decide whether to refuse an offer. Councillors should refuse offers:

- likely to influence them, or be perceived to influence them, in the course of their duties or that raise an actual, potential or perceived conflict of interest
- that could bring them or Council into disrepute;
- made by a person or organisation about which they will likely make or influence a decision (this also applies to processes involving grants, sponsorship, regulation, enforcement or licensing), particularly offers:
  - made by a current or prospective supplier
  - made during a procurement or tender process by a person or organisation involved in the process
  - likely to be a bribe or inducement to make a decision or act in a particular way;
  - that extend to their relatives or friends
  - of money, or used in a similar way to money, or something easily converted to money
  - where, in relation to hospitality and events, the organisation will already be sufficiently represented to meet its business needs
  - where acceptance could be perceived as endorsement of a product or service, or acceptance would unfairly advantage the sponsor in future procurement decisions
  - made by a person or organisation with a primary purpose to lobby Council; or
  - made in secret.



## COUNCILLOR GIFT POLICY

If a Councillor considers they have been offered a bribe or inducement, the offer must be reported to the Chief Executive Officer or Director Corporate Services (who should report any criminal or corrupt conduct to the Independent Broad-based Anti-corruption Commission or Victoria Police).

### 4.4 Token offers

A token offer is an offer of a gift, benefit or hospitality that is of inconsequential or trivial value to both the person making the offer and the individual. It may include promotional items such as pens and note pads, and modest hospitality that would be considered a basic courtesy, such as light refreshments during a meeting. A token offer cannot be worth more than \$50.

All token offers should be declared on Council's Gifts, Benefits and Hospitality Register.

### 4.5 Non-token offers

Councillors can only accept non-token offers if they have a legitimate business benefit. All accepted non-token offers must be approved in writing by the Chief Executive Officer, recorded in the Gift Register and be consistent with the following requirements:

- it does not raise an actual, potential or perceived conflict of interest or have the potential to bring the individual or Council into disrepute; and
- there is a legitimate business reason for acceptance. It is offered in the course of the individual's official duties, relates to the individual's responsibilities and has a benefit to Council or the municipality.

Councillors may be offered a gift or hospitality where there is no opportunity to seek written approval from the CEO prior to accepting. For example, they may be offered a wrapped gift that they later identify as being a non-token gift. In these cases, the Councillor must seek approval from the CEO within five business days.

Where the gift would likely bring the Councillor or Council into disrepute, Council should return the gift. If it represents a conflict of interest for the Councillor, Council should either return the gift or transfer ownership to Council to mitigate this risk.

### 4.6 Repeat offers

Receiving multiple offers (token or non-token) from the same person or organisation can generate a stronger perception that the person or organisation could influence you. Councillors should refuse repeat offers from the same source if they create a conflict of interest or may lead to reputational damage.

### 4.7 Ceremonial gifts

Ceremonial gifts are official gifts provided as part of the culture and practices of communities and government, within Australia or internationally. Ceremonial gifts are the property of the organisation, irrespective of value, and should be accepted by individuals on behalf of Council. The receipt of ceremonial gifts should be recorded on Council's register but this information does not need to be published online.

### 4.8 Anonymous gifts

It is an offence for a councillor to receive an anonymous gift that has a value of or more than the gift disclosure threshold. The gift disclosure threshold is defined to be \$500 or a higher amount or value prescribed in regulations. A breach of these provisions could result in a maximum penalty of 60 penalty units and a requirement to pay the Council an amount equal to the value of the gift. A



## COUNCILLOR GIFT POLICY

Councillor is not in breach of this clause if the anonymous gift is disposed of to the Council within 30 days.

In accordance with section 137 of the Local Government Act 2020, anonymous gifts must not be accepted, unless-

- the name and address of the person making the gift is known to the Councillor or
- at the time when the gift is made
  - the councillor is given the name and address of the person making the gift and
  - the councillor reasonably believes that the name and address so given are the true name and address of the person making the gift

### 4.9 Recording non-token offers of gifts, benefits and hospitality

All non-token offers, whether accepted or declined, must be recorded in Council's Gifts, Benefits and Hospitality Register. The business reason for accepting the non-token offer must be recorded in the register within 14 days and include sufficient detail to link the acceptance to the individual's work functions and benefit to Council or the municipality.

Councillors should consider the following examples of acceptable and unacceptable levels of detail to be included in Council's register when recording the business reason:

#### Unacceptable

- "Networking"
- "Maintaining stakeholder relationships"

#### Acceptable

- "Councillor is the designated representative on the Disability Advisory Committee and receives an invitation to Event A. Councillor attended Event A in an official capacity and reported back to Council on the event."
- "Councillor presented to a visiting international delegation. The delegation presented the Councillor with a cultural item worth an estimated \$200. Declining the gift would have caused offence. The gift was accepted on behalf of Council."

### 4.10 Ownership of gifts offered to councillors

Non-token gifts with a legitimate business benefit that have been accepted by an individual for their work or contribution may be retained by the individual where the gift is not likely to bring them or Council into disrepute, and where the CEO has provided written approval. Councillors must transfer to Council official gifts or any gift of cultural significance or significant value.

### 4.11 Monitoring and reporting

Council's Audit and Risk Management Committee will receive a report at least annually on the administration and quality control of the gifts, benefits and hospitality policy, processes and register. The report will include analysis of Council's gifts, benefits and hospitality risks (including multiple offers from the same source and offers from business associates), risk mitigation measures and any proposed improvements.

### 4.12 Summary

In summary, record all offers, whether accepted or rejected, in the Gift Register. Ownership of accepted token offers will generally be retained by the Councillor. Ownership of accepted non-token offers will generally be transferred to Council.



## COUNCILLOR GIFT POLICY

### 5 DEFINITIONS OF TERMS OR ABBREVIATIONS USED

Term	Definition
Gift (section 3 of the Act)	<p>Means any disposition of property otherwise than by will made by a person to another person without consideration in money or money's worth or with inadequate consideration, including—</p> <ul style="list-style-type: none"> <li>(a) the provision of a service (other than volunteer labour); and</li> <li>(b) the payment of an amount in respect of a guarantee; and</li> <li>(c) the making of a payment or contribution at a fundraising function.</li> </ul> <p>A gift includes any good or service (other than volunteer labour) that is provided for free or at an inadequate price. It includes a payment or contribution at a fundraising function.</p>
Gifts explanation to support definition	<p>A gift is anything of monetary or other value that is offered by an external organisation or individual to a Councillor, Officer or contractor as a result of their role with the agency. It includes free or discounted items or services, benefits or hospitality that exceeds common courtesy. Examples include:</p> <ul style="list-style-type: none"> <li>• A bottle of wine or spirits</li> <li>• Tickets to sporting events</li> <li>• Gift Voucher</li> <li>• Corporate hospitality at a corporate facility</li> <li>• Discounted products for personal use</li> <li>• Use of a holiday home</li> <li>• Free or discounted travel</li> <li>• Free training excursions</li> <li>• Door prize or voucher if an individual has not personally paid to attend.</li> </ul>
Gift disclosure threshold (section 3 of the Act)	<p>A disclosable gift means any gift valued at or above \$500 or a higher prescribed amount that a relevant person received in the preceding five years if:</p> <ul style="list-style-type: none"> <li>• the relevant person was a councillor, member of council staff or member of a delegated committee at the time the gift was received, or</li> <li>• the gift was an election campaign donation.</li> </ul> <p>If multiple gifts are received from a person, they must be treated as a single gift with an aggregate value.</p> <p>A failure to comply is an offence that can be prosecuted in court. If found guilty a fine of up to 60 penalty units may be imposed, the value of the gift must be paid to the Council and the Councillor may be required to pay the costs of the prosecution.</p>



## COUNCILLOR GIFT POLICY

Term	Definition
Item or service	<p>For example:</p> <ul style="list-style-type: none"> <li>• Christmas hamper</li> <li>• Desk calendar</li> <li>• Box of chocolates</li> <li>• Bottle of wine</li> <li>• Commemorative object</li> <li>• Door prize at a function</li> <li>• Tree lopping</li> <li>• House painting</li> </ul>
Benefit	<p>Examples include:</p> <ul style="list-style-type: none"> <li>• Preferential treatment,</li> <li>• privileged access,</li> </ul> <p>favours or other advantage offered to an individual. This may include:</p> <ul style="list-style-type: none"> <li>• invitations to sporting, cultural or social events,</li> <li>• access to discounts and loyalty programs, and</li> <li>• promises of a new job.</li> </ul> <p>The value of benefits may be difficult to define in dollars, but as they are valued by the individual, they may be used to influence the individual's behaviour.</p>
Hospitality	<p>Hospitality is considered a gift unless the hospitality was reasonable and you were attending the function or event in an official Council capacity.</p> <ul style="list-style-type: none"> <li>• Reasonableness test: the hospitality must be of a standard and type that an independent observer would consider appropriate and not excessive.</li> <li>• Official capacity test: it must clearly be your duty as a Councillor to attend the relevant function or event.</li> </ul> <p>Hospitality that exceeds common courtesy includes:</p> <ul style="list-style-type: none"> <li>• A 'fine dining and wines' working lunch at another organisation's premises</li> <li>• An offer to pay for a working lunch at a café</li> <li>• An offer of a free spot on an industry golf day</li> </ul> <p>Hospitality that does not exceed common courtesy and is therefore not a gift includes:</p> <ul style="list-style-type: none"> <li>• Sandwiches and pastries over a lunchtime meeting</li> <li>• A cup of coffee at another organisations premises</li> <li>• A cup of coffee at a café (unless there is a conflict of interest)</li> </ul>
Ceremonial gift	<p>Ceremonial gifts are official gifts provided as part of the culture and practices of communities and government, within Australia or internationally. Ceremonial gifts are usually provided when conducting business with official delegates or representatives from another organisation, community.</p> <p>Ceremonial gifts are the property of Loddon Shire Council, irrespective of value. The receipt of ceremonial gifts should be recorded on the register but does not need to be published online.</p>



## COUNCILLOR GIFT POLICY

Term	Definition
Gestures that are not considered gifts	<p>A souvenir received from a person or company as a result of attending a seminar or conference held, conducted or sponsored by them, for which an appropriate fee was paid to attend. For example ties, pens or mugs.</p> <p>Small gestures of appreciation from the community or customers such as cut flowers from their garden or homemade baked goods.</p> <p>Door prizes and raffle prizes at functions or conferences are not considered a gift if the individual has personally paid for their attendance, or where the individual has paid for the raffle ticket.</p>
Internal gifts	Gifts received by Councillors from Banyule Council are not covered by this policy and do not need to be declared, for example, recognition gifts after the end of the Mayor term or Councillor term
Bribe	A bribe is an offer of money or other inducement made with the intention to corruptly influence a Councillor, officer or contractor in the performance of their duties. Bribery or attempted bribery of a public official is a criminal offence.
Conflict of Interest	<p>The Local Government Act 2020 requires Councillors to declare General or Material Conflicts of Interest.</p> <p>A conflict of interest is a conflict between a Councillor's public duty to act in the best interest of the Council and their private interests (financial or non-financial). A conflict exists whether it is:</p> <ul style="list-style-type: none"> <li>• Real – it currently exists</li> <li>• Potential – it may arise, given the circumstances</li> <li>• Perceived – members of the public could reasonably form the view that a conflict exists, or could arise, that may improperly influence the person's performance of their duty to the Council, now or in the future.</li> </ul>
Contractor	A person or company supplying goods, services or works to the Council.
Value	Value means the face value or estimated retail value.
Legitimate Business Reason	<p>A legitimate business reason is a business purpose that furthers official business or other legitimate goals of the Council.</p> <p>The following are not legitimate business reasons:</p> <ul style="list-style-type: none"> <li>• 'it would have been impolite to refuse</li> <li>• 'Refusal would offend' (except in compelling circumstances that are in the public interest, for example accepting a gift onstage at an official ceremony)</li> <li>• 'Networking'</li> <li>• 'Maintaining stakeholder relationships'</li> </ul>
Business Associate	An external individual or entity which the organisation has, or plans to establish, some form of business relationship, or who may seek commercial or other advantage by offering gifts, benefits or hospitality.





## COUNCILLOR GIFT POLICY

Term	Definition
Token offer	<p>The offer of a gift benefit or hospitality that is offered as a courtesy or is of inconsequential or trivial value to both the person making the offer and the individual.</p> <p>Whilst the primary determinant of a token offer is that it would not be reasonably perceived within or outside the organisation as influencing an individual or raising an actual, potential or perceived conflict of interest, it cannot be worth more than \$50 (including cumulative offers from the same source over a 12-month period).</p>
Non Token offer	<p>The offer of a gift benefit or hospitality that is, or may be perceived to be by the recipient, the person making the offer or by the wider community, of more than inconsequential value. All offers worth more than \$50 are non-token offers and must be recorded on a gift, benefit and hospitality register.</p>
Gifts, Benefits and Hospitality Register	<p>A record, preferably electronic, of all declarable gifts, benefits and hospitality. It records the date an offer was made and by whom, the nature of the offer, its estimated value, the raising of any actual, potential or perceived conflicts of interest or reputational risks and how the offer was managed. For accepted offers, it details the business reason for acceptance and the officer approving the acceptance.</p>

### 6 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.

### 7 REVIEW

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

### 8 ATTACHMENTS

Gift disclosure form  
Example internal gift register



# COUNCILLOR GIFT POLICY



## COUNCILLOR GIFT DECLARATION FORM

**Details:**

Name of Councillor \_\_\_\_\_

Date gift offered \_\_\_\_\_

Date gift received \_\_\_\_\_

Name of individual, company or organisation offering the gift \_\_\_\_\_

Nature of gift (please provide a brief description) \_\_\_\_\_

Occasion (if applicable) \_\_\_\_\_

Estimated value of gift \$ \_\_\_\_\_

Circumstances of offer \_\_\_\_\_

Action taken: (e.g. accepted as reasonable hospitality, accepted and provided to the Office of CEO/Mayor) \_\_\_\_\_

Councillor	Mayor	CEO
	I have noted the declaration:	I have noted the declaration:
Signed: _____	Signed: _____	Signed: _____
Date: _____	Date: _____	Date: _____

Office Use    **Receipt Number:** \_\_\_\_\_    **Date recorded:** \_\_\_\_\_

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# COUNCILLOR GIFT POLICY

## EXAMPLE INTERNAL GIFT REGISTER

	Councillor, Staff, Volunteer, Contractor	Offered to: (Insert name)	Date offered	Date received	Offered by (Insert name)	Nature of gift	Occasion	Estimated value	Token or Non-token	Circumstances	Action taken	Was it retained the receipt
example 1	Councillor	Cr Smith	18/12/2020	31/12/2020	Boral Industries	Two tickets to gain entry to New Years Eve event sponsored by Boral.	New Years Eve event sponsored by Boral.	\$ 40.00	Token	Councillor Smith is the designated member of the New Years Eve working group run by Council and was invited to open the event as Mayor and needed a ticket to gain entry.	Gift was accepted as a token offer in accordance with clause 4.4 of the policy.	Yes
example 2	Councillor	Cr Smith	18/12/2020	31/12/2020	Boral Industries	Two tickets to gain entry to New Years Eve event sponsored by Boral.	New Years Eve event sponsored by Boral.	\$ 50.00	Non-token	Councillor Smith is the designated member of the New Years Eve working group run by Council and was invited to open the event as Mayor and needed a ticket to gain entry.	Gift was accepted as a non-token offer with a legitimate business benefit in accordance with clause 4.5 of the policy.	Yes
example 3	Councillor	Cr Smith	18/12/2020	31/12/2020	Boral Industries	One ticket to gain entry to New Years Eve event sponsored by Boral.	New Years Eve event sponsored by Boral.	\$ 600.00	Non-token	Councillor Smith is the designated member of the New Years Eve working group run by Council and was invited to open the event as Mayor and needed a ticket to gain entry.	Gift was accepted as a non-token offer with a legitimate business benefit in accordance with clause 4.5 of the policy.	Yes
example 4	Councillor	Cr Smith	18/12/2020	31/12/2020	Boral Industries	One ticket to gain entry to New Years Eve event sponsored by Boral.	New Years Eve event sponsored by Boral.	\$ 600.00	Non-token	Councillor Smith is the designated member of the New Years Eve working group run by Council and was invited to open the event as Mayor and needed a ticket to gain entry.	Gift was declined due to failing an actual.	No

**10.3 FEBRUARY 2021 AUDIT AND RISK COMMITTEE MEETING OVERVIEW**

<b>File Number:</b>	<b>FOL/20/612</b>
<b>Author:</b>	<b>Sharon Morrison, Director Corporate Services</b>
<b>Authoriser:</b>	<b>Phil Pinyon, Chief Executive Officer</b>
<b>Attachments:</b>	<b>1. Signed minutes of November 2020 Audit and Risk Committee meeting</b>
	<b>2. Review of Capital Project Management</b>
	<b>3. Review of Swimming Pool Management</b>

**RECOMMENDATION**

That Council:

1. receives and notes this report on the February 2021 Audit and Risk Committee Meeting
2. receives and notes the signed minutes of the November 2020 Audit and Risk Committee meeting (**attached**)
3. notes the review of Capital Project Management and endorses the management actions contained in the review (**attached**)
4. notes the review of Swimming Pool Management and endorses the management actions contained in the review(**attached**).

**CONFLICT OF INTEREST**

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

**PREVIOUS COUNCIL DISCUSSION**

Council was provided with a summary of the November 2020 Audit and Risk Committee Meeting at the Ordinary Meeting held on 15 December 2020.

**BACKGROUND**

The Audit and Risk Committee was established under Section 53 of the Local Government Act 2020, which states that "A Council must establish an Audit and Risk Committee", by Council resolution on 23 June 2020.

The committee is made up of four independent community members, and Cr Gavan Holt, as Council's representative. At the Council Meeting on 19 November 2020, it was resolved that Councillor Beattie be the alternate Council representative in the event that Cr Holt is unable to attend the Audit and Risk Committee meeting. Council's Chief Executive Officer and Director Corporate Services attend the meetings in an advisory capacity.

The objectives of the Audit and Risk Committee are to:

- a) monitor the compliance of Council policies and procedures with
  - i. the overarching governance principles; and
  - ii. this Act and the regulations and any Ministerial directions
- b) monitor Council financial and performance reporting
- c) monitor and provide advice on risk management and fraud prevention systems and controls

d) oversee internal and external audit functions.

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

## ISSUES/DISCUSSION

The agenda for the February 2021 meeting included the following:

### Decision Reports

The minutes of the November 2020 Audit Committee meeting (**attached**) were endorsed.

An election was held for the chair for 2021 and Mr Rod Baker was elected.

The external audit strategy was presented by Kathie Teasdale of RSD Audit.

The reporting requirements for the Audit and Risk Committee were discussed and it was determined to continue to provide an annual report to Council in addition to the quarterly reports following each meeting.

The draft performance survey for the Audit and Risk Committee members was endorsed and approved for distribution to members.

Two internal audit reviews were discussed:

- Review of Swimming Pool Management (**attached**) and
- Review of Capital Project Management (**attached**).

The Review of Swimming Pool Management contains five findings. The findings are all rated medium. There are ten management actions in response to the findings.

The Review of Capital Project Management was discussed extensively. The Review contains seven findings. The findings are rated medium (4) and low (3). There are 17 management actions in response to the findings.

### Compliance Reports

A number of compliance reports were considered and noted including:

- CEO Report of suspected and actual fraud, thefts and breaches of the law - a nil report
- CEO Report on major lawsuits facing council - VEC matters were discussed
- Report of Councillor expenses
- Report on items raised by Council - a nil report
- Loddon Performance Framework Report – July 2020 to December 2020
- Quarterly report on Council's risk profile, any significant changes and review of treatment plans for significant risks

### Information Reports

The Audit and Risk Committee also received the following information reports:

- Monthly finance report
- Presentation by staff member – Director Operations
- Status of delivery of annual internal audit plan
- Significant changes to key systems report
- Organisation health check report
- Report on impact of VAGO reports
- Report on impact of reports of other regulatory bodies

- Update on service planning
- Update on business continuity framework
- Update of risk management framework
- Upcoming vacancy for community member

A review of the Financial Plan was also listed but deferred to the next Audit and Risk Committee meeting to enable attendance by the Manager Financial Services.

The date of next audit committee meeting is 13 May 2021.

The next review will be asset management and maintenance.

### **COST/BENEFITS**

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

### **CONSULTATION AND ENGAGEMENT**

Nil



**Date:** Thursday, 26 November 2020  
**Time:** 9.15am  
**Location:** Kooyoora Room, Wedderburn Council Office,  
Wedderburn and video conference

# **MINUTES**

## **Audit and Risk Committee Meeting**

**26 November 2020**

AUDIT AND RISK COMMITTEE MEETING MINUTES

26 NOVEMBER 2020

**MINUTES OF LODDON SHIRE COUNCIL  
AUDIT AND RISK COMMITTEE MEETING  
HELD AT THE KOYOORA ROOM, WEDDERBURN COUNCIL OFFICE, WEDDERBURN AND  
VIA VIDEO CONFERENCE  
ON THURSDAY, 26 NOVEMBER 2020 AT 9.15AM**

**PRESENT:** Mr Alan Darbyshire, Cr Gavan Holt, Mr Rod Poxon, Mr Rod Baker, Mr Jarrah O'Shea

**IN ATTENDANCE:** Sharon Morrison (Director Corporate Services), Phil Pinyon (Chief Executive Officer), Michelle Hargreaves (Administration Officer Corporate Services), Kirsten Nichols (Governance Coordinator), Mark Holloway (HLB Mann Judd), Kathie Teasdale (RSD Audit)

**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**

Nil

**4 DECLARATIONS OF CONFLICT OF INTEREST**

Cr Gavan Holt declared a conflict in relation to item 8.3, due to a being named in the report.



AUDIT AND RISK COMMITTEE MEETING MINUTES

26 NOVEMBER 2020

**5: PREVIOUS MINUTES****5.1 MINUTES FOR AUGUST 2020****File Number:** FOL/20/613**Author:** Michelle Hargreaves, Administration Officer**Authoriser:** Sharon Morrison, Director Corporate Services**Attachments:** 1. DRAFT Minutes Audit and Risk Meeting 13 August 2020**RECOMMENDATION**

1. That the Audit and Risk Committee accepts the minutes of the meeting held 13 August 2020.
2. That the Audit and Risk Committee authorise the chair to sign the minutes of the meeting held on 13 August 2020.
3. That the Audit Committee forward the signed minutes of the meeting held 13 August 2020 to the next ordinary meeting of Council.

**CONFLICT OF INTEREST**

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

**PREVIOUS AUDIT AND RISK COMMITTEE DISCUSSION**

None

**BACKGROUND**

Clause 5.3 (i) of the Audit and Risk Committee Charter version 9 states that minutes will be taken by an appointed Secretary and signed by the Chair.

Clause 5.4(c) of the Audit and Risk Committee Charter version 9 states that the Audit and Risk Committee must:

- (c) Prepare a biannual audit and risk report that describes the activities of the Audit and Risk Committee and includes its findings and recommendations and provide a copy of the biannual audit and risk report to the Chief Executive Officer for tabling at the next Council meeting (Note section 54(5) of the 2020 Act).

**ISSUES/DISCUSSION**

The minutes of the previous meeting are reviewed and accepted with or without amendments each meeting.

The chair signs the confirmed minutes of the previous meeting at each meeting.

The Audit and Risk Committee have chosen to provide a report to the Council after each quarterly meeting rather than twice a year.

**COST/BENEFITS**

The minutes are taken by an administration officer.

The benefit of taking minutes is an accurate record of decisions and deliberations, transparency and good governance.

**AUDIT AND RISK COMMITTEE MEETING MINUTES****26 NOVEMBER 2020****RISK ANALYSIS**

The key risk is inaccurate minute taking. This risk is addressed by having the minutes reviewed by all members and staff in attendance.

**CONSULTATION AND ENGAGEMENT**

The draft minutes are reviewed by the chair of the Audit and Risk Committee and Director Corporate Services before being presented to the Audit and Risk Committee for acceptance.

**COMMITTEE RESOLUTION 2020/59**

Moved: Mr Jarrah O'Shea

Seconded: Mr Rod Poxon

1. That the Audit and Risk Committee accepts the minutes of the meeting held 13 August 2020.
2. That the Audit and Risk Committee authorise the chair to sign the minutes of the meeting held on 13 August 2020.
3. That the Audit Committee forward the signed minutes of the meeting held 13 August 2020 to the next ordinary meeting of Council.

**CARRIED**

**AUDIT AND RISK COMMITTEE MEETING MINUTES**

26 NOVEMBER 2020

**6 REVIEW OF ACTION SHEET****6.1 ACTION SHEET**

**File Number:** FOL/20/613  
**Author:** Sharon Morrison, Director Corporate Services  
**Authoriser:** Sharon Morrison, Director Corporate Services  
**Attachments:** 1. Outstanding Audit and Risk Actions

**RECOMMENDATION**

That the Audit Committee note that there are currently outstanding 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.

**PREVIOUS AUDIT COMMITTEE DISCUSSION**

Actions arising from the minutes are reviewed at each audit committee meeting.

**BACKGROUND**

From time to time, the audit committee requests further action on items raised during the meeting. These actions are recorded and, where possible, actioned prior to the next meeting.

**ISSUES/DISCUSSION**

There are currently four actions arising from the minutes of previous meetings.

**COST/BENEFITS**

The cost of responding to actions arising from the minutes will vary according to the time involved in actioning the request.

The benefit of responding to the actions is an improvement in the data, information and knowledge available for decision making.

**RISK ANALYSIS**

The risk of not responding to the actions is a potential decline in the confidence of the audit committee in council and management.

**CONSULTATION AND ENGAGEMENT**

Other staff and stakeholders will be consulted where the action requires their input.

**AUDIT AND RISK COMMITTEE COMMENT**

Mrs Morrison provided an update on the action sheet items, noting that they were either now completed or close to being completed.

AUDIT AND RISK COMMITTEE MEETING MINUTES

26 NOVEMBER 2020

**COMMITTEE RESOLUTION 2020/60**

Moved: Mr Jarrah O'Shea

Seconded: Mr Rod Poxon

That the Audit and Risk Committee note that there are actions either completed or in progress.

**CARRIED**

.....

**AUDIT AND RISK COMMITTEE MEETING MINUTES**

26 NOVEMBER 2020

**7 DECISION REPORTS****7.1 ANNUAL REPORT BY CHAIR ON ISSUES RAISED DURING MEETING WITH INTERNAL AND EXTERNAL AUDITORS**

**File Number:** FOL/20/613  
**Author:** Sharon Morrison, Director Corporate Services  
**Authoriser:** Sharon Morrison, Director Corporate Services  
**Attachments:** Nil

**RECOMMENDATION**

That the Audit and Risk Committee note the issues raised during meetings with the internal and external auditors.

**CONFLICT OF INTEREST**

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

**PREVIOUS AUDIT COMMITTEE DISCUSSION**

Each August the Audit and Risk Committee community members and councillor representative meet with the internal and external auditors without officers present.

At the August committee meeting, it was agreed that the chair would contact the internal and external auditors to discuss any issues of concern.

**BACKGROUND**

Clause 5.3(f) of the Audit Committee Charter version 9 states that:

At the committee's discretion, significant time will be set aside with non-officer members of the committee for the purpose of open discussion with the internal and/or external auditors.

**ISSUES/DISCUSSION**

A verbal report to be provided by the Chair.

**COST/BENEFITS**

There is minimal cost associated with this action. The benefit is an opportunity for the community member and councillor representative to have open discussion with the internal and external auditors.

**RISK ANALYSIS**

There is a risk that the internal and/or external auditor or some of the Audit and Risk Committee non-officer members will be unable to attend. Alternative arrangement can be made at the committee's discretion.

**CONSULTATION AND ENGAGEMENT**

The non-officer members of the Audit Committee are able to engage with the internal and external auditors.

**AUDIT AND RISK COMMITTEE COMMENT**

Mr Baker provided the committee with details of his discussions with the internal and external auditors. The auditors were asked how well they were able to conduct work remotely over the

AUDIT AND RISK COMMITTEE MEETING MINUTES26 NOVEMBER 2020

lockdown period and whether they were able to obtain adequate data and information to make meaningful observations and form relevant opinions. The auditors acknowledged that there would be an element of remote auditing into the future and that it would be easier without the complications of lockdown such as home schooling. The auditors were complimentary of the cooperation of staff during audits.

**COMMITTEE RESOLUTION 2020/61**

Moved: Mr Alan Darbyshire

Seconded: Mr Jarrah O'Shea

That the Audit and Risk Committee note the issues raised during meetings with the internal and external auditors.

**CARRIED**

AUDIT AND RISK COMMITTEE MEETING MINUTES26 NOVEMBER 2020**7.2 QUARTERLY REPORT ON INTERNAL AUDIT REVIEW****File Number:** FOL/20/613**Author:** Sharon Morrison, Director Corporate Services**Authoriser:** Sharon Morrison, Director Corporate Services**Attachments:** 1. Review of Outstanding Actions**RECOMMENDATION**

That the Audit and Risk Committee:

1. Note the recommendations in the Audit Report "Review of Outstanding Actions"
2. Refer the Audit Report "Review of Outstanding Actions" to the next ordinary meeting of Council.

**CONFLICT OF INTEREST**

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

**PREVIOUS AUDIT AND RISK COMMITTEE DISCUSSION**

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

**BACKGROUND**

Clause 5.4 of the Audit and Risk Committee Charter version 9 states that the duties and responsibilities of the Audit and Risk Committee in pursuing its Charter include to:

- (vi) Review reports of internal audit and the extent to which Council and management react to matters raised by internal audit, by monitoring the implementation of recommendations made by internal audit.

**ISSUES/DISCUSSION**

The internal audit program is set out in the Loddon Shire Council Strategic Internal Audit Plan 2019-2023. This document is updated annually to reflect the priorities for the coming year.

The internal audit report for consideration by the Audit and Risk Committee this quarter is the report titled "Review of Outstanding Actions".

This review followed up 99 internal audit recommendations in reports dated back to August 2016. In summary:

- 56% are still relevant
- 11% are partially relevant
- 4% are considered no longer relevant
- 29% are considered complete

**COST/BENEFITS**

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

**RISK ANALYSIS**

There is a risk that Council will not be able to resource the implementation of recommendations within the suggested timeframes. This risk is reduced by seeking input from relevant staff members.

**AUDIT AND RISK COMMITTEE MEETING MINUTES****26 NOVEMBER 2020**

about the proposed timeframes and negotiating changes to timeframes to the internal auditor prior to the finalisation of the report for the Audit and Risk Committee and Council. Other priorities can still impact upon Council's ability to meet the agreed timeframes.

**CONSULTATION AND ENGAGEMENT**

The report identifies the staff consulted during the audit. Additional staff may have been consulted regarding the draft report.

**AUDIT AND RISK COMMITTEE COMMENT**

Mr Holloway provided a summary of the review. It was noted that the approach of checking relevance was a worthwhile activity to be undertaken annually.

**COMMITTEE RESOLUTION 2020/62**

Moved: Mr Alan Darbyshire

Seconded: Mr Jarrah O'Shea

That the Audit and Risk Committee:

1. Note the recommendations in the Audit Report "Review of Outstanding Actions"
2. Refer the Audit Report "Review of Outstanding Actions" to the next ordinary meeting of Council.

**CARRIED**



**AUDIT AND RISK COMMITTEE MEETING MINUTES**

26 NOVEMBER 2020

**7.3 ANNUAL REPORT ON EFFECTIVENESS OF INTERNAL AUDIT FUNCTION**

**File Number:** FOL/20/613

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

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

**Attachments:** 1. KPMG report on effectiveness of the internal audit function

**RECOMMENDATION:**

That the Audit Committee note the annual report on the effectiveness of the internal audit function.

**CONFLICT OF INTEREST**

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

**PREVIOUS AUDIT COMMITTEE DISCUSSION**

In the past the Audit Committee has considered the performance of the internal auditor on an annual basis and conducted a self-assessment of the committee, but the internal audit function has not completed a self-assessment.

**BACKGROUND**

This is a new report arising from the new Audit and Risk Committee Charter and annual work plan.

**ISSUES/DISCUSSION**

Using the questions for audit committees to consider listed in the KPMG report on effectiveness of the internal audit function, the following table provides response to the questions:

	Question	Internal audit function response
	Internal audit findings and reporting	
1.	Does internal audit produce reports for individual audits with a clear rating scale which identify both root causes and consequences of issues which are delivered on a timely basis with clarity and impact, and include credible recommendations to management?	This activity is outsourced.

AUDIT AND RISK COMMITTEE MEETING MINUTES

26 NOVEMBER 2020

	Question	Internal audit function response
2.	Does internal audit produce reports for the audit committee which present information in a clear, concise manner, including the identification of themes and trends, and their consequences for the organisation as a whole?	<p>Reports are produced for the Audit and Risk Committee which present information. The intention is for the reports to be clear and concise.</p> <p>Where a report contains quantitative information, efforts are made to present the information with trends and in thematic groups.</p> <p>There is an opportunity to increase focus on the identifying the consequences of those trends, by answering the question "so what?"</p>
3.	Does internal audit have rapid and effective mechanisms in place for the escalation of issues requiring senior management or audit committee attention?	<p>Fraud and public interest disclosures have clear policies and procedures in place to provide for escalation of issues to senior management and Audit and Risk Committee.</p> <p>More could be done to use the risk management framework for the escalation of issues. Council is in the process of updating its risk management framework and developing appropriate training for staff and councillors.</p>
4.	Has internal audit added value to the organisation? If so, how?	Internal audit supported the implementation of the Audit and Risk Committee work plan (formerly known as annual calendar).
5.	Do internal audit procedures produce many significant findings? Are these actioned by management on a timely basis?	Internal audits produce an appropriate number of findings given Loddon's capacity and capability for actioning by management on a timely basis. Some areas of Council are more timely than others, due to resourcing and other priorities.
Assessment tools		
6.	Is the use of a survey or questionnaire appropriate? Who should be asked to complete this?	The Audit and Risk Committee self-assessment survey takes place annually. It is completed by independent members and the councillor representative. The survey is one part of the effectiveness evaluation conducted by Council.

## AUDIT AND RISK COMMITTEE MEETING MINUTES

26 NOVEMBER 2020

	Question	Internal audit function response
7.	Is too much reliance placed upon any self-assessment process?	The self-assessment survey generally has a small number of items to address which are often gaps in knowledge rather than inadequate audit function.
8.	How often is internal audit effectiveness evaluated? Does the audit committee regularly review the quality and results of internal audit reporting and activities?	The intention is for this report on effectiveness to be provided annually.
9.	Is internal audit's independence and objectivity included in the assessment? How can this be incorporated?	Internal audit's independence and objectivity is provided through the engagement of external and internal auditors who conduct regular independent audits.
Internal audit delivery		
10.	Does internal audit have clearly defined audit plan for the year and over the longer term?	The Audit and Risk Committee have an annual work plan as well as a Strategic Internal Audit Plan.
11.	Does internal audit reflect on and adapt its methodology to ensure that it remains fresh and relevant?	The internal auditors have recently amended the approach for the review of outstanding actions which has been seen in a favourable light within the organisation. The introduction of the Local Government Act 2020 caused reflection on and revision of the Audit and Risk Committee's Charter. The Charter is also reviewed annually.
12.	Is internal audit recognised by business leaders as a function providing quality challenge (for example by telling them things that they did not already know, identifying root causes and opportunities for improving control design, and trends in risks and controls)?	This activity is outsourced.
13.	Does internal audit have a presence in major governance and control forums throughout the organisation, for example, any risk committee?	The internal audit function has largely been managed and performed by the Director Corporate Services. The Director is present at major governance and control forums including the council forums, briefings and meetings and risk committee meetings.

AUDIT AND RISK COMMITTEE MEETING MINUTES

26 NOVEMBER 2020

	Question	Internal audit function response
14.	Is internal audit characterised by strong relationships at the highest levels (for example, does the head of internal audit and senior colleagues have direct and strong relationships with board members, business heads and senior management)?	As above
Internal audit resources		
15.	Does internal audit have sufficient resources to deliver on its annual plan and pick up ad hoc projects as necessary? Is the talent pool diverse, with a broad mix of skills and experience?	The internal audit function has gained additional temporary resourcing with the appointment of a 2 year fixed term Governance Coordinator. In addition, the preparation of reports for Audit and Risk Committees has become more decentralised in recent months with the introduction of more risk reporting (rather than the focus of audit reporting in the past).
16.	Does internal audit have team members with sufficient technical knowledge to perform their role effectively?	The key capacity gap in the internal audit team at the moment is systems administration. Council is investigating the opportunity to consolidate its risk/audit software into a single platform to improve administrator confidence and familiarity with the software.
17.	Does internal audit have team members with appropriate information systems auditing experience to understand and assess the level of technology used by the organisation?	The internal audit team has access to staff with appropriate information systems auditing experience to understand and assess the level of technology used by the organisation.
18.	Does internal audit manage its resources effectively to maximise the value of its service to the business?	The internal audit function would benefit from a stronger nexus to the risk management function. This would help to support staff to assess risk and appropriately prioritise actions which seek to address audit findings.  Council is investigating the possible realignment of the risk management function for a trial period.

**COST/BENEFITS**

The cost of conducting this review on effectiveness is officer time. The benefit is further insights for the Audit and Risk Committee on the performance of the internal audit function, in addition to the review of the internal auditor and the committee self-assessment.

**AUDIT AND RISK COMMITTEE MEETING MINUTES**

26 NOVEMBER 2020

**RISK ANALYSIS**

There is a risk that the assessment will be biased. This risk is addressed by having internal and external audits conducted on a regular basis.

**CONSULTATION AND ENGAGEMENT**

There has been no consultation or engagement in the development of this report.

**AUDIT AND RISK COMMITTEE COMMENT**

The Audit and Risk Committee members noted that item 1 and 12, whilst outsourced, were also provided by Council staff to a high standard and this was likely to be more comprehensive with the addition of the Governance Coordinator role. Ms Morrison commented that it was a priority to seek budget allocation to support the role in an ongoing capacity.

The Audit and Risk Committee commented on increased focus on risk management by the committee under its new charter. Ms Morrison noted the current review of the risk management framework would assist with this focus. It was also noted by Ms Morrison that a Request for Quote was being issued for the replacement and further integration of risk management software.

**COMMITTEE RESOLUTION 2020/63**

Moved: Mr Jarrah O'Shea

Seconded: Mr Rod Poxon

That the Audit Committee note the annual report on the effectiveness of the internal audit function.

**CARRIED**

AUDIT AND RISK COMMITTEE MEETING MINUTES26 NOVEMBER 2020**7.4 ANNUAL REPORT ON PROPOSED MEETING SCHEDULE AND PROPOSED ANNUAL WORK PROGRAM****File Number:** FOL/20/613**Author:** Sharon Morrison, Director Corporate Services**Authoriser:** Sharon Morrison, Director Corporate Services**Attachments:** 1. Annual Work Plan**RECOMMENDATION**

That the Audit and Risk Committee:

1. Confirm the 2021 work program and meeting schedule and
2. Refer the 2021 work program and meeting schedule to the next appropriate ordinary meeting of council

**CONFLICT OF INTEREST**

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

**PREVIOUS AUDIT AND RISK COMMITTEE DISCUSSION**

The proposed work program was considered at the August 2020 Audit and Risk Committee meeting.

**BACKGROUND**

At this time each year the committee prepares a draft calendar (now known as the annual work program) for the upcoming year.

**ISSUES/DISCUSSION**

It is proposed that the meeting schedule for 2021 be the second Thursday in February, May, August, and November commencing 9.15am:

- 11 February 2021
- 13 May 2021
- 12 August 2021
- 11 November 2021

The proposed work program is attached for confirmation.

**COST/BENEFITS**

The costs associated with preparing and implementing the work plan are administrative. The benefits of preparing the work program include knowledge management and probity.

**RISK ANALYSIS**

There are minimal risks associated with preparing the work program.

**CONSULTATION AND ENGAGEMENT**

The work program is prepared based upon the content of the Audit and Risk Committee Charter.

**AUDIT AND RISK COMMITTEE MEETING MINUTES**

26 NOVEMBER 2020

**AUDIT AND RISK COMMITTEE COMMENT**

The committee confirmed the program however during discussions on a number of subsequent reports, requested that:

- the frequency for the six monthly assessment of control environment be changed to annual with the first report in May 2021, following the completion of a large amount of work in relation to the Local Government Act
- the frequency for the quarterly report on compliance with systems and controls be changed to half yearly
- the annual program be reviewed to clearly identify legislated reporting frequency

**COMMITTEE RESOLUTION 2020/64**

Moved: Mr Alan Darbyshire

Seconded: Mr Jarrah O'Shea

That the Audit and Risk Committee:

1. Confirm the 2021 work program and meeting schedule subject to the following amendments
  - the frequency for the six monthly assessment of control environment be changed to annual with the first report in May 2021, following the completion of a large amount of work in relation to the Local Government Act
  - the frequency for the quarterly report on compliance with systems and controls be changed to half yearly
  - the annual program be reviewed to clearly identify legislated reporting frequency
2. Refer the 2021 work program and meeting schedule to the next appropriate ordinary meeting of council

**CARRIED**

**AUDIT AND RISK COMMITTEE MEETING MINUTES**

26 NOVEMBER 2020

**8 COMPLIANCE REPORTS****8.1 QUARTERLY CEO REPORT ON SUSPECTED AND ACTUAL FRAUD, THEFTS AND BREACHES OF THE LAW****File Number:** FOL/20/613**Author:** Sharon Morrison, Director Corporate Services**Authoriser:** Sharon Morrison, Director Corporate Services**Attachments:** Nil**RECOMMENDATION**

That the Audit and Risk Committee note the Quarterly CEO report on suspected and actual fraud, thefts and corruption.

**CONFLICT OF INTEREST**

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

**PREVIOUS AUDIT AND RISK COMMITTEE DISCUSSION**

The last Fraud Report was considered at the August 2020 Audit and Risk Committee meeting.

**BACKGROUND**

Clause 5.4 (xi) of the Audit and Risk Committee Charter version 9 states that one of the duties and responsibilities of the Audit and Risk Committee in pursuing its Charter is receiving from management reports on all suspected and actual frauds, thefts and breaches of the law.

**ISSUES/DISCUSSION**

This report is a verbal report provided by the CEO.

**COST/BENEFITS**

There is minimal cost involved in the preparation of this report. The benefit of providing this report to the Audit and Risk Committee is enabling the Audit and Risk Committee to monitor Council's risk exposure.

**RISK ANALYSIS**

Failing to provide this report may result in the Audit and Risk Committee having a reduced level of confidence in management and Council.

**CONSULTATION AND ENGAGEMENT**

Various staff are consulted by the CEO as part of the preparation for this report.

**AUDIT AND RISK COMMITTEE COMMENT**

The CEO advised there was nothing to report.



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**COMMITTEE RESOLUTION 2020/65**

Moved: Mr Rod Poxon

Seconded: Mr Jarrah O'Shea

That the Audit and Risk Committee note the Quarterly CEO report on suspected and actual fraud, thefts and corruption.

**CARRIED**

**AUDIT AND RISK COMMITTEE MEETING MINUTES****26 NOVEMBER 2020****8.2 QUARTERLY CEO REPORT ON ANY MAJOR LAWSUITS FACING COUNCIL****File Number:** FOL/20/613**Author:** Michelle Hargreaves, Administration Officer**Authoriser:** Sharon Morrison, Director Corporate Services**Attachments:** Nil**RECOMMENDATION**

That the Audit and Risk Committee note the Major Lawsuits Report.

**CONFLICT OF INTEREST**

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

**PREVIOUS AUDIT AND RISK COMMITTEE DISCUSSION**

The last Major Lawsuits Report was considered at the August 2020 Audit and Risk Committee meeting.

**BACKGROUND**

Clause 5.4 (xii) of the Audit and Risk Committee Charter version 9 states that one of the duties and responsibilities of the Audit and Risk Committee in pursuing its Charter is monitoring the progress of any major lawsuits facing the Council.

**ISSUES/DISCUSSION**

This Major Lawsuits Report is a verbal report provided by the CEO.

**COST/BENEFITS**

There is minimal cost involved in the preparation of this report. The benefit of providing this report to the Audit and Risk Committee is enabling the Audit and Risk Committee to monitor Council's risk exposure.

**RISK ANALYSIS**

Failing to provide this report may result in the Audit and Risk Committee having a reduced level of confidence in management and Council.

**CONSULTATION AND ENGAGEMENT**

Various staff are consulted by the CEO as part of the preparation for this report.

**AUDIT AND RISK COMMITTEE COMMENT**

The CEO noted two matters before VCAT relating to the election.

**COMMITTEE RESOLUTION: 2020/66**

Moved: Mr Rod Poxon

Seconded: Mr Jarrah O'Shea

That the Audit and Risk Committee note the Major Lawsuits Report.

**CARRIED**

**AUDIT AND RISK COMMITTEE MEETING MINUTES**

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**8.3 QUARTERLY REPORT ON COUNCILLOR EXPENSES**

Cr Gavan Holt left the meeting at 10:31am.

**File Number:** FOL/20/613

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

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

**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.

**PREVIOUS AUDIT AND RISK COMMITTEE DISCUSSION**

This is a new report provided to the Audit and Risk Committee.

**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. It will be provided on a quarterly basis.

In this report an annual report has been provided for the full 2019/20 financial year. This information has been published in the Annual Report.

2019/2020 Full Financial Year	Cr Beattie	Cr Condliffe	Cr Curnow	Cr Holt	Cr McKinnon
Councillor Allowance	\$ 22,859.60	\$ 22,859.60	\$ 22,859.60	\$ 22,859.60	\$ 68,295.30
Car Mileage	\$ 3,902.80	\$ 19,103.60	\$ 4,161.74	\$ 6,908.57	\$ 18,000.00
Conference and Training Expenses	\$ -	\$ 686.37	\$ 686.37	\$ 1,509.77	\$ 1,428.20
Information and Communication Expenses	\$ 640.63	\$ 762.60	\$ 909.79	\$ 762.60	\$ 1,617.52
<b>TOTALS</b>	<b>\$ 27,403.03</b>	<b>\$ 43,412.17</b>	<b>\$ 28,617.50</b>	<b>\$ 32,040.54</b>	<b>\$ 89,341.02</b>

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Costs incurred for quarter one of 2020/21 (July 2020 to September 2020) are:

2020/21 Quarter One	Cr Beattie	Cr Condliffe	Cr Curnow	Cr Holt	Cr McKinnon
Councillor Allowance	\$ 5,761.98	\$ 5,761.98	\$ 5,761.98	\$ 5,761.98	\$ 17,214.45
Car Mileage	\$ 963.00	\$ 2,063.14	\$ -	\$ -	\$ 4,500.00
Conference and Training Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Information and Communication Expenses	\$ 134.31	\$ 117.71	\$ 847.99	\$ 117.71	\$ -
<b>TOTALS</b>	<b>\$ 6,859.29</b>	<b>\$ 7,942.83</b>	<b>\$ 6,609.97</b>	<b>\$ 5,879.69</b>	<b>\$ 21,714.45</b>

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**

There is minimal cost involved in the preparation of this report. The benefit of providing this report to the Audit and Risk Committee is enabling the Audit and Risk Committee to monitor Council reimbursements and ensure that these are in line with the approved Council Expenses Policy.

**RISK ANALYSIS**

Failure to provide this report on at least an annual basis is a default of the requirements within the Act. Providing the report on a quarterly basis provides ongoing information and understanding of the report and its contents and ensures that it complies with the Act and any associated policies and procedures.

**CONSULTATION AND ENGAGEMENT**

Nil.

**AUDIT AND RISK COMMITTEE COMMENT**

The committee noted that good practices were in place to monitor claims.

**COMMITTEE RESOLUTION 2020/67**  
 Moved: Mr Jarrah O'Shea  
 Seconded: Mr Alan Darbyshire  
 That the Audit and Risk Committee note the quarterly report on Councillor expenses.  
**CARRIED**

Cr Gavan Holt returned to the meeting at 10:48am.

**AUDIT AND RISK COMMITTEE MEETING MINUTES**

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**B.4 QUARTERLY REPORT ON ITEMS RAISED BY COUNCIL THAT MAY IMPACT THE  
AUDIT AND RISK COMMITTEE**

**File Number:** FOL/20/613  
**Author:** Sharon Morrison, Director Corporate Services  
**Authoriser:** Sharon Morrison, Director Corporate Services  
**Attachments:** Nil

**RECOMMENDATION**

That the Audit and Risk Committee notes the matters raised.

**CONFLICT OF INTEREST**

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

**PREVIOUS AUDIT AND RISK COMMITTEE DISCUSSION**

The August 2020 Audit and Risk Committee meeting agenda listed this matter.

**BACKGROUND**

Clause 5.5 (xiv) of the Audit and Risk Committee Charter version 9 states that one of the duties and responsibilities of the Audit and Risk Committee in pursuing its Charter is to address issues brought to the attention of the Committee, including responding to requests from Council for advice that is within the parameters of the Committee's terms of reference.

**ISSUES/DISCUSSION**

The Councillor representative and officers of Council are provided with the opportunity to raise items that may impact the Audit and Risk Committee.

**COST/BENEFITS**

There is minimal cost involved in the preparation of this report. The benefit of providing this report to the Audit and Risk Committee is enabling the Audit and Risk Committee to monitor Council's risk exposure.

**RISK ANALYSIS**

Failing to provide this report may result in the Audit and Risk Committee having a reduced level of confidence in management and Council.

**CONSULTATION AND ENGAGEMENT**

Councillors and officers may consult with others when preparing for this item.

**AUDIT AND RISK COMMITTEE COMMENT**

Councillor Holt said there were no matters to raise but noted that there were 3 new councillors out of 5.

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**COMMITTEE RESOLUTION 2020/68**

Moved: Mr Alan Darbyshire

Seconded: Mr Jarrah O'Shea

That the Audit and Risk Committee notes the matters raised.

**CARRIED**

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**8.5 ANNUAL DISCUSSION ON REVIEW OF COUNCIL PLAN****File Number:** FOL/20/613**Author:** Sharon Morrison, Director Corporate Services**Authoriser:** Sharon Morrison, Director Corporate Services**Attachments:** Nil**RECOMMENDATION**

That the Audit and Risk Committee note the timetable for the development of the Council Plan.

**CONFLICT OF INTEREST**

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

**PREVIOUS AUDIT AND RISK COMMITTEE DISCUSSION**

Nil

**BACKGROUND**

The purpose of this report is to inform the Audit and Risk Committee of the review of the Council as part of The Loddon Project. The Loddon Project commenced with the review of the Community Engagement Policy, has moved into the development of the Community Vision and will soon move into the review/development of the Council Plan.

**Community Engagement Policy**

Section 55 of the Local Government Act 2020 (the Act) states that a Council must adopt and maintain a community engagement policy which must, among other things, include deliberative engagement practices which must include and address any matters prescribed by the regulations for the purposes of this paragraph and be capable of being applied to the development of the Community Vision, Council Plan, Financial Plan and Asset Plan and include any other matters prescribed by the regulations.

**Community Vision**

Section 88 of the Act states that a Council must maintain a Community Vision that is developed with its municipal community in accordance with its deliberative engagement practices. The scope of the Community Vision is a period of at least the next 10 years and it must describe the municipal community's aspirations for the future of the municipality. The Community Vision must be adopted by 31 October in the year following a general election and has effect from 1 July in the year following a general election.

**Council Plan**

Section 90 of the Act states that a Council must prepare and adopt a Council Plan for a period of at least the next 4 financial years after a general election in accordance with its deliberative engagement practices.

**ISSUES/DISCUSSION**

The following table provides key dates for the review of the Council Plan:

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Tasks, milestones/decision points	Output	Start date	End date	Status
Council Plan - various engagement	Consultation with councillors, community and staff on Council Plan (post election and induction)	Mid/late November	Mid/late November	Pending - Comments late November
Council Plan	Policy and legislative review	Dec 2020	Jan 2021	
Council Plan - Community and Staff Engagement		Early February	Mid March	
Council Plan	Information booklet:			
Council Plan - staff engagement	webinar	16/2/2021	16/2/2021	
Council Plan - staff engagement	Interviews	16/2/2021	26/2/2021	
Report due for forum agenda	Draft Council Plan for April forum	30/3/2021	30/3/2021	
Council Plan - councillor engagement	workshop	April 2021	April 2021	
Council Plan	Draft Council Plan and Strategic Risk Report developed	15/5/2021	15/5/2021	
Council Plan - engagement	All groups	June 2021	June 2021	
Council Plan	World cafe	15/6/2021	15/6/2021	
Council Plan - community engagement	Ward webinars	21/6/2021	25/6/2021	
Council Plan - community engagement	webinars	29/6/2021	2/7/2021	
Council Plan	Public exhibition	19/7/2021	13/8/2021	
Council forum to be confirmed	Final council plan discussed	14/8/2021	14/8/2021	
Council briefing/meeting to be confirmed	Final Council Plan adopted	28/9/2021	28/9/2021	

**COST/BENEFITS**

The cost of the review of the Council Plan is within budget. The benefits of reviewing the Council Plan include setting the strategic direction of Council with the engagement of key stakeholders.

**RISK ANALYSIS**

There is a risk that the review of the Council Plan cannot be achieved within the timeframe available. Ideally the Council Plan would be adopted by 30 June each year, however with the:

- additional deliberative engagement required this year that hasn't been required in other years, and the



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- availability of key stakeholders and project resources and
- the need to cascade the Council Plan from the Community Vision work being undertaken currently

30 September is the most appropriate date and is still within the timeframe set by legislation, of 31 October 2021.

**CONSULTATION AND ENGAGEMENT**

The review of the Council Plan requires deliberative engagement. This level of engagement has been built into the project plan.

**AUDIT AND RISK COMMITTEE COMMENT**

Ms Morrison provided an update on the community reference group being established to assist with deliberative engagement. Ms Morrison also commented on the legislative deadline for the Council Plan (31 October) compared with the ideal date of prior to 30 June 2021.

**COMMITTEE RESOLUTION 2020/69**

Moved: Mr Jarrah O'Shea

Seconded: Mr Rod Poxon

That the Audit and Risk Committee note the timetable for the development of the Council Plan.

**CARRIED**

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**8.6 SIX MONTHLY ASSESSMENT OF CONTROL ENVIRONMENT AGAINST GOVERNANCE PRINCIPLES**

**File Number:** FOL/20/613  
**Author:** Sharon Morrison, Director Corporate Services  
**Authoriser:** Sharon Morrison, Director Corporate Services  
**Attachments:** Nil

**RECOMMENDATION**

That the Audit and Risk Committee note the six monthly report on the assessment of the control environment against the governance principles.

**CONFLICT OF INTEREST**

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

**PREVIOUS AUDIT COMMITTEE DISCUSSION**

Nil

**BACKGROUND**

Section 54(2) of the Local Government Act (the Act) states that the primary functions of the Audit and Risk Committee is to:

- a) monitor the compliance of Council policies and procedures with-
  - i. the overarching governance principles; and
  - ii. this Act and the regulations and any Ministerial directions.
- b) monitor Council financial and performance reporting;
- c) monitor and provide advice on risk management and fraud prevention systems and controls;
- d) oversee internal and external audit functions.

**ISSUES/DISCUSSION**

The Act introduces overarching governance principles in Section 9 of the Act which states:

(1) A Council must in the performance of its role give effect to the overarching governance principles.

(2) The following are the overarching governance principles—

- (a) Council decisions are to be made and actions taken in accordance with the relevant law;
- (b) priority is to be given to achieving the best outcomes for the municipal community, including future generations;
- (c) the economic, social and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted;
- (d) the municipal community is to be engaged in strategic planning and strategic decision-making;
- (e) innovation and continuous improvement is to be pursued;
- (f) collaboration with other Councils and Governments and statutory bodies is to be sought;
- (g) the ongoing financial viability of the Council is to be ensured;

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- (h) regional, state and national plans and policies are to be taken into account in strategic planning and decision making;
- (i) the transparency of Council decisions, actions and information is to be ensured.
- (3) In giving effect to the overarching governance principles, a Council must take into account the following supporting principles—
- (a) the community engagement principles;
  - (b) the public transparency principles;
  - (c) the strategic planning principles;
  - (d) the financial management principles;
  - (e) the service performance principles.

Given the recent introduction of this provision and its inclusion in the Audit and Risk Committee agenda, Council is still determining the best way to identify the control environment and assess the control environment.

The Audit and Risk Committee members are invited to provide feedback on their expectation of this report.

**COST/BENEFITS**

The cost of preparing this report is officer time. The benefits of the report are the provision of assurance to the Audit and Risk committee of Council's control environment against the governance principles.

**RISK ANALYSIS**

There is a risk that Council will not give effect to the overarching governance principles in accordance with Section 9(2) of the Act. If the risk eventuates the consequence is wide ranging including:

- OHS: extensive injury to one or more persons (MAJOR) such as mental health risks should Council be investigated for not giving effect to the governance principles
- Reputational: results in state media coverage, departure of CEO (MAJOR)
- Legal/compliance: results in investigation by authority (MODERATE)
- Management impact: requires senior management time over several weeks (MODERATE)
- Culture impact: negative impact on multiple staff in multiple directorates (MAJOR).

It is likely this risk will event at the moment due to the provisions being new and relatively unknown.

This results in an overall risk rating of high.

**CONSULTATION AND ENGAGEMENT**

Local Government Victoria (LGV) has been engaging with the sector to develop consistent approaches to various provisions in the Act. Staff will continue to engage with LGV and others in the sector to identify possible approaches to this report.

**AUDIT AND RISK COMMITTEE COMMENT**

It was noted that the governance principles shouldn't change frequently therefore six monthly reporting shouldn't be required. Ms Nichols commented that there was significant work underway at the moment and it might be worth reporting on progress at the May meeting and then completing annual reports. The committee agreed.

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**COMMITTEE RESOLUTION 2020/70**

Moved: Mr Rod Poxon

Seconded: Mr Alan Darbyshire

That the Audit and Risk Committee note the six monthly report on the assessment of the control environment against the governance principles.

**CARRIED**

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**8.7 MANAGEMENT LETTER - END OF FINANCIAL YEAR**

**File Number:** FOL/20/613  
**Author:** Deanne Caserta, Manager Financial Services  
**Authoriser:** Sharon Morrison, Director Corporate Services  
**Attachments:** 1. Management Letter - Final  
 2. Closing Report - Final

**RECOMMENDATION**

That the Audit and Risk Committee notes the Final Management Letter and Closing Report for the year ended 30 June 2020.

**CONFLICT OF INTEREST**

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

**PREVIOUS AUDIT COMMITTEE DISCUSSION**

Due to the timing of the Audit and Risk Committee meetings, the draft management letter issues have not yet been discussed.

**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**

Attached to this report is a copy of the final management letter for the year ended 30 June 2020. The carried forward findings include:

- Ability to deliver capital works – Council has improved the delivery of capital works since this was first raised in 2016 but the auditors still believe that it is not yet at an acceptable level
- Missing key ICT policies – prepare and implement two remaining information policies and procedures
- Review of general journals – process and procedure was developed but due to COVID was not robust enough, to revisit and review
- Provision for doubtful debts – process reviewed and templates completed, to review standard and complete provision based on historical % rates, currently based on current \$ rates.

Additional findings for 2020 include:

- Application of AASB 15 and AASB 1058 – develop more robust processes and procedures, further developments of the register - due date 30 June 2020 by Manager Financial Services
- Application of AASB 16 – develop more robust processes and procedures, further developments of the register - due date 30 June 2020 by Manager Financial Services
- Fraud awareness survey – review the Public Interest Disclosure Policy – due date 31 March 2021 by Director Corporate Services.

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**AUDIT AND RISK COMMITTEE MEETING MINUTES****26 NOVEMBER 2020****COST/BENEFITS**

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

**RISK ANALYSIS**

Three of the findings are rated medium, with the remaining four findings rated low.

**CONSULTATION AND ENGAGEMENT**

Various employees are consulted during the audit.

**AUDIT AND RISK COMMITTEE COMMENT**

Ms Teasdale spoke to the final management letter and closing report noting that many Councils were challenged to comply with the new accounting standards in an environment where COVID-19 and changes to the Local Government Act diverted attention.

**COMMITTEE RESOLUTION 2020/71**

Moved: Mr Jarrah O'Shea

Seconded: Mr Rod Poxon

That the Audit and Risk Committee notes the Final Management Letter and Closing Report for the year ended 30 June 2020.

**CARRIED**

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**8.8 QUARTERLY REPORT ON COUNCIL'S RISK PROFILE, ANY SIGNIFICANT CHANGES AND REVIEW OF TREATMENT PLANS FOR SIGNIFICANT RISKS**

**File Number:** FOL/20/613  
**Author:** Janine Jackson, Manager Organisation Development  
**Authoriser:** Sharon Morrison, Director Corporate Services  
**Attachments:** 1. Audit and Risk Committee Meeting report

**RECOMMENDATION**

That the Audit and Risk Committee:

1. note the quarterly report on Council's risk profile, significant changes and review of treatment plans for significant risks.
2. confirm the change to the risk rating for risk 130 from high to medium as the embedding of the mitigating actions has reduced the risk to Council.

**CONFLICT OF INTEREST**

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

**PREVIOUS AUDIT COMMITTEE DISCUSSION**

The last Risk Management Report was considered at the August 2020 Audit Committee meeting.

**BACKGROUND**

Clause 5.4 (ix) of the Audit and Risk Committee Charter version 9 states that one of the duties and responsibilities of the Audit and Risk Committee in pursuing its Charter is monitoring the risk exposure of Council by determining if management has appropriate risk management processes and adequate management information systems.

With the introduction of the Local Government 2020 and new provisions in relation to Audit and Risk Committees, the previously reported "Risk Management Report" has now been adapted to respond to the new provisions.

**ISSUES/DISCUSSION**

The attached Risk Management Report provides the Audit and Risk Committee with Council's Risk Profile, significant changes to risk and review of treatment plans for significant risks.

At the recent Risk Committee Meeting it was recommended that the risk rating on the following action be changed:

Risk #	Risk Description	Current Risk Rating	Mitigating actions completed	Proposed Risk Rating
130	Changes in Legislation	High	Collaborate with neighbouring Councils	Medium
			Maintain RelianSys obligations software or similar	
			Stay involved in sector groups	

**AUDIT AND RISK COMMITTEE MEETING MINUTES****26 NOVEMBER 2020****COST/BENEFITS**

There is minimal cost involved in the preparation of this report as it is used for multiple purposes. The benefit of providing this report to the Audit and Risk Committee is enabling the Audit and Risk Committee to monitor Council's risk exposure.

**RISK ANALYSIS**

Failing to provide this report may result in the Audit and Risk Committee having a reduced level of confidence in management and Council.

**CONSULTATION AND ENGAGEMENT**

Various staff are consulted in the preparation of the attached report as a result of the membership of the OHS committee and the Risk Management Committee.

**AUDIT AND RISK COMMITTEE COMMENT**

The committee noted the new approach and confirmed that they are keen to be informed when risk ratings are changed.

**COMMITTEE RESOLUTION 2020/72**

Moved: Mr Rod Poxon

Seconded: Mr Jarrah O'Shea

That the Audit and Risk Committee:

1. note the quarterly report on Council's risk profile, significant changes and review of treatment plans for significant risks
2. confirm the change to the risk rating for risk 130 from high to medium as the embedding of the mitigating actions has reduced the risk to Council.

**CARRIED**



**AUDIT AND RISK COMMITTEE MEETING MINUTES**

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**9 INFORMATION REPORTS****9.1 MONTHLY FINANCE REPORT****File Number:** FOL/20/613**Author:** Deanne Caserta, Manager Financial Services**Authoriser:** Sharon Morrison, Director Corporate Services**Attachments:** 1. Finance Report for the period ending 30 September 2020**RECOMMENDATION**

That the Audit and Risk Committee note the Finance Report for the period ending 30 September 2020.

**CONFLICT OF INTEREST**

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

**PREVIOUS AUDIT AND RISK COMMITTEE DISCUSSION**

Each meeting the Audit and Risk Committee reviews the financial report for the most recent month.

**BACKGROUND**

The Audit and Risk Committee is provided with a copy of the monthly financial report by email.

**ISSUES/DISCUSSION**

Depending upon the timing of the finalisation of the finance report and/or the Audit and Risk Committee agenda papers, the most recent finance report will not be available at the time of distribution of the Audit and Risk Committee papers so will be tabled at the Audit and Risk Committee meeting.

**COST/BENEFITS**

There is minimal cost involved in the preparation of this report. The benefit of receiving the monthly financial report is that accurate and regular financial reporting is being disclosed.

**RISK ANALYSIS**

The provision of regular and accurate finance reports to the Audit and Risk Committee minimises the risk of Council not delivering projects within the approved budget.

**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 of the budget, and regular reporting provides a mechanism of monitoring the financial outcomes of Council against that expectation.

**AUDIT AND RISK COMMITTEE COMMENT**

The committee noted the report. Mr O'Shea queried the impact of COVID-19. Mrs Morrison stated that there was \$400k in the budget for responding to COVID-19 but only a small amount of this had been used including extra funding for cleaning community facilities and 4 ratepayers requesting a payment plan rather than payment in full or rates.

**AUDIT AND RISK COMMITTEE MEETING MINUTES**

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**COMMITTEE RESOLUTION 2020/73**

Moved: Mr Rod Poxon

Seconded: Mr Alan Darbyshire

That the Audit and Risk Committee note the Finance Report for the period ending 30 September 2020.

**CARRIED**

**AUDIT AND RISK COMMITTEE MEETING MINUTES**

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**9.2 PRESENTATION BY STAFF MEMBER**

**File Number:** FOL/20/613  
**Author:** Michelle Hargreaves, Administration Officer  
**Authoriser:** Sharon Morrison, Director Corporate Services  
**Attachments:** Nil

**RECOMMENDATION**

That the Audit and Risk Committee note the presentation by staff member.

**CONFLICT OF INTEREST**

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

**PREVIOUS AUDIT AND RISK COMMITTEE DISCUSSION**

The Audit and Risk Committee received a presentation by the Manager Community Wellbeing in August 2020.

**BACKGROUND**

The Audit and Risk Committee has expressed a desire to hear from one staff member each meeting to help gain a better understanding Council's business.

**ISSUES/DISCUSSION**

Sarah Perry was appointed as Council's Acting Manager Community Support in April 2020. Sarah re-commenced work with the Loddon Shire in March 2019 in the newly created position, Project Liaison Officer. Previously Sarah had undertaken town planning at Loddon from 2004 to 2009.

The Manager Community Support is responsible for overseeing and providing strategic direction on Recreation and Community Development. Within Recreation, Council manages the five outdoor swimming pools and assists volunteers to manage and maintain Council and DELWP Recreation Reserves. Within the Community Development space, Community Support manages Community Planning and administers the various grants, allocations and subsidies available to our community.

Community Support is also involved in scoping capital works projects and sourcing funding for these. Community Support is in the process of transitioning the majority of project management of these capital projects to the Project Management Team which sits in the Operations Directorate.

**COST/BENEFITS**

The cost of a staff member attending the Audit and Risk Committee are outweighed by the benefit the Audit and Risk Committee receives in better understanding Council's business and the risks being addressed by different areas of the business.

**RISK ANALYSIS**

There is a risk that presentations by staff members may result in the Audit and Risk Committee becoming too involved in operational matters. This risk can be managed by the chair of the Audit and Risk Committee keeping the focus on matters set out in the Audit and Risk Committee's Charter.

**CONSULTATION AND ENGAGEMENT**

The staff member presenting to the Audit and Risk Committee may consult with other staff members when preparing for their presentation.

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**AUDIT AND RISK COMMITTEE MEETING MINUTES****26 NOVEMBER 2020****AUDIT AND RISK COMMITTEE COMMENT**

Ms Perry spoke to key projects in her department and provided an overview of other services provided by the department.

**COMMITTEE RESOLUTION 2020/74**

Moved: Mr Jarrah O'Shea

Seconded: Mr Rod Poxon

That the Audit and Risk Committee note the presentation by staff member.

**CARRIED**

AUDIT AND RISK COMMITTEE MEETING MINUTES

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**9.3 QUARTERLY REPORT ON STATUS OF DELIVERY OF ANNUAL INTERNAL AUDIT PLAN**

**File Number:** FOL/20/613  
**Author:** Kirsten Nichols, Governance Coordinator  
**Authoriser:** Sharon Morrison, Director Corporate Services  
**Attachments:** Nil

**RECOMMENDATION**

That the Audit and Risk Committee note the status of delivery of the strategic internal audit plan.

**CONFLICT OF INTEREST**

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

**PREVIOUS AUDIT COMMITTEE DISCUSSION**

This is a new report. Each quarter the Audit and Risk Committee will be provided with a report on the status of the strategic internal audit plan.

**BACKGROUND**

Clause 5.4 (iii) of the Audit and Risk Committee Charter version 9 states that the duties and responsibilities of the Audit and Risk Committee include to:

(iii) review the scope of the internal audit plan and program...

**ISSUES/DISCUSSION**

The internal audit program is set out in the Loddon Shire Council Strategic Internal Audit Plan 2019-2023 (Focus 2020-21). The status of the program is as follows:

Description	Proposed Commencement Date	Status
Swimming Pool Management (including new regulations)	24 August 2020	Report being drafted by Auditors
Capital Project Management	28 September 2020	Report being drafted by Auditors
Desktop Review of OHS (including staff awareness survey)	23 November 2020	Pending
Management of Recreation Reserves	8 February 2021	Pending
Asset Management and Maintenance	3 May 2021	Pending
Follow up of agreed actions from internal audit recommendations	18 May 2021	Pending

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**COST/BENEFITS**

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

**RISK ANALYSIS**

There is a risk that Council will not be able to resource the implementation of recommendations within the suggested timeframes. This risk is reduced by seeking input from relevant staff members about the proposed timeframes and negotiating changes to timeframes with the internal auditor prior to the finalisation of the report for the Audit and Risk Committee and Council. Other priorities can still impact upon Council's ability to meet the agreed timeframes.

**CONSULTATION AND ENGAGEMENT**

Stakeholders consulted during the development of the strategic internal audit plan include the CEO, the Mayor, the Audit and Risk Committee Chair and the Director Corporate Services.

**AUDIT AND RISK COMMITTEE COMMENT**

Ms Morrison commented that 4 reviews per year plus the outstanding items review was a manageable number of reviews each year. Adding a fifth audit had consumed more time than was sustainable on an annual basis. The Chair noted that the timing of upcoming audits should be monitored for achievability.

**COMMITTEE RESOLUTION 2020/75**

Moved: Mr Jarrah O'Shea

Seconded: Mr Rod Poxon

That the Audit and Risk Committee note the status of delivery of the strategic internal audit plan.

**CARRIED**

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**9.4 QUARTERLY REPORT ON SIGNIFICANT CHANGES TO KEY SYSTEMS AND IMPACT OF CHANGES ON COUNCIL'S RISK PROFILE**

**File Number:** FOL/20/613  
**Author:** Peter Williams, Manager Information and Business Transformation  
**Authoriser:** Sharon Morrison, Director Corporate Services  
**Attachments:** Nil

**RECOMMENDATION**  
 That the Audit and Risk Committee note the quarterly report on significant changes to key systems and the impact of changes on council's risk profile.

**CONFLICT OF INTEREST**

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

**PREVIOUS AUDIT AND RISK COMMITTEE DISCUSSION**

This report is a new report requirement coming out of Section 54 of the Local Government Act 2020 and subsequent changes to the Audit and Risk Committee Charter. As a consequence there is no previous Audit Committee references for this report.

**BACKGROUND**

The purpose of this report is to update the Audit and Risk Committee on any significant changes to council systems that impact the risk profile of the Council.

**ISSUES/DISCUSSION**

In future, each quarterly report will provide specific detail on changes (if any) to council systems in the prior quarter that relate to risk items within the council risk register or that have had an impact on the risk profile of the Council. It will detail the following:

<b>Risk Description</b>	
<b>Risk Title</b>	
<b>System that was changed</b>	
<b>Description of the change</b>	
<b>Impact on Risk Profile</b>	
<b>Date of Implementation</b>	

**COST/BENEFITS**

There is minimal cost involved in the preparation of this report. The benefit of providing this report to the Audit and Risk Committee is the enabling of the Audit and Risk Committee to monitor Council's risk exposure.

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Failing to provide this report may result in the Audit and Risk Committee having a reduced level of confidence in management and Council.

**CONSULTATION AND ENGAGEMENT**

Various staff are consulted in the preparation of the report, dependant on the systems that may have been changed in the reporting period.

**AUDIT AND RISK COMMITTEE COMMENT**

Mr Williams joined the meeting to provide a summary of the intention to report on significant changes to key systems and consequential changes to council's risk profile. The committee queried the term 'significant' and Mrs Morrison commented that it would generally be management actions from previous audits.

**COMMITTEE RESOLUTION 2020/76**

Moved: Mr Rod Poxon

Seconded: Mr Jarrah O'Shea

That the Audit and Risk Committee note the quarterly report on significant changes to key systems and the impact of changes on council's risk profile.

**CARRIED**



AUDIT AND RISK COMMITTEE MEETING MINUTES26 NOVEMBER 2020**9.5 QUARTERLY REPORT ON COMPLIANCE WITH SYSTEMS AND CONTROLS  
(ORGANISATION HEALTH CHECK)**

**File Number:** FOL/20/613  
**Author:** Kirsten Nichols, Governance Coordinator  
**Authoriser:** Sharon Morrison, Director Corporate Services  
**Attachments:** Nil

**RECOMMENDATION**

That the Audit and Risk Committee note the report.

**CONFLICT OF INTEREST**

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

**PREVIOUS AUDIT COMMITTEE DISCUSSION**

Nil

**BACKGROUND**

The Audit Committee previously received a half yearly Loddon Performance Framework report. The quarterly report on compliance with systems and controls is an updated version of the former report.

**ISSUES/DISCUSSION**

A monthly report is provided to the Management Executive Group (MEG) on compliance with a range of performance targets contained within the Loddon Performance Framework. Due to the significant work load generated by changes to the Local Government Act, responding to COVID-19, business continuity, Working for Victoria grant and other unplanned events, this report has not been adequately developed for quarterly reporting and will be provided next quarter.

**COST/BENEFITS**

The cost of providing this report is officer time. The benefit is providing the Audit and Risk Committee with assurance that Council is monitoring its performance targets.

**RISK ANALYSIS**

There is a risk that Council will not meet the performance targets. To minimise this risk, consultation is undertaken with key stakeholders to check the achievability of the targets. In some cases, benchmarking is undertaken to inform realistic target setting.

**CONSULTATION AND ENGAGEMENT**

Key stakeholders are consulted during the development of the targets and compilation of the attached report.

**AUDIT AND RISK COMMITTEE COMMENT**

The committee suggested that this report could be six monthly as the indicators were being monitored well internally and were more operational than risk based.

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**COMMITTEE RESOLUTION 2020/77**

Moved: Mr Rod Poxon

Seconded: Mr Jarrah O'Shea

That the Audit and Risk Committee note the report.

**CARRIED**

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**9.6 QUARTERLY REPORT ON ANY VAGO REPORT AND ITS IMPACT ON COUNCIL****File Number:** FOL/20/613**Author:** Kirsten Nichols, Governance Coordinator**Authoriser:** Sharon Morrison, Director Corporate Services**Attachments:** Nil**RECOMMENDATION**

That the Audit and Risk Committee note the Quarterly Report on VAGO reports and their impact on Council.

**CONFLICT OF INTEREST**

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

**PREVIOUS AUDIT COMMITTEE DISCUSSION**

At the Audit and Risk Committee meeting on 13 August 2020, the committee noted the extract of the VAGO Annual Plan 2020-21.

**BACKGROUND**

It was noted that the following audits were planned for 2020-21 and beyond:

- Performance audit work program
  - 2020-21
    - Fraud control over local government grants
    - Maintaining local roads
    - Sexual harassment in local government
  - 2021-22
    - Developing Fishermans Bend
    - Food safety regulation in local government
    - Fraud and corruption risk in local government procurement
  - 2022-23
    - Council waste management services
    - Regulation of council building approvals in local government
- Financial audit work program
  - Results of 2020-21 Audits

**ISSUES/DISCUSSION****1.1 Fraud control over local government grants**

**Loddon Shire Council is a proposed agency:** Yes, more information below.

**Objective:** To determine whether fraud and corruption controls over local government grants are well-designed and operating as intended.

**Issues:** In 2017 the Local Government Inspectorate released its report "Protecting Integrity: Central Goldfields Shire Council Investigation". It found that the council had mismanaged

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significant grant funding. Following the Inspectorate's investigation, the Local Government Act 2020 requires councils' audit and risk committees to monitor and provide advice of risk management and fraud prevention systems and controls.

This audit is the second in a series of audits on fraud and corruption in local government. It is an opportunity to identify potential fraud and corruption in grants to and from local councils, and to consider how well councils are managing their exposure to fraud and risk.

**Status:** Planned

**Impact on Loddon Shire:** officer time in responding to requests for data

**1.2 Maintaining local roads**

**Loddon Shire Council is a proposed agency:** No

**Status:** In progress; proposed tabling February 2021

**Impact on Loddon Shire:** proposed agencies include neighbouring/similar sized Councils including Gannawarra Shire, Greater Bendigo City Council, Northern Grampians Shire therefore there is likely to be some key learnings.

**1.3 Sexual harassment in local government**

**Loddon Shire Council is a proposed agency:** No

**Status:** In progress; due to be tabled in Parliament on 2 December 2020

**Impact on Loddon Shire:** proposed agencies include neighbouring/similar sized Councils including Ararat Rural City Council, Corangamite Shire Council therefore there is likely to be some key learnings.

**COST/BENEFITS**

The key cost to Council is officer time involved in responding to the auditor's requests for data and information. The benefit of the audit is an opportunity to improve Council's processes.

**RISK ANALYSIS**

Past audits on fraud and corruption controls indicate weakness in efforts to guard against fraud and corruption and how well councils managing the exposure to fraud risk.

**CONSULTATION AND ENGAGEMENT**

No staff were engaged in the preparation of this report.

**AUDIT AND RISK COMMITTEE COMMENT**

Mrs Morrison spoke to the report.

**COMMITTEE RESOLUTION 2020/78**

Moved: Mr Rod Poxon

Seconded: Mr Jarrah O'Shea

That the Audit and Risk Committee note the Quarterly Report on VAGO reports and their impact on Council.

**CARRIED**

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**9.7 QUARTERLY REPORT ON REPORTS BY REGULATORY AND INTEGRITY AGENCIES ON INVESTIGATIONS AND RELEVANCE FOR COUNCIL**

**File Number:** FOL/20/613  
**Author:** Kirsten Nichols, Governance Coordinator  
**Authoriser:** Sharon Morrison, Director Corporate Services  
**Attachments:** 1. HLB Mann Judd Recent Reports and Publications Local Government Sector November 2020  
 2. Victorian Ombudsman - Investigation into corporate credit card misuse at Warrnambool City Council

**RECOMMENDATION**

1. That the Audit and Risk Committee recommends to Council that the following documents be reviewed to address any gaps identified by the Ombudsman's report on credit card misuse:
  - (a) anti-fraud and corruption policy
  - (b) council's expense policy
  - (c) corporate card and fuel card policy
  - (d) overnight travel expense policy
  - (e) training, seminars and conferences policy
  - (f) related procedures
2. That the Audit and Risk Committee recommends to Council that training be sourced for staff and councillors on managing the risk of information misuse

**CONFLICT OF INTEREST**

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

**PREVIOUS AUDIT COMMITTEE DISCUSSION**

Nil

**BACKGROUND**

Victorian Councils are regulated and overseen by a range of agencies. Council's internal auditors provide a report (attached) summarising recent reports and publications relating to the Local Government sector.

The purpose of this quarterly report on reports by regulatory and integrity agencies is to identify and report on relevant findings in completed reports or publications by those agencies (with the exception of reports by the Victorian Auditor General's Office which are the subject of a separate report to the Audit and Risk Committee) and recommend changes to Council practices where the risk exceeds Council's risk appetite. In addition, upcoming investigations will be identified which may have an impact on Council.

Completed publications listed in the November 2020 edition of HLB Mann Judd's report (excluding VAGO publications) which have relevance to Council are:

- Victorian Ombudsman's investigation into corporate credit card misuse at Warrnambool City Council

Further detail on this item is set out in the following section.

AUDIT AND RISK COMMITTEE MEETING MINUTES25 NOVEMBER 2020ISSUES/DISCUSSION1.1 Victorian OmbudsmanReport: Investigation into corporate credit card misuse at Warrnambool City Council, October 2020

To restore community trust the Victorian Ombudsman (VO) investigated the use and authorisation of corporate credit cards at Warrnambool City Council (WCC).

In 2017, WCC changed its practice from procuring day to day goods and services through an invoicing process, to using corporate credit cards. WCC adopted a Corporate Credit Card Policy and Procedure in March 2018 to coincide with the decision to increase the number of credit cards issued to Council officers. A key requirement of both the Policy and Procedure is that credit card purchases must be for "official purposes" however the report was silent on the purchase of alcohol.

A former council manager misused his corporate credit card and a junior council officer's credit card, for which he was the approver, to purchase accommodation, meals and beverages without appropriate supporting documentation. The purchases exceeded \$5000 worth of goods and services.

In November 2018 the then CEO gave the council manager a first and final warning for his excessive spending which resulted in the council manager agreeing to reimburse council for the expenditure.

WCC also had a "Support Local" strategy which resulted in Council officers attending local cafes and restaurants to hold work related meetings.

In January 2019 the CEO retired and a new CEO commenced in February 2019. The new CEO told the investigation that he was not aware when he became CEO that a first and final warning had been issued or that David had to repay some of his credit card transactions. Ultimately the council manager resigned in July 2019. After further discussion with the new CEO the council manager admitted to a further \$3000, which he repaid.

The VO found that:

- the council manager's behaviour did not reflect the expectation of the Council and the people of the City. In addition to breaching his obligations under the Credit Card Policy and the Travel and Entertainment Policy, he breached his contractual duties as a Council officer and under Council's code of Conduct specifically in failing to "...act...with integrity...[and] be accountable...in the performance and discharge of official functions and duties"

Improvements made by WCC in response to the situation included:

- amendment of the credit card procedure to state "Alcohol is not permitted to be charged to a Corporate Credit Card in relation to travel, meals or entertainment."
- amendment of the travel and entertainment policy to state "Any purchases of alcohol will not be reimbursed as part of the meal allowance."
- Update guidance to state that "Staff entertaining clients or team members are required to gain approval from their Director prior to any such arrangements being undertaken. Alcohol will not be a reimbursable expense in these circumstances."
- Updates were made to permitted cost of accommodation, parking and meal expenses to reflect current prices. Meal allowance was reduced from \$90 to \$65.

HLB Mann Judd were also engaged to review and assess the adequacy of existing policies, governance, reporting and investigation processes/procedure. Ten recommendations were made and subsequently accepted by WCC:

1. Provide fraud and corruption control training to all Council staff including reporting of actual or suspected fraud and corruption
2. Review and update Fraud and Corruption Control Plan and Procedure to include fraud incident reporting protocols to the Council

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3. Establish a criterion to determine the need for a credit card by a staff member
4. Review and update the existing Corporate Credit Card Procedures, including to stipulate the roles and responsibilities of an authoriser, create list of risk factors for authorisers to be aware and create guidelines on 'taking face value explanations' versus 'appropriate inquiry'
5. Provide training to authorisers with respect to approval of monthly credit card expenses
6. Review and update the existing Fraud and Corruption Controls Procedure to include specific trigger points when an independent auditor should be brought in (i.e. the period after unusual/misuse has been identified to when possible fraud is suspected)
7. Implement a process wherein pre-approvals (except CEO) shall be required for expenses such as (but not limited to):
  - a. Business travel
  - b. Accommodation
  - c. Conferences
  - d. Seminars
8. Implement an approval process which aligns with the practice recommended by VAGO: The Council's Chief Financial Officer or Director Corporate Strategies, shall approve CEO's credit card expenditure, and table the full transaction history to the Audit and Risk Committee for periodic review
9. Implement ongoing reporting and monitoring processes that fosters continuous improvement of credit card processes (with suggested areas for improvements including implementing Breach reports and Repeat Offenders report)
10. Incorporate a process wherein Statutory Declarations are witnessed by one of the many people authorised to do so (outside the Council).

Council does not yet have a risk appetite statement in relation to this area. However, it is suggested that only a low level of risk is acceptable. Review of relevant documents to incorporate or update matters identified in the Ombudsman's report on WCC will help to reduce Council's risk.

1.2 Victorian Information Commissioner**OVIC's launches investigation into the timeliness of Freedom of Information in Victoria September 2020**

The Office of the Victorian Information Commissioner has launched its own motion investigation, the first of its kind to be undertaken under the FOI Act 1982. Commencing October 2020, it will examine the FOI practices of selected agencies (not currently named) across the public sector with findings and recommendations expected around mid-2021.

No further action for Council at this stage.

1.3 Local Government Inspectorate**Spring 2020 – Local government integrity matters**

Mandatory campaign donation returns for all Victorian council elections are required to be submitted for any donations or gifts valued at over \$500 including in-kind support or gifts in the form of services, for their election campaign that were above the threshold and received from 30 days to 30 days after the current election must be declared. This should fall for most candidates 20 November 2018 to 23 November 2020.

Council is collection these returns.

1.4 IBAC**Unauthorised access and disclosure of information held by local government November 2020 (an analysis of corruption risks and prevention opportunities)**

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The report considered corruption risks related to information misuse by local government employees and councillors. Risks identified in the report include:

- Process for procurement of goods and services
- Sharing information with councillor and the community
- Deficiencies in information system controls

Recommendations include increasing training for employees and councillors in relation to information misuse.

Council does not yet have a risk appetite statement in relation to this area. However, it is suggested that a low level of risk is acceptable. Conducting training will help to reduce Council's risk exposure.

**COST/BENEFITS**

The costs associated with the recommendations include officer time and potentially some contractor costs for the training.

**RISK ANALYSIS**

Risk analysis has been incorporated in the issues/discussion section of this paper.

**CONSULTATION AND ENGAGEMENT**

No staffs were engaged. Corporate Services has read the report and identified risks and has proposed recommendations.

**AUDIT AND RISK COMMITTEE COMMENT**

Mrs Morrison spoke to the report.

**COMMITTEE RESOLUTION 2020/79**

Moved: Mr Rod Poxon

Seconded: Mr Jarrah O'Shea

1. That the Audit and Risk Committee recommends to Council that the following documents be reviewed to address any gaps identified by the Ombudsman's report on credit card misuse:
  - (a) anti-fraud and corruption policy
  - (b) council's expense policy
  - (c) corporate card and fuel card policy
  - (d) overnight travel expense policy
  - (e) training, seminars and conferences policy
  - (f) related procedures
2. That the Audit and Risk Committee recommends to Council that training be sourced for staff and councillors on managing the risk of information misuse

**CARRIED**



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**9.8 UPDATE ON SERVICE PLANNING**

**File Number:** FOL/20/613  
**Author:** Sharon Morrison, Director Corporate Services  
**Authoriser:** Sharon Morrison, Director Corporate Services  
**Attachments:** 1. Service Planning Transition Plan

**RECOMMENDATION**  
 That the Audit Committee notes the update on service planning.

**CONFLICT OF INTEREST**

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

**PREVIOUS AUDIT COMMITTEE DISCUSSION**

An internal audit on Service Planning was reported to the February 2019 meeting of the Audit Committee which made two findings with a high risk rating.

**BACKGROUND**

The Audit Committee has requested regular updates on Council's progress in responding to recommendations in the Service Planning internal audit. Council has been working with CT Management to implement a Service Planning Framework. The Audit committee was provided with a summary report on Council's Service Planning activities at the February 2020 meeting.

**ISSUES/DISCUSSION**

Following a presentation to Council on 28 January 2020, CT Management prepared a Transition Plan for Council, which aims to implement the recommendations in the Service Planning Final Report. In summary, the actions and the status of those actions are:

#	Action	Status
1.	Improve the Asset Management Governance Framework	Project team 5325 established, comprising asset and finance staff. Kick off meeting 17 April 2020.
	1.1 Asset Management Policy	Policy adopted 25/8/2020
	1.2 NAMAF assessment	NAMAF assessment completed
	1.3 Asset Management Plans per asset category	Footpath Asset Management Plan being finalised
	1.4 Asset Management Strategy	Asset Management Strategy being finalised
	1.5 Roles and Responsibilities Matrix	Roles and responsibilities discussed and being finalised

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2	Improve Long Term Financial Plan approach	See below
	2.1 Integrated Planning Framework	2.1 Section 89(2)(a) of the LGA 2020: an integrated approach to planning, monitoring and performance reporting is to be adopted.
	2.2 Revised Chart of Accounts	2.2 revised chart of accounts completed
	2.3 10 year Capital Works Program per asset category	2.3 Contract 5256 for long term financial planning software kick off meeting held 26 October 2020
3	Improve understanding of levels of service provided to customers	Project team 5324 established, comprising Loddon Leaders.
	3.1 re-examine 'levels of service' definitions per service	Completed
	3.2 re-examine 'service demand' per service	Being finalised
	3.3 re-examine service priorities	Not commenced
	3.4 evaluate the value and strategic alignment of lower priority services	Not commenced
	3.5 Council define and agree on a communications strategy of its financial sustainability and impact on services and service levels	Not commenced.
4	Develop annual budget from LTFP and asset management plans and in accordance with new Local Government Act	Will apply to development of 2021/22 budget.
	4.1 service based budgets be implemented for 2021/22	Completed and being refined

**COST/BENEFITS**

Costs for service planning are contained within the operational budget.

**RISK ANALYSIS**

There is a risk that the service planning approach does not respond to the risk identified in the internal audit on Service Planning. This risk is being addressed by consulting with key stakeholders and engaging service planning professionals.

**CONSULTATION AND ENGAGEMENT**

Key stakeholders are being consulted throughout the implementation of the service planning framework.

**AUDIT AND RISK COMMITTEE COMMENT**

Mrs Morrison spoke to the report, highlighting that the project was nearing completion by early 2021.

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**COMMITTEE RESOLUTION 2020/80**

Moved: Mr Jarrah O'Shea

Seconded: Mr Alan Darbyshire

That the Audit Committee notes the update on service planning.

**CARRIED**

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**9.9 UPDATE ON REVIEW OF BUSINESS CONTINUITY FRAMEWORK**

- File Number:** FOL/20/613  
**Author:** Sharon Morrison, Director Corporate Services  
**Authoriser:** Sharon Morrison, Director Corporate Services  
**Attachments:**
1. BCP Documentation Review Report
  2. Business Continuity Plan
  3. Business Continuity Framework
  4. Business Continuity Policy

**RECOMMENDATION**  
 That the Audit Committee notes the update on the review of the business continuity framework.

**CONFLICT OF INTEREST**

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

**PREVIOUS AUDIT COMMITTEE DISCUSSION**

Nil

**BACKGROUND**

Council activated its Business Continuity Plan (the plan) in response to the declaration of a global pandemic despite the Business Continuity Framework not identifying pandemic as a trigger for activation of the plan.

To capitalise on the learnings during the Council's activation of the plan in response to the pandemic, Council recently engaged Elasticus to conduct a review of Council's business continuity documentation including its policy, plan and framework.

**ISSUES/DISCUSSION**

Elasticus found that:

"Generally, the process outlined in the Business Continuity Plan is well structured and can be effectively implemented.

The Business Resilience Framework for both documentation and organisation is well structured, consistent with standards and best practice, although there are a few inconsistencies in terms of key personnel, stakeholders and contact information."

The report then went on to identify major enhancement recommendations:

#	Action	Status
	Business Continuity Framework	
1	All key roles and responsibilities have a designated person in that role, together with a minimum of one identified and similarly skilled alternate.	Commenced
2	Contact information should either be kept in the plans or centrally in a directory for use in both internal and external communications.	Commenced

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#	Action	Status
3	That the leader of the BC Team should be a senior executive in either Operations or Risk Management.	Commenced
4	That there should be consistency in the roles and responsibilities for each defined role in the BC Team.	Commenced
Business Impact Analysis		
5	That the BIA should be reviewed and amended to reflect a more objective analysis. There are a number of options for collecting the data, but we would recommend a facilitated workshop.	Postponed to early 2021 by decision of MEG
6	That after the analysis any revision of the Tier 1 – 4 risks and impacts will require specific MTPDs, RPOs and RTOs.	Postponed to early 2021 by decision of MEG
7	That all identified key departments appoint at least one alternate to take responsibility should the incumbent be unavailable for whatever reason.	Postponed to early 2021 by decision of MEG
8	That where there are internal and/or external dependencies, they should be noted in the BIA so that the resulting BC Plan takes them into account.	Postponed to early 2021 by decision of MEG
9	That following the BIA a BCP representative/contact is appointed as an additional activity and is trained appropriately in the principles and practice of Business Continuity.	Postponed to early 2021 by decision of MEG
Business Continuity Plan		
10	Update the plan at business unit/function level with information on: <ul style="list-style-type: none"> <li>• Key Resources and Dependencies</li> <li>• Alternates to lead persons in the unit</li> <li>• Subject Matter Experts required in support of the BC Team</li> <li>• Updated location information, where applicable</li> </ul>	Commenced
11	Create a separate Loddon Shire Council Crisis Communication Procedure and contact information list for: <ul style="list-style-type: none"> <li>• Key internal personnel</li> <li>• Other internal personnel</li> <li>• Essential Loddon Shire Council contacts</li> <li>• Suppliers and customers</li> <li>• Key external contacts – government departments, industry groups, partner organisations</li> </ul>	Commenced
Other recommendations		

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#	Action	Status
12	Establish an update cycle for various plan content: <ul style="list-style-type: none"> <li>• BIA and BCP - Changes to key personnel and critical function information (priority content)                             <ul style="list-style-type: none"> <li><input type="checkbox"/> Every 1 – 3 months</li> </ul> </li> <li>• Post testing - Changes to process, strategies, work instructions, appendices                             <ul style="list-style-type: none"> <li><input type="checkbox"/> Quarterly for short tests</li> <li><input type="checkbox"/> Annually for full tests</li> </ul> </li> </ul>	Not commenced

**COST/BENEFITS**

Costs for the Elasticus review were contained within the operational budget. The cost to undertake the actions listed above is staff time.

**RISK ANALYSIS**

There is a risk that the Council's business continuity approach does not respond to best practice or meet the needs of Council's changing service delivery practices. The first risk is being addressed by engaging business continuity professionals to provide advice on Council's areas for improvement. The second risk can be addressed by implementing the recommended actions in the above table.

**CONSULTATION AND ENGAGEMENT**

Key stakeholders are being consulted on the Elasticus report and its recommendations and throughout the implementation of the actions.

**AUDIT AND RISK COMMITTEE COMMENT**

Mrs Morrison spoke to the report, highlighting the repeated efforts to train staff to undertake the work only to have them resign, hence the appointment of an external consultant to review and prepare an action plan. Mrs Morrison also indicated that there was an opportunity to engage consultants on retainer to ensure the documents are reviewed and actions are undertaken on a regular basis.

**COMMITTEE RESOLUTION 2020/81**

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

That the Audit Committee notes the update on the review of the business continuity framework.

**CARRIED**

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**9.10 UPDATE ON REVIEW OF RISK MANAGEMENT FRAMEWORK****File Number:** FOL/20/613**Author:** Kirsten Nichols, Governance Coordinator**Authoriser:** Sharon Morrison, Director Corporate Services**Attachments:** Nil**RECOMMENDATION**

That the Audit Committee notes the update on the review of risk management framework.

**CONFLICT OF INTEREST**

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

**PREVIOUS AUDIT COMMITTEE DISCUSSION**

At the February 2020 Audit Committee meeting, the committee noted the recommendations of the review of Council's Risk Management Framework and referred the review to the next ordinary meeting of Council. The review was presented to the March meeting of Council.

**BACKGROUND**

The review of Council's Risk Management Framework made 6 findings, one rated high, 4 rated medium and one rated low.

**ISSUES/DISCUSSION**

Following the:

- endorsement of the management actions in the review of Council's Risk Management Framework,
- high turnover in the OHS, Risk Management and Fire Prevention Officer role,
- retirement of Council's Manager Organisational Development and
- overdue nature of many management actions in the review,

Council engaged CT Management to assist with the delivery of the management actions in the review. The following table provides an update on progress of the management actions.

AUDIT AND RISK COMMITTEE MEETING MINUTES

26 NOVEMBER 2020

#	Action	Status
1.1	Review and update the Risk Management Policy and Framework to include all required areas as specified under the ISO 31000 Risk Management Principles and Guidelines	<p>Commenced</p> <ul style="list-style-type: none"> <li>- Inception meeting completed 6/10/2020</li> <li>- Review and assessment of documents and data completed November 2020</li> <li>- Interviews and consultation completed November 2020</li> <li>- Analyse and identify areas for improvement, update and development completed in November 2020</li> <li>- Preliminary findings due end November 2020</li> <li>- Draft documents due end January 2020</li> <li>- Consultation on draft documents end January 2020</li> <li>- Finalise and present final documents to Council Feb/March 2020</li> </ul>
1.2	Ensure that the additional information/aspects are communicated/trained to relevant staff and made available for easy staff access	Not commenced
2	Establish a formal risk management induction process in a timely manner to ensure all new staff are provided with adequate risk management training based on their respective roles and functions, which can include the completion risk management e-learning modules and structured face-to-face risk management training sessions	Not commenced
3.1	Develop and adopt a program of periodic trainings / workshops / professional development for Councillors and other relevant key officers to ensure that they are provided with adequate updates and knowledge on both LSC's risk management approach and risk management best practices. The training can be conducted internally, by an external consultant or a combination of both (e.g.	Not commenced
3.2	External consultant presenting on importance of risk management, the risk management framework & best practices and the Risk Management Committee presenting on the key organisational risks, how risk is managed across the organisation and roles & responsibilities of different levels in the Council).	Not commenced



AUDIT AND RISK COMMITTEE MEETING MINUTES

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4	<p>Determine whether there is a need to develop a comprehensive risk appetite statement that clearly sets the risk appetite for LSC and is aligned with the risk management framework and strategic plan. The risk appetite statement may include (but not limited to):</p> <ul style="list-style-type: none"> <li>• Purpose of the statement;</li> <li>• Criteria (focus area);</li> <li>• Risk appetite statement against each focus area (qualitative and/or quantitative); and</li> <li>• Risk tolerance statement/level.</li> </ul> <p>(For example:</p> <p><u>Criteria:</u> Business Continuity</p> <p><u>Appetite Statement:</u> We seek to minimise the downside risk from unforeseen operational failures within our business to ensure our people, assets, finances and reputation are protected and that any impact on our service delivery is minimal;</p> <p><u>Metric (qualitative/quantitative):</u> Zero unplanned closures of head office or any of our sites; Business Operations are closed for no more than 24 hours; Critical IT systems are offline for no more than 4 hours etc.);</p>	Commenced
5	Ensure that the risk appetite statement is incorporated into the risk management Policy and/or Framework and associated procedures at LSC;	Not commenced
6	Communicate and make available the risk appetite statement to Councillors, Executives, and other relevant members; and	Not commenced
7	Review the risk appetite statement on a periodic basis	Not commenced

**COST/BENEFITS**

Costs for engagement of CT Management are contained within the operational budget.

**RISK ANALYSIS**

There is a risk that Council's approach to risk management does not meet the Australian or International Standards and does not support Council to meet the stakeholder's expectation. This risk is being addressed by engaging risk management professionals and involving key stakeholders in the improvement of risk management approaches.

**CONSULTATION AND ENGAGEMENT**

Key stakeholders are being consulted throughout the review and development of improved risk management approaches.

**AUDIT AND RISK COMMITTEE COMMENT**

Ms Nichols spoke to the report. It was suggested that the project plan actions be cross referenced to the Risk Management internal audit review actions. The committee noted the importance of the work and the potential for relocating the risk management function to a more strategic level in the organisation.

AUDIT AND RISK COMMITTEE MEETING MINUTES

26 NOVEMBER 2020

**COMMITTEE RESOLUTION 2020/82**

Moved: Mr Jarrah O'Shea

Seconded: Mr Rod Poxon

That the Audit Committee notes the update on the review of risk management framework.

**CARRIED**

AUDIT AND RISK COMMITTEE MEETING MINUTES26 NOVEMBER 2020**10 GENERAL BUSINESS****10.1 AUDIT AND RISK COMMITTEE NON-OFFICER MEMBERS ONLY DEBRIEF****File Number:** FOL/20/613**Author:** Michelle Hargreaves, Administration Officer**Authoriser:** Sharon Morrison, Director Corporate Services**Attachments:** Nil**RECOMMENDATION**

That the Audit and Risk Committee non-officer members of the committee meet for open discussion.

**COMMITTEE RESOLUTION 2020/83****Moved:** Cr Gavan Holt**Seconded:** Mr Jarrah O'Shea

That the Audit and Risk Committee non-officer members of the committee meet for open discussion.

**CARRIED**

**AUDIT AND RISK COMMITTEE MEETING MINUTES****26 NOVEMBER 2020****11 NEXT REVIEW****11.1 QUARTERLY REPORT ON SCOPE OF PROPOSED INTERNAL AUDIT REVIEW**

**File Number:** FOL/20/613  
**Author:** Kirsten Nichols, Governance Coordinator  
**Authoriser:** Sharon Morrison, Director Corporate Services  
**Attachments:** Nil

**RECOMMENDATION**

That the Audit and Risk Committee notes the scope of the proposed internal audit review on the Workplace Safety Legislation Amendment Bill 2019 (Workplace Manslaughter and other matters)

**CONFLICT OF INTEREST**

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

**PREVIOUS AUDIT COMMITTEE DISCUSSION**

In August the Audit Committee noted the report on the "manslaughter legislation". The Workplace Safety Legislation Amendment (Workplace Manslaughter and other matters) Bill 2019 passed Parliament on 26 November 2019. Under this amendment, a person, a body corporate, an unincorporated body or association or a partnership, including government entities and officers of these entities, who owes applicable duties to ensure the health and safety of another person in the workplace, can be charged with Workplace Manslaughter.

This applies if the organisation and individual officers are found to be negligent in the standard of care given falls short of that which would have been taken by a reasonable person in the same circumstances and results in a high risk of death, serious injury or serious illness. This legislation amendment applies to employees or members of the public but does not apply where an employee has failed to comply with the organisation's practices and instructions. As such, given the above legislative changes and potential impact for officers and Councillors should issues occur, it is imperative that LSC has a robust OH&S framework in place.

**BACKGROUND**

The primary objective is to undertake a high-level desktop review of the internal control environment relating to OH&S management at LSC against relevant sections of the OH&S Act 2004 and the AS4801:2001 - Occupational health and safety management systems (which reflect Act requirements). More specifically, the following will be addressed:

- The adequacy and appropriateness of LSC policies, procedures, delegation arrangements, approval processes and systems for management of OH&S and for health monitoring;
- Assessment of whether policies, procedures and systems have been established to ensure compliance with relevant sections of the Act (e.g. Sections 22, 21A, 43, etc.) and other legislative requirements for OH&S management in Victoria;
- The appropriateness of LSC's risk assessment in terms of identifying and addressing OH&S matters (including the engagement of contractor risk in areas such as induction/management/insurance cover etc.);
- Processes in place with respect to the retention of adequate staff and other records pertinent to OH&S matters, which includes communication between staff members, HR, OH&S Coordinator and relevant external agencies (e.g. Worksafe); and

**AUDIT AND RISK COMMITTEE MEETING MINUTES**

26 NOVEMBER 2020

- Assessment of monitoring and reporting mechanisms to management and OH&S Committee with respect to OH&S related matters

**ISSUES/DISCUSSION**

The key concern for Audit and Risk Committee members is whether the members are considered the employer or other duty holder or an officer of an organisation.

For councils, the councillors are considered the employer of the CEO and the CEO is the employer of staff. Under the OHS Act, an officer is an individual at the highest level of an organisation, who has the power and resources to improve safety.

As the Audit and Risk Committee is an advisory committee of Council it does not have the power or resources to improve safety. No legal advice was sought in coming to this conclusion and no definitive statements have been found during research (which included attendance at seminars on this topic and review of various webpages on the topic) to categorically state that the Audit and Risk Committee members would not be charged or found liable.

It should be noted that this is not legal advice.

**COST/BENEFITS**

The cost of the review is within budget. The benefits of the review are to understand how we can improve occupational health and safety and risk awareness.

**RISK ANALYSIS**

Conducting the review aims to identify Council's risk and identify opportunities to reduce Council's risk.

**CONSULTATION AND ENGAGEMENT**

No staff have been consulted or engaged in the preparation of this report.

**AUDIT AND RISK COMMITTEE COMMENT**

The committee noted that the scope had been circulated during the preceding month and the review had commenced this week.

**RECOMMENDATION**

That the Audit and Risk Committee notes the scope of the proposed internal audit review on the Workplace Safety Legislation Amendment Bill 2019 (Workplace Manslaughter and other matters)

AUDIT AND RISK COMMITTEE MEETING MINUTES

26 NOVEMBER 2020

**NEXT MEETING**

The next Audit Committee meeting will be held on 11 February 2021 at Wedderburn office commencing at 9.15am.

There being no further business the meeting was closed at 12.06pm.

Confirmed this 18 day of February 2020

  
CHAIRPERSON

# INTERNAL AUDIT REPORT

LODDON SHIRE COUNCIL

*Review of Capital Project Management*

January 2021



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*Third party reliance*

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Draft Internal Audit Report





## Executive Summary

### INTRODUCTION

As part of the internal audit services provided to Loddon Shire Council (the "Council" or "LSC"), HLB Mann Judd has undertaken a review of the Council's capital project management process. The objective of the internal audit was to evaluate the internal controls and processes relating to capital project management, and to identify any potential risks and/or opportunities to improve related practices.

This review was approved by the Audit and Risk Committee of the Council, which forms part of the 2020-21 Internal Audit Program.

### BACKGROUND

A project is a unique endeavour to produce a set of deliverables (i.e. outputs or outcomes) within clearly specified timeframes, costs and quality constraints. Projects are different from standard business operational activities in that they normally have defined objectives, approved budgets, limited resources and involve elements of risk. Project management represents the methodology, framework and processes required to undertake a project successfully.

It is therefore important that robust systems and controls are in place, and flexible enough to accommodate a number of needs and expectations with respect to key activities governing LSC's projects, and to ensure they are administered appropriately throughout all their stages.

A summary of LSC's 2019-20 Annual Infrastructure Program as at 30<sup>th</sup> June 2020 is stated below. These projects were funded mainly by the following sources:

- Federal Government Roads to Recovery (R2R) funding of \$2.39 million by 30<sup>th</sup> June 2019;
- Council funds totalling a \$2.50 million; and
- Federal /State grants funds totalling \$2.15 million.



Project Category	Number of Projects Planned	Number of Projects Completed	Budget Amount for FY18-20	Actual Expenditure as of 30 June 2020
Local Road Gravel Re-sheet	8	8	\$385,090	\$304,887
Local Road Shoulder Re-sheet	7	7	\$329,282	\$252,688
Local Road Reconstruction – Asset Preservation	4	4	\$1,252,213	\$932,275
Local Road Reconstruction – Safety	2	2	\$811,000	\$412,909
Township Street Improvement	10	6	\$754,678	\$332,587
Urban & Township Drainage	2	1	\$1,005,000	\$161,567
Local bridges and culverts	3	1	\$1,331,000	\$273,554
Reseals	1	1	\$566,785	\$804,488
Parks and Gardens	5	4	\$100,000	\$74,179
Buildings	19	9	\$500,000	\$260,481
<b>Total</b>	<b>61</b>	<b>43</b>	<b>\$7,035,048</b>	<b>\$3,609,615</b>



A summary of LSC’s other capital projects as at 30<sup>th</sup> June 2020 is stated below:

Project Description	Budget Cost	Actual Expenditure as of 30 June 2020	Completion %
Boort Levee	\$500,000	\$138,345	25%
Pyramid Hill Drainage Strategy and Drainage data capture	\$500,000	\$26,730	55%
Township, Locality and Boundary sign replacements	Reserve allocated	\$31,800	Completed
Wedderburn township entrance sign	\$40,000	-	10%
Our Regions, Our Rivers (Caravan Parks)	\$1,196,806	-	5%
Pyramid Hill Flood Mitigation Works	\$1,148,000	-	10%
Truck Wash Rd - Pyramid Hill	\$7,800	-	-

**OVERALL CONCLUSION**

Based on the results of the review, we believe that the Council has established appropriate internal controls and processes through policies, procedures and guidelines related to capital project management. However, further improvement opportunities are identified particularly in relation to introducing customised project management procedures based on project size, type and complexity level. Furthermore, there is a need for reinforcement of existing project management protocols through staff training and awareness activities.



### Relevant Risk References

The following risks from LSC's Strategic Risk Profile were linked to this internal audit review:

RISK NUMBER	RISK DESCRIPTION	RISK LEVEL
133	Changes in community expectations	High
75	Council's high reliance on recurrent funding and specific purpose grants	Medium
132	Lack of local community consultation on projects	Low



## Positive Aspects of Control

---

The following positive business practices were noted regarding capital project management related practices at the Council:

### Overarching project management framework

- The Council has a dedicated Project Management team which includes a Project Management Coordinator and supported by a Project Engineer to manage the delivery, monitor and report the status of Annual Infrastructure Program and other projects initiated by the Council or specific to the federal /state government grant. The team is led by the Manager Assets and Infrastructure, who ultimately reports to the Director Operations.

Further, the Works team who also report to the Director Operations supports the Project Management team in managing capital projects related to roads, buildings, parks and gardens as well. In addition to the Project Manager, each project has a project superintendent appointed (usually acted by the Director of the relevant division) who oversees and ensures the project is conducted in compliance with the Council's policies and procedures;

The Council has an overarching Project Management Framework that provides Council's staff across business units with guidance regarding project initiation, planning, execution, monitoring and closure processes. The Framework also clearly defines "project" within its scope and sets out documentation requirements with relevant templates provided. Furthermore, according to the Asset Recognition and Revaluation Policy (last reviewed during July 2020), projects of value exceeding \$3,000 are capitalised;

In addition to above, the Council has developed a set of policies and procedures to facilitate the capital project management processes including (but not limited to) the following:

- Budget Preparation Policy (last reviewed during July 2020);
- Financial Reserves Policy (last reviewed during April 2020);
- Asset Management Policy (last reviewed during August 2020);
- Procurement Policy (last reviewed during August 2020);
- Procurement Procedure (last reviewed during October 2019);
- Engagement of Contractors Policy (last reviewed during March 2020);
- Compliant Contractor Guidelines (last reviewed during September 2020);



A comprehensive and adequate Procurement Policy and Procedure stipulates the principles and internal controls that apply to the purchasing of goods and services or undertaking works (such as construction and maintenance). In addition to above, the Council's Engagement of Contractors Policy and Compliant Contractor Guidelines assists to ensure that contractors (as engaged by LSC to conduct capital projects) comply with minimum occupational health & safety, licensing and insurance requirements;

Moreover, the Council's Project Management Framework outlines the requirements that any conflict of interest for members of the project team, reference group or steering committees should be documented and acknowledged at decision making points of the project. The Procurement Policy also requires that all evaluation panel members must formally complete and sign-off conflict of interest and confidentiality statements;

- All the project management related policies and procedures were uploaded on the Council's intranet for staff reference;
- A Contract Management Manual (draft) is currently under development with the aim of providing Contract Managers with best practices for management of contracts, from regular communication /meetings, stakeholder management, issue /dispute resolution, contract variation, extension of time, contract renewal to contract completion and recordkeeping.

*Certain areas of improvement were also identified with respect to finalisation of the Contract Management Manual. Please refer to Finding 1 for further details.*

- Initiatives to improve LSC's project management processes were incorporated into the Council's 3-year Procurement Strategy 2019-2021. They are stated below:
  - Build a procurement plan that schedules all budgeted projects / financial plan, new contracts and contracts due for renewal. All procurement should be planned and timed against available resources; and
  - Develop standard contractual documentation to suite a range of projects.
- The Council has identified and included the following capital project management related risks in its organisational Risk Register. The Risk Register is presented to the Audit and Risk Committee by the Director of Corporate Services on a quarterly basis:
  - No Framework for Project Management;
  - Not having a good governance committee to oversight the Newbridge Project;
  - A failure to exercise good governance of the Bridgewater Caravan Park Project;
  - Not having a good governance committee to oversight the Bridgewater Bowling Club Project;



- Council has a strong reliance on grants to deliver services and capital works projects;
- Lack of local community consultation on projects; and
- Council does not have a process in place to review the salary on-cost rate, Project Costing and Budgeting process.

#### **Project Initiation & Planning**

- o The need for asset renewal / replacement are identified through annual asset condition assessment and inspection processes. The Project Scope and Budget Bids (used to identify asset renewal and replacement requirements) are centrally registered into a Rolling Program Register maintained by the Manager of Asset and Infrastructure and a unique project code is assigned to the proposed project;
- o LSC's Annual Infrastructure Program consists of project proposals of higher priority scores selected from the Program Register. This provides total budgeted amount for each category of assets with corresponding asset management plans. In addition to above, the Assets and Infrastructure team maintains a unit price list indexed with Consumer Price Index ("CPI") annually, which forms the basis for estimating individual project budgets.  
The Annual Infrastructure Program is prepared by the Manager Asset and Infrastructure, and is authorised by the Operations Director and presented to the Council for endorsement on an annual basis as part of the annual budgeting processes;
- o The Council may initiate other projects as part of the 4-year Council Plan or in response to federal /state government grants for addressing specific initiatives. These projects are approved by the Council directly and managed by responsible officers assigned (Project Management Coordinator, Project Officer, Engineer, Manager Asset & Infrastructure, Building Maintenance Officer etc.);
- o Business Managers can also initiate new capital project by submitting a Preliminary Proposal (for project value below or equal to \$100,000) or Business Case (for project over \$100,000) and a project plan to the Managers Executive Group ("MEG") for endorsement, as per the requirement of the Project Management Framework. Once the project initiation and planning documentation is approved, the project will be included as part of the Annual Infrastructure Program or will be initiated separately as other project based on the nature of the project;
- o The Council has set aside various reserves to fund large capital projects for future without causing major fluctuations in Council's annual budgets. Depending on the type of reserves, funds transfers from and out of reserves must be approved by the Council or the MEG. Examples of such reserves available to fund Council's capital projects include (but are not limited to) the following:
  - Capital Expenditure Reserve is used to set aside funds that are budgeted for capital work projects in one financial year but that will not be fully expended by the end of that financial year;



- Caravan Park Development Reserve is used to set aside surplus made from the operation of the Council's caravan park to assist with financing major works carried out at caravan parks;
- Land and Building Reserve is used to fund the purchase and improvement of land and buildings;
- Major Project Reserve is used to assist with funding of major projects identified by the Council; and
- Urban Drainage Reserve is used to fund urban drainage works in towns within the Shire.

#### **Project Execution**

- o The Council adopted the Local Content Management System to archive process documentation for projects. Furthermore, the Nimblex contract management system is utilised to maintain contractors' insurance and license information to ensure they are current for a contractor to be engaged and paid;
- o The project variation process is formally incorporated in the Project Management Framework. The process includes the below:
  - A project variation request must be completed and approved for any changes in scope, estimated cost (where no initial budget change is required) or duration of a project;
  - The Project Manager must seek approval of the variation from the authorised financial delegates before proceeding any changes; and
  - The approved variation must be maintained along with the project plan and project plan must be amended to reflect the project variation.
- o A Budget Revision Approval Form must be completed (where cost is exceeding the initial budget) and submitted for review by the MEG if any budget changes involved in a project variation request. The respective procedures are detailed in LSC's Budget Revision and Timing Adjustment Procedure (last reviewed during January 2019);
- o For projects undertaken by external contractors, the tender / request for quotation includes itemised project scope, detailed work specifications and site drawings. The Project Manager maintains a progress certificate report / procurement register (excel spreadsheet) for each project that records all the up-to-date progress, payments made for the projects to track project progress and budgets. It is important to note that progress payments are made in correspondence to payment claims received from contractors, following onsite work inspections performed by the Project Manager;
- o For projects undertaken internally by the Works Team (which are mainly local road repair and reconstruction projects), the Council has developed various procedural document templates to facilitate the project planning, including (but not limited to) the following:





- A Road Hazard Identification and Risk Assessment Control Form (Word document) that records project risks /hazards across various areas (for example, electricity, underground services, lightening, dust etc.) and to develop a traffic control plan;
- A Risk Assessment Control Measures Report Form (Word document) that requires Project Managers to establish action plans to address risks identified from the hazard identification and risk assessment process. This document also include respective action owners and due dates for monitoring purpose; and
- A Job Plan (spreadsheet) that establishes sequences of works, material list, safe work method statement, construction costs estimation with unit prices, lists for labour, plant and materials.
- o A Project Register (excel spreadsheet) is maintained by the Project Management Coordinator, which includes project information for all projects included in the Annual Infrastructure Program and other projects approved for the current financial year, as well as carryover projects from previous years. Project information included in the Project Register include project category, project code, project name, project details, actual expenditures, completion percentage and funding sources;
- o A Status Report is prepared by the Project Manager Coordinator and authorised by the Manager Assets and infrastructure. This report incorporates the Annual Infrastructure Program and other projects (Council initiated or grant specific projects). Furthermore, the report is presented to the Council on a quarterly basis to provide an update on the spending and completion percentage by individual project.
- o Our sample-based review of 6 projects noted the following controls in relation to project management within the Council:
  - All project initiative and related budgets were appropriately approved by the Council;
  - The Procurement Policy requirements were complied with for selection and engagement of external contractors for performing capital projects' work;
  - The Project Management Team actively monitors the progress and cost of each project through progress certificates and cost versus budget comparison. It is important to note that all four completed projects were closed within the initial budgeted cost assigned to them; and
  - All payments were appropriately approved as per the financial delegations.

Please refer to **Appendix A** for a listing of projects that we reviewed as part of the sample testing.



### Summary of Key Findings

The primary objective was to assess and evaluate the effectiveness and efficiency of internal controls embedded in the capital project management framework, to determine whether the following audit objectives were addressed:

Audit Objectives	Related Finding	Risk Rating*			
		Extreme	High	Medium	Low
The existing capital project management framework at LSC provides project managers with the methodologies, tools and capabilities to manage their projects effectively and efficiently;	The Project Management Framework and Asset Management Plans were outdated. Furthermore, the Project Management Framework can be enhanced by incorporating criteria/guidelines based on size and type of projects.  In addition to the above, certain project management related procedures, guidelines & plans (Asset Management Strategy, Capital Works Evaluation Guidelines) were in progress and need to be finalised.			Finding 1	
	Absence of a formally documented process to assess and monitor the availability of Council's internal staff resources for managing projects.				Finding 4
	Absence of guidelines for project documentation and formal post completion review at the end of the project (based on project size and type).  In addition, documentation templates for project management and contract management can be further consolidated for efficient documentation procedures.			Finding 6	



Audit Objectives	Related Finding	Risk Rating			
		Extreme	High	Medium	Low
	The need for a more robust and proactive staff training program with respect to project management.				Finding 7
Council's capital projects are appropriately monitored to ensure that project outcomes and objectives are achieved;	Project progress monitoring and reporting needs to be further enhanced by incorporating project timelines, key risks, reasons for delay etc.  In addition, the need to formalise the process for communication and escalation of issues impacting project progress.			Finding 4	
Council's capital projects are managed in accordance with the existing project management framework	Improvement opportunities were identified with respect to the formal preparation and updating of Project Planning documents (i.e. Project Scope & Budget Bid form, Business Cases, Project Plans, Work Plan)			Finding 2	
	Noted an instance where project variation approval protocols were not complied by the Council's staff.				Finding 3
Reporting of performance with respect to meeting its projects (particularly capital projects) and against annual and/or strategic plan/s;	<i>Please refer to Finding No.4</i>				
Process with respect to LSC is reacting / managing opportunities for capital projects (such as the availability of federal or state funding for specific purposes); and	<i>No exceptions were noted.</i>				



Audit Objectives	Related Finding	Risk Rating*			
		Extreme	High	Medium	Low
Council has adequate processes in place in response to delays / issues faced during the delivery of projects.	<i>Please refer to Finding No.4</i>				



**RISK MATRIX**

The risk rating of each of the above findings is contained in the following matrix:

		CONSEQUENCE				
		1 Insignificant	2 Minor	3 Moderate	4 Major	5 Catastrophic
LIKELIHOOD	5 Frequent / almost certain	Yellow	Orange	Dark Orange	Red	Dark Red
	4 Probable / likely	Green	Yellow	Dark Orange	Orange	Dark Red
	3 Occasional / possible	Green	Yellow	Yellow (6)	Orange (1)	Dark Orange (2)
	2 Unlikely	Green (5)	Green (3)	Green (7)	Yellow (4)	Orange
	1 Rare	Green	Green	Yellow	Yellow	Yellow

Please refer to **Appendix D - Risk Rating Matrix** for further guidance.

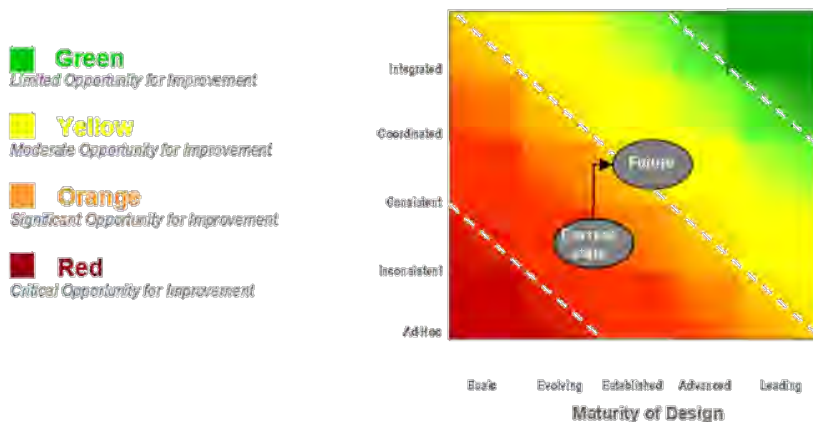


### Maturity Assessment

We have assessed the effectiveness of LSC’s current processes and controls with respect to Capital Project Management for ‘Consistency of Approach’ as ‘Inconsistent’ and ‘Maturity of Design’ as ‘Evolving’.

The recommendations presented in “Detailed Findings” section of this report have been made with the view to assist the Council to enhance its processes such that an ‘Consistent’ Approach and an ‘Established’ Maturity of Design are achieved.

The diagram below illustrates this assessment.



Refer to **Appendix E** for further details of the Consistency of Approach and Maturity of Design definitions.



**Detailed Findings**

Description of Finding	Observation	Impact and Recommended Action	Management Response
<p>1. The Project Management Framework and Asset Management Plans were outdated. Furthermore, Project Management Framework can be enhanced by incorporating guidelines based on size and type of projects.</p> <p>In addition to above, certain project management related procedures, guidelines &amp; plans (Asset Management</p>	<p><b>Risk Rating: Medium</b></p> <p><b>Standard/Criteria:</b></p> <p>An appropriate policy and procedure framework are a crucial organisational tool which sets the tone for management and provides guidance in day-to-day operations for LSC staff. It is therefore important that project management is governed by adequate policies, procedures and guidelines to ensure effective internal controls are built into associated processes.</p> <p>Comprehensive policies, procedures and guidelines also provide assurance that these processes are well designed, documented and remain consistent and relevant to meet organisational objectives.</p> <p>In addition to above, Asset Management Plans key elements involved in managing Council's assets, which combines management, financial, engineering and technical practices to ensure that the level of service required by user groups is provided at the lowest long-term cost to the community within the limits of Councils fiscal constraints.</p> <p><b>Audit Finding:</b></p> <p>Our review noted that:</p> <ul style="list-style-type: none"> <li>• The Council's Project Management Framework surpassed its next review by date (i.e. November 2016) and needs to be updated. The Framework also can be enhanced as it currently does not provide the following:                             <ul style="list-style-type: none"> <li>- An overview of different categories of capital projects within the</li> </ul> </li> </ul>	<p><b>Impact:</b></p> <p>Absence of formal and comprehensive Project Management Framework, Procedures and Guidelines could lead to the following:</p> <ul style="list-style-type: none"> <li>• Inconsistent project management practices across the Council;</li> <li>• Unclear roles &amp; responsibilities for project management;</li> <li>• Inefficient utilisation of Council resources due to lack of consistent prioritisation methodology and updated relevant asset management plans;</li> <li>• Inefficient project management activities resulting in projects not being completed within set timeframes and/or within set budgets;</li> <li>• Loss of knowledge where staff responsible for project management activities leave the Council; and</li> <li>• Inadequate organisational culture with respect to the delivery of high-quality projects.</li> </ul>	<p><b>Management Action:</b></p> <p><b>Recommendation 1:</b></p> <p>Management Agrees.</p> <p>The responsibility for this recommended action will sit with the Director Corporate Services to continue discussions and reach agreement on the ownership of the framework and consequent securing and allocation of resources.</p> <p><b>Responsibility:</b></p> <p>Sharon Morrison, Director Corporate Services.</p> <p><b>Timeframe:</b></p> <p>28<sup>th</sup> February 2022.</p> <p><b>Recommendation 2:</b></p> <p>Management Agrees.</p>



Description of Finding	Observation	Impact and Recommended Action	Management Response
<p>Strategy, Capital Works Evaluation Guidelines) were in progress and need to be finalised.</p>	<p>scope of the Framework;</p> <ul style="list-style-type: none"> <li>Clearly defined the roles &amp; responsibilities across different project phases from project initiation, project planning, project execution, project status reporting and monitoring for different categories of projects;</li> <li>Guidance to staff in identifying scenarios where a probity advisor needs to be engaged to assess the probity aspects of projects during initiation processes;</li> <li>Formal project initiation &amp; planning processes and risk management approaches for non-management-initiated projects (Council initiated projects, asset renew /replacement projects and projects initiated in response to specific government funding /grant);</li> </ul> <p><b>Please also refer to Finding No.2 for further details.</b></p> <ul style="list-style-type: none"> <li>Formal process for documenting, resolving and escalating issues impacting project progress;</li> </ul> <p><b>Please also refer to Finding No.4 for further details.</b></p> <ul style="list-style-type: none"> <li>Project monitoring, closure and documentation requirements based on project size, type and complexity;</li> </ul> <p><b>Please also refer to Finding No.6 for further details.</b></p> <ul style="list-style-type: none"> <li>The Council's Capital Works Evaluation Guidelines (CWEG) were still in progress and need to be finalised.</li> </ul> <p>The CWEG provides a framework for prioritisation of proposed capital works projects (according to specific criteria). According to the Council's Building Asset Management Plan (adopted in October 2019), all projects are subject to prioritisation in accordance with</p>	<p><b>Recommended Action:</b></p> <p>We recommend that the Council management should:</p> <ol style="list-style-type: none"> <li>Review and update the Project Management Framework to:                     <ul style="list-style-type: none"> <li>Provide an overview of different categories of capital projects within the scope of the Framework;</li> <li>Clearly define the roles &amp; responsibilities across different project phases;</li> <li>Provide guidance on probity advisor engagement;</li> <li>Formal project initiation and planning processes for non-management-initiated projects;</li> <li>Formal process for documenting, resolving and escalating issues impacting project progress; and</li> <li>Project monitoring, closure procedures and documentation requirements based on project size, type and complexity.</li> </ul> </li> </ol> <p>Ensure the Framework is timely reviewed following a review schedule</p>	<p>A Capital Works Evaluation Framework is being purchased from CT Management.</p> <p><b>Responsibility:</b></p> <p>Sharon Morrison, Director Corporate Services.</p> <p><b>Timeframe:</b></p> <p>28<sup>th</sup> February 2022.</p> <p><b>Recommendation 3:</b></p> <p>Management Agrees. Asset Management Strategy and Asset Management Plans are the responsibility of the Operations Directorate, however; project management of the new requirement of the Local Government Act 2020 is the responsibility of Director Corporate Services hence the responsibility for project managing initial compliance is allocated</p>





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	<p>CWEG methodology, (which includes prioritisation guidelines for both within the asset class as well as across asset classes).</p> <p>We acknowledge that the Project Scope &amp; Budget Bid template requires proposed projects to be scored against several criteria (for example, level of maintenance required, condition, road hierarchy). However, more comprehensive evaluation criteria, scoring system and prioritisation methodology must be formally included in the CWEG to ensure limited funding resources are applied to most prioritised projects.</p> <ul style="list-style-type: none"> <li>⊙ The following Asset Management Plans were not updated in a timely manner to provide long-term strategies /plans for asset renewal /replacement /addition. This ensures the Annual Infrastructure Program contributes to an optimal asset bases in accordance with the Council's overall asset management strategies:                             <ul style="list-style-type: none"> <li>- Bridge Asset Management Plan (last adopted in July 2010);</li> <li>- Footpath Asset Management Plan (last adopted in August 2009); and</li> <li>- Parks Asset Management Plan (last adopted in March 2010).</li> </ul> </li> </ul> <p>Further discussion with management noted that the Council is currently working on developing an Asset Management Strategy that will identify asset classes for which individual Asset Management Plans need to be developed based on criteria such as total expenditure or asset value. An overarching Asset Management Plan is also considered to comply with the <i>Local Government Act 2020</i>.</p> <ul style="list-style-type: none"> <li>⊙ The Contract Management Manual which will provide step by step</li> </ul>	<p>or as required.</p> <ol style="list-style-type: none"> <li>2. Finalise the Capital Works Evaluation Guidelines to ensure consistent practice in project prioritisation;</li> <li>3. Ensure the Asset Management Strategy is finalised and Asset Management Plans are reviewed and updated; and</li> <li>4. Finalise and implement the Contract Management Manual, referencing to the Engagement of Contractor Policy and the Compliant Contractor Guideline.</li> </ol> <p>Once finalised, ensure the formally endorsed manual and procedures are communicated to all relevant Council staff involved in contract and project management.</p>	<p>to the Director Corporate Services.</p> <p><b>Responsibility:</b> Sharon Morrison, Director Corporate Services.</p> <p><b>Timeframe:</b> 28<sup>th</sup> February 2022.</p> <p><b>Recommendation 4:</b> Management Agrees.</p> <p>The responsibility for this recommended action will sit with the Director Corporate Services to continue discussions and reach agreement on the ownership of the framework and consequent securing and allocation of resources.</p> <p><b>Responsibility:</b> Sharon Morrison, Director Corporate Services.</p>



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	guidance to best practice of contract management with standard procedural forms/templates was still in draft format.		<b>Timeframe:</b> 28 <sup>th</sup> February 2022.
2. Improvement opportunities were identified with respect to the formal preparation and updating of Project Planning documents (i.e. Project Scope & Budget Bid form, Business Cases, Project Plans, Work Plan)	<p><b>Risk Rating: Medium</b></p> <p><b>Standard/Criteria:</b></p> <p>A Project Scope &amp; Budget Bid document is prepared for proposed asset renewal/replacement project which specifies the relevant site location, project rationale, project scope detail, additional data related to the site, estimated costs and project prioritisation rating. Each project is scored based on an assessment matrix relevant to the type of infrastructure as part of the scoping process. This score assists in the development of the Annual Infrastructure Program by providing a prioritisation of the projects.</p> <p>The Project Management Plans ensure that the activities to be performed during project execution are properly sequenced, resourced, executed and controlled. Project planning involves the process of defining the project objectives and scope, project milestones (deliverables), assigning tasks and budgetary resources for each step.</p> <p>Well-structured project plans assist in tracking progress of the project; ensuring the completion of adequate risk assessments to document foreseeable project risks and controls; fostering more efficient resource allocation; ensuring that expectations are clearly defined and that communication plans are prepared to identify how key stakeholders will be kept informed on project progress.</p> <p>Moreover, to encourage a standardised approach and avoid project management pitfalls the planning phase should be supported by templates and methodologies which are fit for purpose and help in</p>	<p><b>Impact:</b></p> <p>Inadequate or informal project planning documentation could lead to the following:</p> <ul style="list-style-type: none"> <li>• Inefficient allocation of Council resources based on unauthorised budget bid proposals;</li> <li>• Dissatisfactory project execution due to inadequate project planning;</li> <li>• Inconsistent level of information that is included in planning documents; and</li> <li>• An increased risk that projects may not be planned and resourced appropriately.</li> </ul> <p><b>Recommended Action:</b></p> <p>We recommend that the Council management should:</p> <p>5. Revisit and simplify the current Project Scope &amp; Budget Bid form template to remove redundant information fields requests (i.e. information not required for registration process and not applicable for project type).</p> <p>Incorporate the revised form, as well</p>	<p><b>Management Action:</b></p> <p><b>Recommendation 5:</b></p> <p>Management Agrees.</p> <p>The responsibility for this recommended action will sit with the Director Corporate Services to continue discussions and reach agreement on the ownership of the framework and consequent securing and allocation of resources.</p> <p><b>Responsibility:</b></p> <p>Sharon Morrison, Director Corporate Services.</p> <p><b>Timeframe:</b></p> <p>28<sup>th</sup> February 2022.</p>



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	<p>improving project outcomes.</p> <p><b>Audit Finding</b></p> <p>Our review noted that:</p> <ul style="list-style-type: none"> <li>◦ The current Project Scope and Budget Bid form template incorporates redundant information requests (i.e. information not required for registration process and not applicable for project type. For example, the long-term income forecasts for small renewal project, cost centre, ledger code etc.) and should be simplified to improve administrative efficiency.</li> </ul> <p>Further discussion with management noted that those information were not provided because they were not necessary for registration process or no longer applicable to the project type.</p> <ul style="list-style-type: none"> <li>◦ For the two levee bank projects, Business Cases / Feasibility Study (drafted) and Project Plans (drafted) were not formally endorsed by the management or the Council. The Project Plans were not continuously updated to reflect the adjusted project timeline following progress delays. Neither the risk analysis sections of the project plans were updated with any new or emerged risks as the project progresses as required by the Project Management Framework;</li> <li>◦ Simplified project planning requirements need to be identified and key planning information to be centrally documented for those smaller and less complex projects.</li> </ul> <p>Discussion with management noted that a complete project plan included in the Project Management Framework was over complicated thus not applicable to projects under the Infrastructure Asset Program.</p>	<p>as the requirement to complete and submit a Project Scope &amp; Budget Bid form into the updated Project Management Framework and communicate to all relevant Council staff at the time of Project Management Framework's review (Please refer to the Recommendation No.1 for further details).</p> <p>6. Ensure that the Project Superintendent reviews the Business Case / Feasibility Study and Project Plan to ensure that they are formally approved as part of the project initiation process and regularly updated for applicable projects before authorising relevant expenditure.</p> <p>Reinforce the requirement to maintain an approved and updated project plan reflecting adjusted timeline, activities and emerging issues to executives, Audit and Risk Committee and Council.</p> <p>7. Establish planning requirements for smaller and less complex projects, which may include (but not limited to) the following:</p> <ul style="list-style-type: none"> <li>– Project Manager &amp; Superintendent assigned to the project;</li> </ul>	<p><b>Recommendation 6:</b></p> <p>Management Agrees.</p> <p>Please refer to management comments for recommendation 5.</p> <p><b>Responsibility:</b></p> <p>Sharon Morrison, Director Corporate Services.</p> <p><b>Timeframe:</b></p> <p>28<sup>th</sup> February 2022.</p> <p><b>Recommendation 7:</b></p> <p>Management Agrees.</p> <p>Please refer to management comments for recommendation 5.</p> <p><b>Responsibility:</b></p> <p>Sharon Morrison, Director Corporate Services.</p> <p><b>Timeframe:</b></p> <p>28<sup>th</sup> February 2022.</p>



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	<p>Therefore, key project planning information such as project manager &amp; superintendent assigned, commence date, completion date, key milestones, contractors engaged, and any issues/risks were not formally documented for the 4 projects reviewed under the Infrastructure Asset Program on sample basis.</p> <p><i>Please also refer to <b>Finding No.1</b> for further details.</i></p> <ul style="list-style-type: none"> <li>The Current Letter of Acceptance template incorporates a standard requirement for contractors to submit a proposed Work Plan including commencement and completion date. Our sample-based review noted that in practice they were not prepared for 4 projects under the Infrastructure Asset Program.</li> </ul> <p>Furthermore, discussion with management noted that they were short-term projects with a timeframe of less than 6 months and the Project Managers actively followed up with contractors to ensure the work were completed by the end of the financial year as part of the Annual Infrastructure Program.</p>	<ul style="list-style-type: none"> <li>Project timelines &amp; key milestones;</li> <li>Contractors engaged (where applicable);</li> <li>Value of contract and budget assigned to the project; and</li> <li>Identified risks specific to the project work (where applicable);</li> </ul> <p>Ensure the identified key planning information are documented into the current project register and updated in a timely manner for the purpose of project resources coordination, progress monitoring and reporting.</p> <p>8. Ensure Work Plan including commencement and completion date is submitted by contractor as stipulated by letter of Acceptance.</p>	<p><b>Recommendation 8:</b> Management Agrees. Please refer to management comments for recommendation 5.</p> <p><b>Responsibility:</b> Sharon Morrison, Director Corporate Services.</p> <p><b>Timeframe:</b> 28<sup>th</sup> February 2022.</p>
<p>3. Noted an instance where project variation approval protocols were not complied with by the Council's staff.</p>	<p><b>Risk Rating: Low</b></p> <p><b>Standard/Criteria:</b> According to the Council's Project Management Framework:</p> <ul style="list-style-type: none"> <li>Changes to the project scope, deliverables, timescales or resources should be formally defined, evaluated and approved prior to their implementation;</li> </ul>	<p><b>Impact:</b> Inconsistent controls over project variation could lead to the following:</p> <ul style="list-style-type: none"> <li>Changes to project scope, deliverables, timescales and associated impacts are not reviewed and assessed by management;</li> </ul>	<p><b>Management Action:</b> <b>Recommendation 9:</b> Management Agrees. The responsibility for this recommended action will sit with the Director Corporate Services to continue</p>



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	<ul style="list-style-type: none"> <li>A project variation request (standard template developed) must be completed and approved for any changes in scope, estimated cost or duration of a project. The Project Manager must seek approval of the variation by the project superintendent or project manager's director, CEO or Council (according to the value of variation and levels of Authority) before proceeding with any changes. The approved variation must be kept with the project plan.</li> </ul> <p>According to the Council's Level of Authority Delegations:</p> <ul style="list-style-type: none"> <li>The CEO is delegated the power to vary a contract or agreement to any value;</li> <li>Directors are delegated the power to vary a contract or agreement up to the greater of \$10,000 or 10%.</li> </ul> <p><b>Audit Finding</b></p> <p>Our sample-based review of projects noted that, for 1 out of 6 project, the project variation was not approved by the authorised financial delegate. To be specific an addition of \$14,000 (GST exclusive) was made to the original contract value of \$117,550 (GST exclusive) for a project (LBCC0381), due to scope of work extension.</p> <p>According to the Council's Level of Authority Delegations, the variation should have been approved by the CEO given it's greater than both \$10,000 and 10% of the original contract value. However, the extension and costs variation were only discussed between the Project Manager and the contractor before confirmed by the Project Manager through email.</p> <p>We acknowledge that the total project cost after amendment was still within the original budget amount and the subsequent payment request for the additional payment was authorised by the Project Superintendent. However, there was no formal approval obtained from</p>	<ul style="list-style-type: none"> <li>Failure to meet project objectives; and</li> <li>Inadequate audit trail for changes made to projects.</li> </ul> <p><b>Recommended Action:</b></p> <p>We recommend that the Council management should:</p> <p>9. Reinforce the project variation process to relevant Council staff to ensure:</p> <ul style="list-style-type: none"> <li>Pre-approval for variation is obtained by using a standard project variation request form before formal confirmation with the contractor;</li> <li>The responsible officer approving the variation should have the appropriate level of financial delegation.</li> </ul> <p>The reinforcement of the project variation process could be part of project management related trainings held following the <i>Recommendation No 17</i>.</p>	<p>discussions and reach agreement on the ownership of the framework and consequent allocation of resources.</p> <p><b>Responsibility:</b></p> <p>Sharon Morrison, Director Corporate Services.</p> <p><b>Timeframe:</b></p> <p>28<sup>th</sup> February 2023.</p>



Description of Finding	Observation	Impact and Recommended Action	Management Response
	the appropriate delegate (the CEO) through the use of the Project Variation Form for this variation as required by the Project Management Framework.		
<p>4. Project progress monitoring and reporting needs to be further enhanced by incorporating project timelines, key risks, reasons for delay etc.</p> <p>In addition, the need to formalise the process for communication and escalation of issues impacting project progress.</p>	<p><b>Risk Rating: Medium</b></p> <p><b>Standard/Criteria</b></p> <p>The success of most projects is highly dependent on making sure that project tasks and stages are delivered as planned and to the project sponsors' and/or stakeholders' expectations.</p> <p>Project managers are responsible for routinely monitoring progress on a project, tracking the differences between what was planned and what is actually happening. This includes whether start and finish dates for activities are being met, how cost estimates are working out in reality, whether planned resource requirements are matching actual use, and whether the expected outputs are being achieved. The project manager should also take a realistic look ahead and assess issues that are likely to cause changes to the project plan.</p> <p>Project reporting and monitoring activities must be set and checked-off in the project plan to provide evidence that they have occurred. Project status reports must be scheduled at a frequency that will be valuable to the management of the project according to its duration and complexity</p> <p><b>Audit Finding</b></p> <p>Our review noted that:</p> <ul style="list-style-type: none"> <li>The quarterly report on the Annual Infrastructure Program and other projects can be further enhanced by incorporating the following areas:</li> </ul>	<p><b>Impact:</b></p> <p>Inadequate project progress monitoring report and absence of formal process for escalating issues could lead to the following:</p> <ul style="list-style-type: none"> <li>Council is not timely informed of the current project status and any delays/issues incurred or expected;</li> <li>Issues and delays with the project are not timely addressed resulting increased risks of project delay and failure;</li> <li>Non-compliance with the funding requirements may result difficulty in obtaining future funding; and</li> <li>Reputational risk or potential legal obligations as the Council failed to provide the critical community infrastructures.</li> </ul> <p><b>Recommended Action:</b></p> <p>We recommend that the Council management should:</p> <p>10. In the short run, consider leveraging</p>	<p><b>Management Action:</b></p> <p><b>Recommendation 10:</b></p> <p>Management Agrees.</p> <p>The responsibility for this recommended action will sit with the Director Corporate Services to continue discussions and reach agreement on the ownership of the framework and consequent allocation of resources.</p> <p><b>Responsibility:</b></p> <p>Sharon Morrison, Director Corporate Services.</p> <p><b>Timeframe:</b></p> <p>28<sup>th</sup> February 2022.</p> <p><b>Recommendation 11:</b></p> <p>Management Agrees.</p>



Description of Finding	Observation	Impact and Recommended Action	Management Response
	<ul style="list-style-type: none"> <li>- Present project progress against planned timeline and milestones;</li> <li>- Highlight any project delay incurred or expected with underlying reasons;</li> <li>- Identify high-level risks and issues specific to significant projects, including the potential impacts and mitigation strategies in place;</li> <li>- List of projects that commenced and closed during the quarter; and</li> <li>- Summarise any project variation approved during the quarter, respective financial impacts and highlighting the projects which exceeded the budgets.</li> </ul> <p>We acknowledge that the current report includes the following key information:</p> <ul style="list-style-type: none"> <li>- A summary of total expenditure to date for all projects against the budget;</li> <li>- A list of substantial grants received; and</li> <li>- Project specific information including project description, project budget approved, responsible officer, actual expenditure, completion percentage to date and brief comments on the current status.</li> </ul> <p>We further acknowledge based on discussion with management that due to limited staff resources available for project management, it will impose excessive administrative burden for the team to maintain comprehensive project information, real time project status and generate regular status reports without a project management</p>	<p>the updated Project Register developed following the Recommendation No.7 to provide the Council with more informative project progress reports against project plans.</p> <p>11. For long-term solution, assess the cost, benefit and resources available to implement a comprehensive project management system which can enable more efficient project monitoring and reporting.</p> <p>12. Formalise the process for documenting and escalating issues impacting project progress.</p> <p>Incorporate the process into the updated Project Management Framework following the Recommendation No.1.</p>	<p>Please refer to management comments for recommendation 10.</p> <p><b>Responsibility:</b> Sharon Morrison, Director Corporate Services.</p> <p><b>Timeframe:</b> 28<sup>th</sup> February 2022.</p> <p><b>Recommendation 12:</b> Management Agrees.</p> <p>Please refer to management comments for recommendation 10.</p> <p><b>Responsibility:</b> Sharon Morrison, Director Corporate Services.</p> <p><b>Timeframe:</b> 28<sup>th</sup> February 2022.</p>



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	<p>system in place.</p> <ul style="list-style-type: none"> <li>The process for reporting and documenting issues impacting project progress needs to be formalised.</li> </ul> <p>Although the Contract Management Manual requires an Issues Register to be maintained for contract management purposes, our sampled-based review noted that no such register was maintained in practice.</p> <p>Furthermore, there is no formal requirement for documenting and escalating issues arising from overall project management perspective.</p> <p>Our review noted that the commencement of the Boort Levee project was delayed for about 4 years, which was still pending upon the decision regarding approving Land Use Activity Agreement (LUAA) by Parks Victoria. This also indirectly contributed to the delay of the Pyramid Hill Flood Mitigation project, which was delayed as the Council's resources was prioritised to the Boort Levee project and another approval was pending to be obtained from the landowner. We understand the factors causing delay were out of Council's control.</p> <p>We acknowledge that the Council's project management team actively followed up with relevant agencies (Department of Environment, Land, Water and Planning, Parks Vitoria and Dja Dja Wurrung Cians Aboriginal Corporation) on a regular basis during the process of obtaining relevant approvals for commencing project works. Also, extensions were sought and granted from relevant funding agencies as well.</p> <p>We further acknowledge based on discussion with management that regular internal meetings were held among project managers</p>		





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	<p>from the Assets &amp; Infrastructure team and the Works team to discuss any issues arising from project execution.</p> <p>However, there was no formal guidelines provided to the project management team on:</p> <ul style="list-style-type: none"> <li>- When to consider escalation or reporting of project delay;</li> <li>- Who shall be informed about the project delay and the frequency of report;</li> <li>- Information to be reported and format of the report; and</li> <li>- The required documentation to be retained regarding the issue.</li> </ul>		
<p>5. Absence of formally documented process to assess and monitor the availability of Council's internal staff resources for managing projects.</p>	<p><b>Risk Rating: Low</b></p> <p><b>Standard/Criteria</b></p> <p>Project resourcing, monitoring and tracking is an integral part of the Project Management Framework as it allows relevant project staff members to ensure that the Council has the required resources to commit the project. Furthermore, this ensures costs of a project are adequately tracked so they remain in line with the project budget and subsequently reported to the management /the Council on a periodic basis.</p> <p><b>Audit Finding</b></p> <p>Our review noted that:</p> <ul style="list-style-type: none"> <li>• There was an absence of formally documented methodology and processes for assessing and monitoring the availability of Council's internal staff resources for managing multiple projects;</li> </ul> <p>Further, our sample-based testing of 6 projects noted that internal</p>	<p><b>Impact:</b></p> <p>Absence of formal processes to project resourcing could lead to the following:</p> <ul style="list-style-type: none"> <li>• Staffing shortage for project management or internal resources may not be utilised efficiently;</li> <li>• Unable to record, monitor and track all project related costs; and</li> <li>• Inaccurate evaluation of project feasibility.</li> </ul> <p><b>Recommended Action:</b></p> <p>We recommend that the Council management should:</p> <p>13. Develop a formal process for assessing and monitoring the</p>	<p><b>Management Action:</b></p> <p><b>Recommendation 13:</b></p> <p>Management Agrees.</p> <p>The responsibility for this recommended action will sit with the Director Corporate Services to continue discussions and reach agreement on the ownership of the framework and consequent allocation of resources.</p> <p><b>Responsibility:</b></p> <p>Sharon Morrison,</p>



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	<p>staff resources committed to project management (coordination, monitoring &amp; reporting) were not considered during project planning before commitment to start the work for the 5 projects undertaken by external contractors.</p> <p>We acknowledge for a remaining project (LRC0478) which was carried out by the Council's Works team internally, staff hours committed into project management were included in the project budget and costing following a standard internal pricing schedule.</p>	<p>availability of Council's internal staffing resources to ascertain the Council's staffing resources are not over or under committed as part of project planning &amp; scheduling process.</p> <p>Ensure that the methodology is included in the updated Project Management Framework following the <i>Recommendation No.1</i>.</p>	<p>Director Corporate Services.</p> <p><b>Timeframe:</b> 28<sup>th</sup> February 2023.</p>
<p>6. Absence of guidelines for project documentation and formal post completion review at the end of the project (based on project size and type).</p> <p>In addition, documentation templates for project management and contract management can be further</p>	<p><b>Risk Rating: Medium</b></p> <p><b>Standard/Criteria</b> Appropriate documentation and retention systems allow organisations to determine the course of action for different types of documents. It assists in deletion of unnecessary records, records movement and retrieval. Documents retention is of prime importance as it allows the following:</p> <ul style="list-style-type: none"> <li>• Enables organisation to comply with key records management related legislative requirements (e.g. <i>Records Management Act 1973</i>);</li> <li>• Enables organisation to run successfully in the long run;</li> <li>• Document archiving enables employees to ensure only current data is being utilised for operational purpose; and</li> <li>• Authorised destruction of unnecessary document provides additional space for document retention.</li> </ul> <p>Formally established documentation requirements based on project size</p>	<p><b>Impact:</b> Absence of guidelines for project documentation and formal post completion review at the end of the project could lead to the following:</p> <ul style="list-style-type: none"> <li>• Potential non-compliance with key legislative records management requirements (e.g. <i>Public Records Act 1973</i>);</li> <li>• Inconsistencies in project management processes across the Council;</li> <li>• Project documentation may not fit for purpose and may not based on size and type of projects;</li> <li>• Inefficiency due to excessive documentation requirements;</li> <li>• Loss of knowledge where staff responsible for project management</li> </ul>	<p><b>Management Action:</b> <b>Recommendation 14:</b> Management Agrees.</p> <p>The responsibility for this recommended action will sit with the Director Corporate Services to continue discussions and reach agreement on the ownership of the framework and consequent allocation of resources.</p> <p><b>Responsibility:</b> Sharon Morrison, Director Corporate Services.</p>



Description of Finding	Observation	Impact and Recommended Action	Management Response
consolidated for efficient documentation procedures.	<p>and type provide project managers with clear guidance on preparing and retaining appropriate project documentation for both operational and compliance purposes throughout project initiation, planning, execution, and closure.</p> <p>As part of good project management processes and controls, at the conclusion of a project staff should undertake a project performance assessment to ensure that key tasks associated with managing the project are completed. This process should be accompanied with a "Lessons Learned" session where project successes, opportunities for improvement and other issues or lessons are identified, documented and discussed between project staff members. It is therefore important that this process is captured in the Project Management Framework including any follow-up actions to be developed and implemented (where applicable) from learnings. This provides a mechanism for improving process and strengthen project management controls.</p> <p><b>Audit Finding</b></p> <p>Our review noted that:</p> <ul style="list-style-type: none"> <li>The Council's Project Management Framework does not specify documentation requirements based on project types, size and complexity.</li> </ul> <p>Our discussion with management noted that documentation requirements within the Framework are mainly for large and complex capital projects initiated by management. Adoption of those requirements would impose onerous administrative burdens on most projects under the Council's Infrastructure Program which are usually of smaller size.</p> <p>Similarly, the Council's Project Management Framework does not specify formal project closure procedures based on size and nature</p>	<p>activities leave the Council;</p> <ul style="list-style-type: none"> <li>Increased risk that completed projects may not be closed-off in line with the intended project objectives; and</li> <li>Inability to identify opportunities for improvement and/ or lessons learned throughout the course of a project and apply these learnings in future.</li> </ul> <p><b>Recommended Action:</b></p> <p>We recommend that the Council management should:</p> <ol style="list-style-type: none"> <li>Establish project &amp; contract documentation requirements based on project type, size and complexity. The requirements should be incorporated as part of the updated Project Management Framework and Contract Management Manual following the <i>Recommendation No.1 and 4</i>;</li> <li>Develop project closure procedures based on project size and nature. Develop a customised Project Closure Report template suitable for smaller and less complex projects. This may include but not limited to the following:                     <ul style="list-style-type: none"> <li>A formal assessment of whether the capital project completion and</li> </ul> </li> </ol>	<p><b>Timeframe:</b></p> <p>28<sup>th</sup> February 2022.</p> <p><b>Recommendation 15:</b></p> <p>Management Agrees.</p> <p>Please refer to management comments for recommendation 14.</p> <p><b>Responsibility:</b></p> <p>Sharon Morrison, Director Corporate Services.</p> <p><b>Timeframe:</b></p> <p>28<sup>th</sup> February 2022.</p> <p><b>Recommendation 16:</b></p> <p>Management Agrees.</p> <p>Please refer to management comments for recommendation 14.</p> <p><b>Responsibility:</b></p> <p>Sharon Morrison, Director Corporate Services.</p>



Description of Finding	Observation	Impact and Recommended Action	Management Response
	<p>of the project. Our discussion with management noted although the Framework included detailed project closure activities and a Project Closure Report template, they are impractical and inefficient for smaller size projects.</p> <ul style="list-style-type: none"> <li>◦ The Council has developed a set of procedural templates (for example, audit form for superintendent, checklist for authorising final completion, letter to residents, extension of time register) to facilitate project and respective contractor management. However, there was no clear guidance on the type of projects for which such documents should be completed and the timings of documentation.</li> </ul> <p>Moreover, there was an improvement opportunity to consolidate current templates/forms developed for contract management and project management that served similar objectives to enhance administrative efficiency. For example, we believe the following documents can be consolidated:</p> <ul style="list-style-type: none"> <li>- The Extension of Term (EOT) Register and the Variations Register included in the Contract Management Manual;</li> <li>- The Variation Summary form and Contract Variation Notice required by the Contract Management Manual (draft) and the Project Variation Request form incorporated in the Project Management Framework;</li> <li>- The Site Meeting Notes template, Site Inspection Report form, Discussion Items for Regular Meetings template and Contract Management Meeting Record sheets established in the Contract Management Manual.</li> </ul> <p>Our audit finding was further substantiated through our sample-based testing of 6 projects for which project related documents were not prepared, and formal project closures were not conducted</p>	<p>delivery criteria have been met;</p> <ul style="list-style-type: none"> <li>- Identifying and tracking a list of any outstanding items or activities (as per the project plan);</li> <li>- Recording the lessons learned from the project and making sure that the knowledge acquired is applied to other / future projects. Producing a handover/transition plan where applicable;</li> <li>- Communicating closure to stakeholders and interested parties; and</li> <li>- Review the overall success of the project by determining how well it performed against the defined objectives and conformed to the management processes in the planning phase.</li> </ul> <p>The closure procedures should be incorporated into the updated Project Management Framework following the <i>Recommendation No.1</i> and the updated /new template needs to be included in the template index developed following the <i>Recommendation 16</i>.</p> <p>16. Consolidate templates and forms</p>	<p><b>Timeframe:</b> 28<sup>th</sup> February 2022.</p>



Description of Finding	Observation	Impact and Recommended Action	Management Response
	<p>due to the lack of clear requirements appropriate to the project size, type and complexity. To be specific:</p> <ul style="list-style-type: none"> <li>- Project Plans which include project method, project team structure, project governance and reporting protocol, quality plan, risk management plan, procurement plan, communication strategy &amp; stakeholder management plans were not prepared for 4 asset renewal /replacement projects under the Infrastructure Program;</li> <li>- Formal project closure was not conducted, and a Project Closure Report was not prepared for all the 4 projects under Infrastructure Asset Program which were at practical completion stage;</li> <li>- Extension of Time Grant Form was not adopted to obtain internal endorsement for the two levee bank projects which experienced delays. We acknowledge that extension was sought from and granted by relevant funding organisations;</li> <li>- Project Status Report, Regular Project Site Meeting Minutes, Site Inspection Report, Checklist for Authorising Practical Completion were not prepared for all the 6 projects.</li> </ul> <p><i>Please refer to <b>Appendix A</b> for sample projects reviewed.</i></p>	<p>developed for project management and contract management to reduce duplicated record keeping and administrative efforts. A template index can be developed to summarise templates available and to highlight mandatory documents, which will assist in documentation control and provide easy references to Project Managers.</p>	
<p>7. The need for a more robust and proactive staff training program with respect to project management.</p>	<p><b>Risk Rating: Low</b></p> <p><b>Standard/Criteria</b></p> <p>It is essential that all internal requirements and lessons learned with respect to project management related activities be communicated to staff and other parties through development of robust training programs and communication mechanisms to raise awareness of the expectations</p>	<p><b>Impact:</b></p> <p>Absence of robust and proactive staff training could lead to the following:</p> <ul style="list-style-type: none"> <li>• Staff may not fully understand the requirements and the role of project management in supporting organisational efficiency and</li> </ul>	<p><b>Management Action:</b></p> <p><b>Recommendation 17:</b></p> <p>Management Agrees.</p> <p>Generic training will be provided until the framework has been</p>



Description of Finding	Observation	Impact and Recommended Action	Management Response
	<p>and to ensure they are complied with.</p> <p>According to the Council's Project Management Framework:</p> <ul style="list-style-type: none"> <li>• Training about the Project Management Framework will be provided to all staff required to manage projects;</li> <li>• Other training will be made available to relevant staff, where required, on the processes required for effective project management. Where relevant, project managers should have skills in the following areas:                             <ul style="list-style-type: none"> <li>- The capital evaluation framework and project initiation and planning processes;</li> <li>- Project management;</li> <li>- Budgeting and cash flow analysis;</li> <li>- Time management;</li> <li>- Contract management; and</li> <li>- Risk assessment and mitigation.</li> </ul> </li> </ul> <p><b>Audit Finding</b></p> <p>Our review noted that:</p> <ul style="list-style-type: none"> <li>• Although the Project Management Framework covered the training requirements and stipulated the required skills for project management; a formal training program was not in place to cover the expected skills and knowledge for project management.</li> </ul> <p>Furthermore, there was no formal induction or refresher training sessions conducted during the past 24 months to ensure staff with project management responsibilities are systematically trained for</p>	<p>accountability;</p> <ul style="list-style-type: none"> <li>• Increased risks of project failure;</li> </ul> <p><b>Recommended Action:</b></p> <p>We recommend that the Council management should:</p> <p>17. Perform training needs analysis to identify the skill and knowledge gaps of Council staff engaged in project management.</p> <p>Seek to determine the availability of resources required to implement a formal induction and refresher training program for relevant staff. This will ensure Council staff have required skills and knowledge to perform project management roles.</p>	<p>updated and approved by MEG. Loddon specific training will be provided after this.</p> <p><b>Responsibility:</b></p> <p>Janine Jackson, Manager Organisational Development.</p> <p><b>Timeframe:</b></p> <p>28<sup>th</sup> February 2023.</p>



Description of Finding	Observation	Impact and Recommended Action	Management Response
	<p>areas identified by the Project Management Framework.</p> <p>We acknowledge however based on discussion with management that one-off project management training was held across the Council more than 2 years ago. In addition to above, the project management team attended contract management and procurement related trainings held by the procurement department.</p>		



## Appendices

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- Appendix A – Table of Projects Reviewed
- Appendix B – Audit Approach and Procedures
- Appendix C – Personnel Consulted
- Appendix D – Risk Rating Matrix
- Appendix E – Maturity Assessment
- Appendix F – Basis and Use of Report





**Appendix A – Table of Projects Reviewed**

Project No	Project Name	Project Category	Description	Status as at 30 June 2020	Total value (Approximately)
Other Project No. 1	Boort Levee Project (Levee Bank project)	Other project – specific funding granted	Construction of new flood protection levee (approx. 1.7km of earthen embankment) on the eastern perimiter of the Boort Township.  (As per the Funding Agreement Project was planned to be commenced from August 2017 with an estimated completion timeline of July 2019. Due to the external factors not under the control of the Council (for instance permit delays), it is still a work in progress)	25% In Progress	\$500,000
Other Project No. 9	Pyramid Hill Flood Mitigation Works (Levee bank Project)	Other project – specific funding granted	Construction of a new flood protection levee (approx. 3.1 km of earthen embankment) on the eastern and western perimeters of the Pyramid Hill Township.  (As per the Funding Agreement Project was planned to be commenced from March 2019 with an estimated completion timeline of May 2020. A further extension was obtained from Funding Body (i.e. Emergency Management Victoria) with a revised timeline of May 2021)	10% In Progress	\$1,148,000
LRC0478	Bridgewater Raywood Rd	Annual Infrastructure Program – Local Road	Rehabilitation & widening of existing pavement & seal - from 3.8m to 7.0m m width	Completed	\$573,832



Project No	Project Name	Project Category	Description	Status as at 30 June 2020	Total value (Approximately)
		Construction			
LBCC0381	Wedderburn Brenanah Rd Drop Structure	Annual Infrastructure Program – Local Bridges and Culverts Construction	Installation of a drop structure to prevent further erosion of table drain and damage to road	Completed	\$111,550
BLD051	Loddon Shire Energy Efficiency Upgrades	Annual Infrastructure Program – Building	Installation of solar and energy efficient lighting systems	Completed	\$141,342
TSI0455	Eucy Distillery Footpath, Inglewood	Annual Infrastructure Program – Township Street Improvement	500m x 1.5 m footpath on west side	Completed	\$107,710



## Appendix B – Audit Approach and Procedures

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The review consisted of the following procedures:

- ◆ Conducted interviews with personnel involved in the capital project related activities;
- ◆ Reviewed LSC capital project management related policies and procedures;
- ◆ Performed sample-based testing over the capital project related activities;
- ◆ Assessed of the adequacy, comprehensiveness and accuracy of monitoring and reporting with respect to the project;
- ◆ Evaluated and assessed findings and observations from the review undertaken;
- ◆ Issued draft and final reports to management which incorporate audit findings, recommendations and implementation plans as a basis for continual improvement of project management related processes and activities; and
- Presented the final report to management and the Audit and Risk Committee.



### Appendix C – Personnel Consulted

We would like to take this opportunity to thank the staff at LSC for their co-operation and assistance during the course of our engagement.

NAME	TITLE	TOPIC DISCUSSED
Sharon Morrison	Director Corporate Services	<ul style="list-style-type: none"> <li>• Audit scope;</li> <li>• Project management framework;</li> <li>• Project related risk management; and</li> <li>• Project related training</li> </ul>
Steven Phillips	Director Operations	<ul style="list-style-type: none"> <li>• Audit scope;</li> <li>• Project management framework;</li> <li>• Project budgeting &amp; funding;</li> <li>• Controls in relation to initiating a project, planning the project, managing the execution of the project; and closing the project off;</li> <li>• Project status reporting; and</li> <li>• Audit findings.</li> </ul>
David Southcombe	Manager Assets & Infrastructure	<ul style="list-style-type: none"> <li>• Audit scope;</li> <li>• Project management framework;</li> <li>• Controls in relation to initiating a project, planning the project, managing the execution of the project; and closing the project off;</li> <li>• Project status reporting;</li> <li>• Delegation of authority and underlying approval limits;</li> </ul>



NAME	TITLE	TOPIC DISCUSSED
		<ul style="list-style-type: none"> <li>• Variation policy and underlying controls; and</li> <li>• Audit findings.</li> </ul>
Adam Cooper	Project Management Coordinator	<ul style="list-style-type: none"> <li>• Project Register &amp; status reporting;</li> <li>• Project status and budget tracking;</li> <li>• Procurement &amp; contractor engagement;</li> <li>• Continuous contract management;</li> <li>• Project documentation; and</li> <li>• Contract management system.</li> </ul>



### Appendix D – Risk Rating Matrix

Findings arising during the course of the internal audit have been rated against the following HLB Mann Judd Issue Ratings Matrices below.

#### RISK RATING MATRIX

		CONSEQUENCE				
		1 Insignificant	2 Minor	3 Moderate	4 Major	5 Catastrophic
LIKELIHOOD	5 Frequent / almost certain	Medium (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
	4 Probable / likely	Low (4)	Medium (8)	High (12)	High (16)	Extreme (20)
	3 Occasional / possible	Low (3)	Medium (6)	Medium (9)	High (12)	High (15)
	2 Unlikely	Low (2)	Low (4)	Medium (6)	Medium (8)	High (10)
	1 Rare	Low (1)	Low (2)	Low (3)	Low (4)	Medium (5)



EXPLANATORY NOTES TO RISK RATING			
RISK RATING	DEFINITION	GUIDANCE	ACTION REQUIRED
Extreme	Issue represents a serious control weakness, which could cause or is causing severe disruption of the process or severe adverse effect on the ability of the process to achieve its objectives.	Material errors and departures from the organisation's policies and procedures. Financial management / accountability / probity concerns. Significant breach of governing legislation and regulations which may result in fines or other penalties.	Requires significant senior management intervention and may require significant mobilisation of resources, including external assistance. Close and on-going monitoring by senior management to resolution is highly recommended. Requires extreme priority to immediate action and a program for prompt resolution. Recommended timeframe for action: Immediate – 3 months.
High	Issue represents a control weakness, which could cause or is causing major disruption of the process or major adverse effect on the ability of the process to achieve its objectives.	Errors and departures from the organisation's policies and procedures. Non-compliance with governing legislation and regulations which may result in fines or other penalties. Collective impact of many medium or low issues.	Requires substantial senior management intervention. On-going resource diversionary potential and may require possible external assistance. Requires high priority to action. Recommended timeframe for action: 3 – 6 months.
Medium	Issue represents a control weakness, which could cause or is causing moderate adverse effect on the ability of the process to achieve its objectives.	Events, operational, business, and financial risks that could expose the organisation to losses that could be marginally material to the organisation. Departures from best practice management procedures and processes.	Requires considerable management intervention and may require possible external assistance. Requires prompt action. Recommended timeframe for action: 6 – 12 months.
Low	Issue represents a minor control weakness, which is minimal but reportable impact on the ability of the process to achieve its objectives.	Events, operational, and business risks that could expose the organisation to losses which are not material due to the low probability of occurrence of the event on the operating capacity, reputation and regulatory compliance. Departures from management procedures and processes, however, appropriate monitoring and governance generally mitigates these risks.	Requires management attention and possible use of external resources. Requires action commensurate with the process objectives. Recommended timeframe for action: Depending on the availability of scarce resources.



### Appendix E – Maturity Assessment

The following are the definitions of the key elements used for assessing Consistency of Approach:

Consistency of Approach				
All-Hoc	Inconsistent	Consistent	Coordinated	Integrated
Very minimal or basic risk management and internal control activities with no degree of consistency in application or approach across the business. Critical opportunities for enhancements exist.	Controls are inconsistently executed by management across a wide range of functions within the organisation. Significant opportunities for enhancement remain.	Controls are relatively consistently applied within key functions and business groups – not yet coordinated across organisational sites. Moderate opportunities for enhancement remain.	Controls are consistent and well-coordinated across a range of organisational. Limited opportunities for enhancement remain.	Controls are consistently applied, coordinated across organisational sites as well as embedded and sustained within key business processes. The controls are fully integrated and viewed as an incremental enhancement to existing efforts.

The following are the definitions of the key elements used for assessing Maturity of Design of controls:

Maturity of Design				
Basic	Developing	Established	Advanced	Leading
Very minimal/ unstructured or basic design of processes and controls. Basic control systems are in place but exceptions in control coverage or control effectiveness are common. There is a critical need for enhancements.	Key controls exist in part, are inconsistently applied and/or not well understood by management and the relevant employees. Control design and systems are in place, but frequent control failures are identified. There is a significant need for enhancement.	Controls are established and have been operationalised. Control consciousness is demonstrated through effective application of documented controls across strategic, operational, compliance and financial processes. There is a need for enhancement in order to become more effective and efficient.	Process and control have been in place for an extended period of time and learning from early stages of process has been incorporated.  An effective and efficient control framework is established and is fully integrated across the lines of defense  There is a limited need for enhancement to achieve leading practice.	Controls are established, consistently applied, integrated, regularly reviewed, aligned and coordinated across the Department. The process is well integrated with other systems and controls resulting in significant operational efficiencies and value to the organisation. The practices are respected as better practice and are viewed externally by other organisations as leading examples.





## Appendix F – Basis and Use of Report

We are engaged by the Loddon Shire Council (the “Council” or “LSC”) to provide internal audit services and the scope of our activities is determined by management and reviewed by the Audit and Risk Committee. This report has been prepared in accordance with the objectives and procedures agreed in the audit scope document and subject to the following limitations:

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



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# INTERNAL AUDIT REPORT

LODDON SHIRE COUNCIL

Review of Swimming Pool Management (Including New Regulations)

January 2021



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TOGETHER WE MAKE IT HAPPEN



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Inherent limitation – the nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

*Third party reliance*

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## Executive Summary

### INTRODUCTION

As part of the internal audit services provided to Loddon Shire Council (“LSC” or “Council”), HLB Mann Judd has undertaken a review of its swimming pool management processes (including New Regulations). The objective of the internal audit was to assess the adequacy and effectiveness of internal controls and processes relating to LSC’s swimming pool management processes, and to identify potential opportunities to improve related practices.

The review was approved by the LSC Audit and Risk Committee and forms part of the 2020-21 Internal Audit Program.

### BACKGROUND

Given the nature of swimming pool operations and the respective potential exposure for LSC, it is very important to ensure there are robust systems, controls and processes in place with respect to the management of the facilities. In addition, the introduction of new regulations governing swimming pool operations requires assurance that legislative requirements are built into process used to manage Council’s swimming pools, and that relevant staff are aware and compliant with these requirements.

LSC has five swimming pools within the municipality, located at Boort, Inglewood, Mitiamo, Pyramid Hill and Wedderburn. Unified Community Sports and Leisure has been contracted to staff and provide administrative support to all five swimming pools, and the Council encourages all community members to take advantage of these facilities during the summer months. Moreover, all swimming pools open annually generally on the third Saturday in November. The swimming pool season then closes generally on the Monday of the Labour Day weekend in March. The facilities at each pool include:

Pool	Facilities
Boort	50 metre pool, toddler pool, infant wading pool and BBQ
Inglewood	33 metre pool, infant wading pool and basketball ring
Mitiamo	25 metre pool and infant wading pool



Pool	Facilities
Pyramid Hill	33 metre pool, toddler pool, infant wading pool and BBQ
Wedderburn	33 metre pool, infant wading pool, BBQ, basketball ring and cricket nets

LSC pool organisation structure is illustrated below:



Moreover, the Royal Life Saving Australia Guidelines for Safe Pool Operations (GSPO) clearly sets out the requirements for a safe aquatic facility and are a must for managers of aquatic facilities. The Guidelines for Safe Pool Operations also contain invaluable information for local government, facility owners,



architects, engineers, duty managers and pool lifeguards. The GSPO includes 92 guidelines across the seven sections of aquatic facility operation including General Operations, Technical Operations, First Aid, Facility Design, Supervision, Low Patronage Pools and Programs.

#### OVERALL CONCLUSION

Based on the results of the review, we believe that whilst LSC in practice is overseeing and managing its swimming pools appropriately, there is however a need to enhance the management framework by developing an overarching policy / procedural documents and tightening processes relating to monitoring the contractor's performance and legislative compliance relating to pool operations. LSC also needs to enhance the level of communication and coordination with the pool contractor (Unified Community Sports & Leisure - UCSL) to ensure recommendations from Life Saving Victoria ("LSV") are embedded in the pool management practice at LSC.

*Please refer to section below "Detailed Findings" for more details.*



### Relevant Strategic Risks References

The following risks from LSC's risk register were linked to this internal audit review:

Ref #	Key Risk Description	Risk Rating
10	To ensure that the contractor comply with contract conditions at Council's Swimming Pools.	Medium
164	Engage a consultant to undertake an audit of chemical storage at Swimming Pools.	Medium





## Positive aspects of control

The following positive business practices were noted regarding pool management processes at LSC:

### Pool Maintenance and Complaint Management

- A Complaint Handling Framework was developed by LSC personnel and approved by the CEO (recently reviewed in November 2019, and due for next review in November 2021). The framework stipulates relevant legislative references to the *Public Health and Wellbeing Act 2008*, *Environment Protection Act 1974* etc. and include roles and responsibilities of Council Officers, Team Leader, Supervisor and Manager, as well as complaint investigation and reporting processes;

*Certain improvement opportunities were also identified relating to the Complaint Handling Framework, please refer to Finding No 1.*

- A Swimming Pools Improvement Plan was created for 2018-2022 to identify capital works and maintenance activities for Council's swimming pools. The Operations & Community Support Department is mainly responsible for maintenance and major upgrades of swimming pools. A pool maintenance budget was created, and actual spending is monitored by Community Support Department;
- A dedicated system (i.e. Merit system) is being used for maintenance requests, complaints handling and task completion. Adequate segregation of duties was noted as complaints are generated in the system by the Customer Service Department and respective actions are assigned by the Community Support Department. Furthermore, a pre-numbered Request ID is created for maintenance request and/ or complaint and action is assigned to responsible person with due date. Our review of system generated maintenance and complaints register for 2019 and 2020 noted that no complaints were lodged, and only a single maintenance request was lodged for minor maintenance work which was duly completed by the Council.

In addition to the above, the Community Support team has advised that LSC plans to launch the Reflect system during November 2020 for use by UCSSL and LSC. Reflect is a maintenance management system and this will be used to maintain all internal and external (contractor) maintenance requests. Tablets as given to pool staff will be linked to the Reflect system and results of pool spot checks as well as identified maintenance actions (if any) will be lodged. Furthermore, this system has the functionality for automated reminders when maintenance is due according to the Schedule.

### Pool Contractor (including payment to contractor)

- LSC has formally contracted Unified Community Sports & Leisure ("UCSSL") for the management of its swimming pools. Contractual arrangements in place include day to day staffing, management and operation of LSC swimming pools at Boort, Wedderburn, Inglewood, Miliamo and Pyramid Hill locations. This includes the provision of qualified staff resource, general day to day cleaning, water monitoring, water treatment, plant inspections and



administration services. Our review noted that a formal contract was duly signed by the Director Community Wellbeing which covers a period of two years until 2021;

- ◊ Segregation of duties was noted for payments made to contractors providing pool management services. A pre-numbered Purchase Order is created as part of the contract and approved by Director Community Wellbeing. The contract stipulated the payment schedule and the contractor is paid in four progress billings. Contractor invoices are reviewed and approved by the Manager Community Support and subsequently payment is processed by the finance team. This was further supported through our sample testing procedures performed for contractor's invoices where no exception was identified with respect to payment approvals; and
- ◊ Contractor's staff resources are monitored through Attendance Reports provided by the Contractor. These reports are reviewed by Council's Community Support Manager to check staff working hours at five pool facilities including Inglewood lifeguards, Wedderburn lifeguards, Boort lifeguards, Mitiamo lifeguards and Pyramid Hill lifeguard).

*We noted certain improvement opportunities in relation to contractor's performance management practices and same are stated in Detailed Findings section.*

#### **Insurance**

- ◊ LSC has adequate insurance cover from July 2020 to July 2021 relating to public and product liability. This insurance covers unforeseen financial cost to a limit of \$20 Million. Coverage is renewed on an annual basis.

#### **Pool Management Roles & Responsibilities**

- ◊ Position Descriptions (PD) for UCSL staff responsible for pool management include key administrative and operational responsibilities of pool management. This was further supported through our review of LSC position descriptions where roles and responsibilities, selection criteria, qualifications etc. were appropriately reflected in the PDs. To be specific we reviewed the position descriptions for the following employees:
  - LSC Community Support Officer;
  - LSC Manager Community Support;
  - LSC Project Liaison Officer;
  - LSC Recreation Facilities Worker;
  - UCSL Pool lifeguard; and
  - UCSL Pools Coordinator.



### Training

- ◆ LSC's e-learning training system is used for staff training and duly completed by pool management staff. These e-learning training courses (included but not limited to) the following:
  - Mental health first aid;
  - Manual handling;
  - Chemicals hazard awareness for swimming pools;
  - Occupational, health and safety awareness;
  - Child safety standards; and
  - Workplace manslaughter legislation (webinar).

This was further supported through our sample testing procedures where we noted that LSC pool management staff including the Community Support Officer, Project Liaison Officer, Recreation Facilities Worker had completed online training courses.

### Records Management

- ◆ The Content Management System is used to maintain records relating to swimming pools, for instance UCSSL contract, contractor's operational manual, pool attendance records and guidelines etc. Access controls were restricted through unique user ID and passwords assigned to employees. Furthermore, the Content Manager System has an audit trail functionality.

### Pool Financial Budget and Fee /Rates

- ◆ For swimming pool facilities, we noted a financial revenue and spending budget has been developed for the financial year 2020-21 and the finance team monitors actual financial results against the budgeted figures on a monthly basis; and
- ◆ LSC developed a pool fee schedule from July 2020 to June 2021 which includes pool rates per season and entrance fee. The swimming pool fee schedule is reviewed annually by Council and collection is made by the contractor, as required by UCSSL's contract. These collections from visitors are reimbursed to LSC on monthly basis.



#### Incident Management

- ♦ The Incident Reporting and Investigation policy has been developed by management and approved by CEO (policy was adopted in February 2020 and due for next review in February 2023). The Policy aims to promote the timely reporting and investigation of incidents along with legislative compliance;

In the event of an incident /accident /near miss /hazard, an Incident report is prepared to document the details of incident, persons involved and follow up actions. The Council requires that incident /accident /near miss /hazard of a more serious nature to be investigated, appropriate strategies to be developed and implemented to reduce the likelihood of future occurrences. In order to achieve this, Council requires that incident /accident /near miss /hazard is investigated in a comprehensive manner.

Furthermore, our review noted that four swimming pool related incidents were reported since June 2019. Our review of incident forms noted that they were duly completed, reviewed and adequate follow-up measures were taken to close the assigned actions.



**SUMMARY OF KEY FINDINGS**

The primary objective was to assess the adequacy and effectiveness of internal controls and processes relating to LSC's swimming pool management processes, systems and controls to determine whether the following audit objectives were addressed:

Audit Objectives	Related Finding	Risk Rating*			
		Extreme	High	Medium	Low
Assess whether planning is adequate for managing the Council's swimming pools and their related activities.	<i>No issues were found.</i>				
Assess the adequacy and comprehensiveness of the policies, procedures, systems and controls in place in the management of the Council's swimming pools.	Absence of clear accountabilities (including legislative compliance requirements) with respect to swimming pool management.  Moreover, Council's Complaint Handling Framework and UCSSL's (contractor) Operations Manual need to be reviewed and updated.			Finding 1	
Ensure that staff at the Council's swimming pools are fulfilling their responsibilities appropriately, ensuring they have been trained accordingly.	Improvement opportunity was identified with respect to records management for services provided by contractor.			Finding 5	
Determine whether the processes and practices used by staff to manage the Council's swimming pools are sufficient in their context (and reflect legislative responsibilities).	Absence of compliance monitoring program to assess compliance with legislative requirements, Guidelines for Safe Pool Operations and Safer Public Pools (Code of Practice).  Furthermore, implementation status of recommendations from Life Saving Victoria's Assessment was not available for our review.			Finding 2	



Audit Objectives	Related Finding	Risk Rating*			
		Extreme	High	Medium	Low
Assess the accuracy, completeness and timeliness of records (financial and operational) kept by staff with respect to the management of the Council's swimming pools.	<i>No issues were found.</i>				
Assess the appropriateness of the financial management and operational performance reporting processes used by the Council to monitor the performance and management of the Council's swimming pools.	The need to improve the contractor's performance management practices at LSC.			Finding 3	
Assess the accuracy, completeness and timeliness of reports (i.e. weekly, monthly, and annual) completed and provided to Council management relating to the Swimming Pools.	<i>Please refer to Finding No 3.</i>				
Assess whether the Council's current risk profile appropriately identifies the key risk exposures for the Council in relation to the operation and management of Council's swimming pools.	Instances identified where risk mitigation actions as documented in the Risk Register were overdue.			Finding 4	



**RISK MATRIX**

The risk rating of each of the above findings is contained in the following matrix:

		Consequence					
		1 Insignificant	2 Minor	3 Moderate	4 Major	5 Catastrophic	
Likelihood	5 Frequent / almost certain						
	4 Probable / likely		5	1	2	3	4
	3 Occasional / possible						
	2 Unlikely						
	1 Rare						

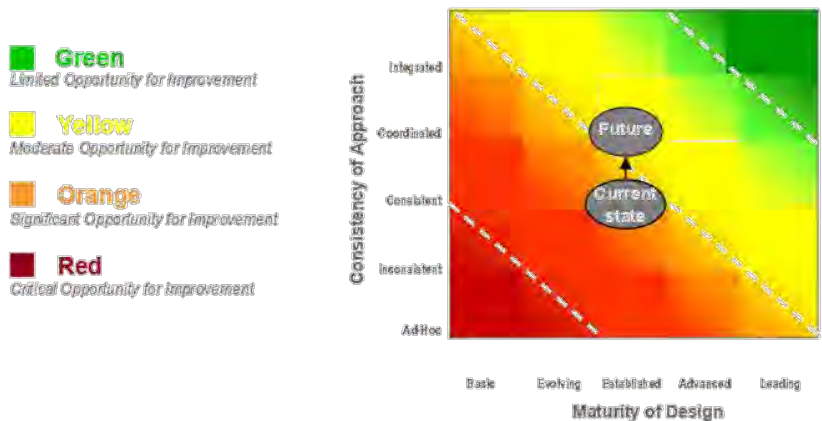


**Maturity Assessment**

We have assessed the effectiveness of the LSC’s current processes and controls with respect to swimming pool management process for ‘Consistency of Approach’ as ‘Consistent’ and ‘Maturity of Design’ as ‘Established’.

The recommendations presented in “Detailed Findings” section of this report have been made with the view to assist the LSC to enhance its processes such that a ‘Coordinated’ Approach and an ‘Established’ Maturity of Design are achieved.

The diagram below illustrates this assessment.



Refer to **Appendix D** for further details of the Consistency of Approach and Maturity of Design definitions.





**Detailed Findings**

Description of Finding	Observation	Impact and Recommended Action	Management Response
<p>1. Absence of clear accountabilities (including legislative compliance requirements) with respect to swimming pool management.</p> <p>Moreover, Council's Complaint Handling Framework and UCSSL's (contractor) Operations Manual need to be reviewed and updated.</p>	<p><b>Risk Rating: Medium</b></p> <p><b>Standard/Criteria:</b></p> <p>Clearly defined accountabilities and policies are a crucial organisational tool, which sets the tone required from management and provides guidance in day-to-day transactions and activities for staff. Furthermore, policies and procedures help to ensure that operational processes are well designed, documented and performed in a consistent manner.</p> <p><b>Audit Finding:</b></p> <p>Our review noted that:</p> <ul style="list-style-type: none"> <li>There was absence of clear accountabilities (including legislative compliance requirements) with respect to swimming pool management. Best practices and legislative requirements may include Guidelines for Safe Pool Operations, Safer Public Pools (Code of Practice), Victorian Building Authority, Occupational Health and Safety Act etc.;</li> <li>UCSSL (contractor for pool management) has developed an operations manual to facilitate their staff in providing contracted services. Through inquiries with management we noted that the UCSSL operations manual needs to be reviewed and updated in line with the recommendations of Life Saving Victoria's Pool Safety Assessment.</li> </ul> <p>Through our discussions with management we noted that</p>	<p><b>Impact:</b></p> <p>Absence of clear accountabilities with respect to swimming pool management combined with an updated contractor operations manual enhancement, could lead to:</p> <ul style="list-style-type: none"> <li>Potential non-compliance of legislative requirements with respect to swimming pool operations;</li> <li>Inconsistent operations due to the lack of common and current guidelines;</li> <li>The loss of corporate knowledge in the event that key related staff members leave the organisation; and</li> <li>Inadequate safety measures and increase likelihood of incidents impacting financial and reputational loss to LSC.</li> </ul> <p><b>Recommended Action:</b></p> <p>We recommend that LSC management should:</p> <ol style="list-style-type: none"> <li>Establish clear accountabilities (including legislative requirements) for</li> </ol>	<p><b>Management Action:</b></p> <p><b>Recommendation 1:</b></p> <p>Management Agrees.</p> <p>Council is issuing a tender in 2021 and will ensure that the audit findings are addressed through contractual arrangements or, if the tender is unsuccessful and Council has to resume management of the pools, through policy and procedures.</p> <p><b>Responsibility:</b></p> <p>Sarah Perry, Acting Manager Community Support.</p> <p><b>Timeframe:</b></p> <p>30<sup>th</sup> November 2021.</p> <p><b>Recommendation 2:</b></p> <p>Management Agrees.</p>



Description of Finding	Observation	Impact and Recommended Action	Management Response
	<p>management was aware and realised the importance of legislative compliance and agreed to enhance the existing process to ensure legislative compliance. Management advised that the contractor is working towards updating their operations manual to include recommendations of LSV.</p> <ul style="list-style-type: none"> <li>◦ Council's Complaint Handling Framework refers to previous <i>Local Government Act 1989</i> instead of <i>Local Government Act 2020</i>. Although we acknowledge that the Framework include roles and responsibilities of Council Officers, Team Leader, Supervisor and Manager, as well as complaint investigation and reporting process.</li> </ul>	<p>effective swimming pool management and operations. The accountabilities should include certain key processes, for instance:</p> <ul style="list-style-type: none"> <li>• Staff trainings and certification requirements;</li> <li>• Planning and reporting requirements;</li> <li>• Contractor management process;</li> <li>• Safety and security (for example first aid, surveillance, security fence / barrier etc; and</li> <li>• Pool maintenance process.</li> </ul> <ol style="list-style-type: none"> <li>2. Liaise with UCSL (contractor) to update the UCSL operations manual in line with the recommendations of Life Saving Victoria (LSV) Pool Safety Assessment;</li> <li>3. Review and update Council's Complaint Handling Framework in line with the new <i>Local Government Act 2020</i> (where applicable); and</li> <li>4. Ensure that the updated Policy and procedural documents are subsequently communicated to relevant staff members and made</li> </ol>	<p><b>Responsibility:</b> Sarah Perry, Acting Manager Community Support.</p> <p><b>Timeframe:</b> 30<sup>th</sup> November 2021.</p> <p><b>Recommendation 3:</b> Management Agrees.</p> <p>Council's Complaint Handling Framework will be updated in 2021. Community Support Department have developed a complaint form for the use by staff and the contractor's staff to ensure all information is captured and a response provided. This form needs to be acknowledged in the review of the Complaint Handling Framework.</p> <p><b>Responsibility:</b> Sharon Morrison, Director Corporate</p>



Description of Finding	Observation	Impact and Recommended Action	Management Response
		readily available on intranet.	Services. <b>Timeframe:</b> 30 <sup>th</sup> November 2021. <b>Recommendation 4:</b> Management Agrees. <b>Responsibility:</b> Sarah Perry, Acting Manager Community Support. <b>Timeframe:</b> 30 <sup>th</sup> November 2021.
2. Absence of compliance monitoring program to assess compliance with legislative requirements, Guidelines for Safe Pool Operations and Safer Public Pools (Code of Practice).  Furthermore, implementation status of recommendations from Life Saving	<p><b>Risk Rating: Medium</b></p> <p><b>Standard/Criteria:</b></p> <p>The Royal Life Saving Society Australia Guidelines are issued for pool safety. The Guidelines aims works to prevent drownings and other water related deaths and injuries. These Guidelines are intended to be voluntary, acting as a guide to operators on the safe operation of swimming facilities.</p> <p>The Pool Safety Assessment is designed to establish overall level of operation against best practices. The Pool Safety Assessment areas included:</p> <ul style="list-style-type: none"> <li>• Section 1 - Work Health and Safety;</li> </ul>	<p><b>Impact:</b></p> <p>Absence of compliance monitoring program could lead to:</p> <ul style="list-style-type: none"> <li>• Increasing risks of non-compliance with regulatory requirements and internal protocols with respect to pool management processes;</li> <li>• Inadequate safety measures and increase likelihood of incidents; and</li> <li>• Increased financial and reputational risk for LSC.</li> </ul>	<p><b>Management Action:</b></p> <p><b>Recommendation 5:</b></p> <p>Management Agrees.</p> <p>Community Support have developed a pre and post season inspection regime using the Reflect program. This will provide greater transparency of a process to ensure that Council are compliant with GSPO and LSV</p>



Description of Finding	Observation	Impact and Recommended Action	Management Response
<p>Victoria's Assessment was not available for our review.</p>	<ul style="list-style-type: none"> <li>• Section 2 - Emergency Planning;</li> <li>• Section 3 - Qualifications and Training;</li> <li>• Section 4 – Supervision;</li> <li>• Section 5 - First Aid;</li> <li>• Section 6 - Plant and Chemical Areas;</li> <li>• Section 7 - Changing Facilities;</li> <li>• Section 8 - Lap and Lane Pools; and</li> <li>• Section 9 - Leisure Pools.</li> </ul> <p><b>Audit Finding:</b></p> <p>Our review noted that:</p> <ul style="list-style-type: none"> <li>• There was absence of a proactive compliance monitoring program for example a compliance register to assess the pool facilities compliance with Guidelines for Safe Pool Operations, (Royal Life Saving Society Australia Guidelines) and Safer Public Pools (Code of Practice);</li> <li>• Pool safety assessment by Life Saving Victoria was conducted for Wedderburn Swimming Pool and Inglewood Swimming Pools in February 2020. Furthermore, a Risk Treatment Plan was developed by Life Saving Victoria to report the implementation status of treatment actions for the recommendations identified in pool safety assessment review.</li> <li>• However, an updated Risk Treatment Plan to provide implementation status of remedial actions was not available for our review. Through inquiries with the</li> </ul>	<p><b>Recommended Action:</b></p> <p>We recommend that LSC management should:</p> <ol style="list-style-type: none"> <li>5. Introduce a process to assess the pool facilities compliance with legislative requirements, Guidelines for Safe Pool Operations (Royal Life Saving Society Australia Guidelines) and Safer Public Pools (Code of Practice); and</li> <li>6. Reinforce timely inputs from UCSL (contractor) to update Risk Treatment Plan and provide status action to Life Saving Victoria.</li> </ol>	<p>requirements.</p> <p><b>Responsibility:</b> Sarah Perry, Acting Manager Community Support.</p> <p><b>Timeframe:</b> 30<sup>th</sup> November 2021.</p> <p><b>Recommendation 6:</b> Management Agrees.</p> <p>This will be incorporated into the next contract. Continue to pursue the information required.</p> <p>Add reminder to Reliansys compliance database or similar to track requests made of contractor and responses from contractor.</p> <p><b>Responsibility:</b> Sarah Perry, Acting Manager Community Support.</p>



Description of Finding	Observation	Impact and Recommended Action	Management Response
	<p>management, we noted that remedial actions were mainly related to UCSL (contractor) for instance, UCSL to develop process and procedure to ensure that lifeguard uniforms are inclusive of the word "lifeguard" on the front, UCSL to ensure that a supervision / lifeguard deployment plan is in place etc.</p> <p>Although we acknowledge that management is aware of the issue and LSC's Community Support Project Officer was following up with UCSL (contractor) to provide their action status update.</p>		<p><b>Timeframe:</b> 30<sup>th</sup> November 2021.</p>
<p>3. The need to improve contractor's performance management practices at LSC.</p>	<p><b>Risk Rating: Medium</b></p> <p><b>Standard/Criteria:</b> LSC has contracted UCSL for the management and operation of swimming pool. Contract stipulates day to day staffing, management and operation of swimming pools at Boort, Wedderburn, Inglewood, Mitiamo and Pyramid Hill locations. Contract also includes the provision of adequately qualified staff, general day to day maintenance, water monitoring and treatment, plant inspections and administration services.</p> <p><u>The performance management clause in UCSL service contract states:</u></p> <p><i>"Performance measures will be monitored on an ongoing basis by Council. Any issues or concerns will be immediately raised with the contractor for action and resolution. Serious or repeated failure to achieve compliance may result in termination of the Contract.</i></p> <p><i>Specific performance measures which shall be applied in</i></p>	<p><b>Impact:</b> Absence of contractor's performance review and appropriate details in contractor report could lead to:</p> <ul style="list-style-type: none"> <li>• Management not being aware of performance gaps in accordance with the contractual requirements;</li> <li>• Increased likelihood that contractor staff may not be qualified and trained for pool operations. This in turn may result in reputational and/or financial damage to the Council; and</li> <li>• Risk of operational inefficiencies may lead to incidents /complaints from customers.</li> </ul> <p><b>Recommended Action:</b> We recommend that LSC management</p>	<p><b>Management Action:</b> <b>Recommendation 7:</b> Management Agrees.</p> <p>Contract is being tendered in 2021 with increased accountability and transparency provisions and processes for reporting purpose. This will assist in achieving compliance with Council policy and GSPO/LSV policy and procedures.</p> <p>The Reflect software will also assist with this recommendation.</p>



Description of Finding	Observation	Impact and Recommended Action	Management Response
	<p><i>evaluating the contractor's compliance with the terms of Contract include:</i></p> <ul style="list-style-type: none"> <li>• <i>Appropriate surveillance of the pools and plant operations being achieved.</i></li> <li>• <i>Appropriate water treatment standards being met.</i></li> <li>• <i>Punctuality in regard to adherence to opening times.</i></li> <li>• <i>Adherence to agreed staffing levels, qualifications and experience.</i></li> <li>• <i>Performance against all schedules.</i></li> <li>• <i>Responsiveness of service to customer needs.</i></li> <li>• <i>Knowledgeable and courteous staff.</i></li> <li>• <i>Physical appearance of facilities and personnel.</i></li> <li>• <i>Punctuality and accuracy of reporting.</i></li> <li>• <i>Adherence to all legislative requirements.</i></li> <li>• <i>Demonstrated commitment to public safety.</i></li> </ul> <p><u>Section 8.4 of service contract states:</u></p> <p><i>The contractor shall ensure that staff members responsible for the operation and management of the facilities have all the necessary swimming pool lifeguard qualifications as per Life Saving Victoria guidelines as per clause 3.</i></p> <p><u>Section 8.6 of service contract states:</u></p> <p><i>The contractor shall audit safety equipment prior to the season opening and inform the Superintendent or their representative</i></p>	<p>should:</p> <p>7. Liaise with the contractor to enhance their reporting package in line with performance indicators stipulated in the contract.</p>	<p><b>Responsibility:</b></p> <p>Sarah Perry, Acting Manager Community Support.</p> <p><b>Timeframe:</b></p> <p>30<sup>th</sup> November 2021.</p>



Description of Finding	Observation	Impact and Recommended Action	Management Response
	<p><i>as to which equipment items require maintenance, updating and/or replacement'.</i></p> <p><b>Audit Finding:</b></p> <p>Our review of monthly contractor reports and inquiries with Community Support Project Officer (LSC employee) noted that:</p> <ul style="list-style-type: none"> <li>• There was a lack of formalised assessment of the contractor's performance against performance measures stipulated in the contract. Furthermore, the monthly contractor's report does not provide an adequate level of details, as it primarily states information related to contractor's staff hours for each activity for instance lifeguard hours at lap swim, school, water aerobics, and administration etc.;</li> </ul> <p>Discussions with management noted that they were aware of the issue and they plan to improve contractor management by recruiting an Aquatic Services Coordinator in near future. This position will facilitate the following:</p> <ul style="list-style-type: none"> <li>• Scheduling spot checks at pool facilities during pool season and close monitoring of contractor's staff to get timely updates of their operational activities;</li> <li>• Introducing a robust program for pool inspection i.e. scheduling periodic inspection and pool audits;</li> <li>• Formal assessment of contractors' performance against the performance measure stipulated in the contract, to enhance the oversight over contractors' operations and identify any performance gaps;</li> </ul>		



Description of Finding	Observation	Impact and Recommended Action	Management Response						
	<ul style="list-style-type: none"> <li>Check mandatory training and qualifications for pool lifeguards. It is important to note that these requirements were also recommended by Life Saving Victoria as part of pool assessment report; and</li> <li>Liaise with the contractor representative (i.e. Director UCSSL) to enhance the existing reporting package to include all the requirements stipulated in the service contract with appropriate level of detail.</li> </ul>								
<p>4. Instances identified where risk mitigation actions as documented in the Risk Register were overdue.</p>	<p><b>Risk Rating: Medium</b></p> <p><b>Standard/Criteria:</b> Risk Registers are used to gather information about identified risks, likelihood of risks, level of impact to the business, corrective actions etc.</p> <p><b>Audit Finding:</b> Our review of the Council's Risk Register noted that risk mitigation /corrective actions were overdue for two risks.</p> <p>Through inquiries with the Manager Community Support, we noted that management was aware of the issue. Furthermore, management intends to revise the due dates and to close corrective actions to close them. as part of the LSV pool assessment recommendations. Management would review and revise action due dates, to be specific:</p> <table border="1" data-bbox="638 1098 1209 1181"> <thead> <tr> <th>Risk ID and Rating</th> <th>Corrective Action</th> <th>Due date</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Risk ID and Rating	Corrective Action	Due date				<p><b>Impact:</b> Lack of timely implementation of risk mitigation actions as given in Risk Register could lead to:</p> <ul style="list-style-type: none"> <li>Risk of operational inefficiencies may lead to incidents/ complaints from customers; and</li> <li>Lack of adequate monitoring and control over pool operations.</li> </ul> <p><b>Recommended Action:</b> We recommend that LSC management should:</p> <ol style="list-style-type: none"> <li>Revise the due dates for the risk mitigation actions given against the Risk No 168 and 170. Furthermore, close the risk mitigation actions by revised timeframes; and</li> <li>Moving forward ensure all risk</li> </ol>	<p><b>Management Action:</b> <b>Recommendation 8:</b> Management Agrees. Council's Risk Management Software has been updated to incorporate revised due dates and enable reminder notifications for due dates of corrective actions.</p> <p><b>Responsibility:</b> Sharon Morrison, Director Corporate Services.</p> <p><b>Timeframe:</b> 30<sup>th</sup> November 2021.</p>
Risk ID and Rating	Corrective Action	Due date							





Description of Finding	Observation		Impact and Recommended Action	Management Response
	168 (medium)	Consider implementing a system of conducting random visits during the warmer months.  This will help ensure Council has a clear understanding of a number of important factors, such as: 1. how many users are using the site, user age, the adequacy of parental supervision, any unsafe behaviour etc.	1 <sup>st</sup> December 2019	<b>Recommendation 9:</b> Management Agrees.  Please refer to management comments in recommendation 8.  <b>Responsibility:</b> Sharon Morrison, Director Corporate Services.  <b>Timeframe:</b> 30 <sup>th</sup> November 2021.
	170 (high)	Upgrade storage of chemicals on site at all swimming pools. <ul style="list-style-type: none"> <li>◦ Ensure 5m separation distances between Hydrochloric acid, Sodium Hypochloride, and Calcium Hypochloride.</li> <li>◦ Remove Unused chemicals from site.</li> <li>◦ Create Chemical Register for each site and remove "manifest"</li> <li>◦ Ensure current Safety Data Sheets are held on site.</li> </ul>	15 <sup>th</sup> November 2019	
	170 (high)	Update chemical signage and placards at all Council swimming pools.	22 <sup>nd</sup> October 2019	
5. Improvement opportunity was identified with respect	<b>Risk Rating: Medium</b>  <b>Standard/Criteria:</b>		<b>Impact:</b> Absence of appropriate record	<b>Management Action:</b> <b>Recommendation 10:</b>



Description of Finding	Observation	Impact and Recommended Action	Management Response
<p>to records management for services provided by contractor.</p>	<p>An appropriate record management system is of prime importance particularly when services are outsourced to third party contractor.</p> <p>Effective and efficient controls can be exercised on records management and they are conveniently retrievable as well. This enhance the transparency of records maintenance. The employee access level to record storage location will depend on their role in the Council.</p> <p><b>Audit Finding:</b></p> <p>Our review noted that following records for contractor services were not available for our review, therefore respective controls could not be verified.</p> <ul style="list-style-type: none"> <li>• Staff qualification records;</li> <li>• Contractor's staff training records and certificates;</li> <li>• Pool access fee collection reports;</li> <li>• Swimming pool inspection reports for inspections performed by the Contractor; and</li> <li>• Incident records as maintained by Contractor.</li> </ul> <p>We acknowledge that management was aware of the issue and intends to address it in future. Furthermore, we were informed that aforementioned controls exist as per current practice and it is a record management issue.</p>	<p>management for contractor services could lead to the following:</p> <ul style="list-style-type: none"> <li>• Lack of audit trail and accountability; and</li> <li>• Council may not be able to enforce contractual terms and conditions in relevant documents are not retrievable.</li> </ul> <p><b>Recommended Action:</b></p> <p>We recommend that LSC management should:</p> <p>10. Ensure that appropriate records are followed up upon and maintained for services provided by contractor, particularly the records as highlight in the 'Audit Finding'.</p>	<p>Management Agrees.</p> <p>The implementation of the Reflect program will ensure that access to contractor information is available to the Council and updated on daily basis.</p> <p><b>Responsibility:</b></p> <p>Sarah Perry, Acting Manager Community Support.</p> <p><b>Timeframe:</b></p> <p>30<sup>th</sup> November 2021.</p>



## APPENDICES

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- Appendix A – Audit Approach and Procedures
- Appendix B – Personnel Consulted
- Appendix C – Findings Risk Rating Matrix
- Appendix D – Maturity Assessment
- Appendix E – Basis and Use of Report



## Appendix A – Audit Approach and Procedures

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The review consisted of the following procedures:

- Conducted interviews with personnel involved in pool management process at LSC;
- Evaluated whether policies and procedures have been established;
- Assessment of relevant internal controls for appropriateness and identified any potential control weaknesses;
- Conducted walk-through procedure of the system used for swimming pool management;
- Evaluated and assessed findings and observations from the review undertaken;
- Held an exit meeting with key staff to discuss findings and recommendations from the review;
- Issued draft and final report to management which contains audit findings, recommendations and implementation plans as a basis for continual improvement of pool management processes and activities; and
- Presented the final report to management and Audit and Risk Committee.



### Appendix B – Personnel Consulted

We would like to take this opportunity to thank the staff at LSC for their co-operation and assistance during the course of our engagement.

Name	Title	Topic discussed
Sharon Morrison	Director Corporate Services	<ul style="list-style-type: none"> <li>• Audit scope; and</li> <li>• Audit Coordination.</li> </ul>
Sarah Perry	Acting Manager Community Support	<ul style="list-style-type: none"> <li>• Audit scope and findings;</li> <li>• Review of system, policies and procedures;</li> <li>• Pool management roles and responsibilities;</li> <li>• Insurance policy; and</li> <li>• LSV pool assessment recommendations and compliance monitoring.</li> </ul>
Brendan Gosstray	Community Support Project officer	<ul style="list-style-type: none"> <li>• Complaint management;</li> <li>• Risk profile;</li> <li>• Pool access charges; and</li> <li>• Contractor management and reporting process.</li> </ul>
Jayden Baber	OHS risk management and fire prevention officer	<ul style="list-style-type: none"> <li>• Incident management; and</li> <li>• Training records.</li> </ul>



### Appendix C – Findings Risk Rating Matrix

Findings arising during the internal audit have been rated against the Issue Ratings Matrices below.

Risk Rating Matrix		Consequence				
		1 Insignificant	2 Minor	3 Moderate	4 Major	5 Catastrophic
Likelihood	5 Frequent / almost certain	Medium (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
	4 Probable / likely	Low (4)	Medium (8)	High (12)	High (16)	Extreme (20)
	3 Occasional / possible	Low (3)	Medium (6)	Medium (9)	High (12)	High (15)
	2 Unlikely	Low (2)	Low (4)	Medium (6)	Medium (8)	High (10)
	1 Rare	Low (1)	Low (2)	Low (3)	Low (4)	Medium (5)



Explanatory Notes to Risk Rating

Risk Rating	Definition	Guidance	Action Required
Extreme	Issue represents a serious control weakness, which could cause or is causing severe disruption of the process or severe adverse effect on the ability of the process to achieve its objectives.	Material errors and departures from the organisation's policies and procedures.  Financial management / accountability / probity concerns.  Significant breach of governing legislation and regulations which may result in fines or other penalties.	Requires significant senior management intervention and may require significant mobilisation of resources, including external assistance.  Close and on-going monitoring by senior management to resolution is highly recommended.  Requires extreme priority to immediate action and a program for prompt resolution.  Recommended timeframe for action: Immediate – 3 months.
High	Issue represents a control weakness, which could cause or is causing major disruption of the process or major adverse effect on the ability of the process to achieve its objectives.	Errors and departures from the organisation's policies and procedures.  Non-compliance with governing legislation and regulations which may result in fines or other penalties.  Collective impact of many medium or low issues.	Requires substantial senior management intervention,  On-going resource diversionary potential and may require possible external assistance.  Requires high priority to action.  Recommended timeframe for action: 3 – 6 months.
Medium	Issue represents a control weakness, which could cause or is causing moderate adverse effect on the ability of the process to achieve its objectives.	Events, operational, business, and financial risks that could expose the organisation to losses that could be marginally material to the organisation.  Departures from best practice management procedures and processes.	Requires considerable management intervention and may require possible external assistance.  Requires prompt action.  Recommended timeframe for action: 6 – 12 months.
Low	Issue represents a minor control weakness, which is minimal but reportable impact on the ability of the process to achieve its objectives.	Events, operational, and business risks that could expose the organisation to losses which are not material due to the low probability of occurrence of the event on the operating capacity, reputation and regulatory compliance.  Departures from management procedures and processes; however, appropriate monitoring and governance generally mitigates these risks.	Requires management attention and possible use of external resources.  Requires action commensurate with the process objectives.  Recommended timeframe for action: Depending on the availability of scarce resources.



## Appendix D – Maturity Assessment

The following are the definitions of the key elements used for assessing Consistency of Approach:

Consistency of Approach				
Ad hoc	Inconsistent	Consistent	Coordinated	Integrated
Very minimal or basic risk management and internal control activities with no degree of consistency in application or approach across the business. Critical opportunities for enhancements exist.	Controls are inconsistently executed by management across a wide range of functions within the organisation. Significant opportunities for enhancement remain.	Controls are relatively consistently applied within key functions and business groups – not yet coordinated across organisational silos. Moderate opportunities for enhancement remain.	Controls are consistent and well-coordinated across a range of organisational. Limited opportunities for enhancement remain.	Controls are consistently applied, coordinated across organisational silos as well as embedded and sustained within key business processes. The controls are fully integrated and viewed as an incremental enhancement to existing efforts.

The following are the definitions of the key elements used for assessing Maturity of Design of controls:

Maturity of Design				
Basic	Developing	Established	Advanced	Leading
Very minimal/ unstructured or basic design of processes and controls. Basic control systems are in place but exceptions in control coverage or control effectiveness are common. There is a critical need for enhancements.	Key controls exist in part, are inconsistently applied and/or not well understood by management and the relevant employees. Control design and systems are in place, but frequent control failures are identified. There is a significant need for enhancement.	Controls are established and have been operationalised. Control consciousness is demonstrated through effective application of documented controls across strategic, operational, compliance and financial processes. There is a need for enhancement in order to become more effective and efficient.	Process and control have been in place for an extended period of time and learning from early stages of process has been incorporated.  An effective and efficient control framework is established and is fully integrated across the lines of defense  There is a limited need for enhancement to achieve leading practice.	Controls are established, consistently applied, integrated, regularly reviewed, aligned and coordinated across the Department. The process is well integrated with other systems and controls resulting in significant operational efficiencies and value to the organisation. The practices are respected as better practice and are viewed externally by other organisations as leading examples.





## Appendix E – Basis and Use of Report

We are engaged by Loddon Shire Council (the client) to provide internal audit services and the scope of our activities is determined by management and reviewed by the Audit and Risk Committee. This report has been prepared in accordance with the objectives and procedures agreed in the audit scope document and subject to the following limitations:

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



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TOGETHER WE MAKE IT HAPPEN

**10.4 MUNICIPAL EMERGENCY MANAGEMENT PLANNING COMMITTEE**

**File Number:** FOL/20/927

**Author:** Belinda McKnight, Emergency Management Coordinator

**Authoriser:** Wendy Gladman, Director Community Wellbeing

**Attachments:** 1. Integrated Municipal Emergency Management Planning Committee  
- Terms of Reference

**RECOMMENDATION**

That Council:

1. authorises the disestablishment of the existing Municipal Emergency Management Planning Committee (MEMPC) established under s21(3)-(5) of the *Emergency Management Act 1986*, in recognition that on 1 December these provisions are repealed by s82(2) of the *Emergency Management Legislation Amendment Act 2018* and replaced by the provisions of s68 of the *Emergency Management Legislation Amendment Act 2018*
2. authorises the CEO to facilitate the establishment of the MEMPC in accordance with the provisions of s68 of the *Emergency Management Legislation Amendment Act 2018* (which inserts a new 'Part 6-Municipal Emergency Management Planning Committees' into the *Emergency Management Act 2013* on 1 December 2020)
3. notes that, under the MEMPC Terms of Reference (attached) and the *Emergency Management Legislation Amendment Act 2018* (which inserts s59 and 59F into the *Emergency Management Act 2013* on 1 December 2020), Council's role is to establish the MEMPC. Once established, the MEMPC exists separately to Council and is not a committee of Council.

**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**

There has been no previous Council discussion related to the content of this report.

**BACKGROUND**

The Emergency Management Legislation Amendment Act 2018 (EMLA Act) was passed through Parliament in August 2018. The EMLA Act provides for a new framework for emergency management planning in the Emergency Management Act 2013 (the EM Act). This new framework seeks to address known and documented risks in emergency management planning by establishing an integrated, comprehensive and coordinated framework for emergency management planning.

The Emergency Management Act 2013 (as amended by the Emergency Management Legislation Amendment Act 2018 (EMLA Act)) transfers responsibility for municipal level emergency management planning from councils to new Municipal Emergency Management Planning Committees (MEMPC). This reflects significant feedback that councils should not own the plans and that they should be multi-agency plans.

**ISSUES/DISCUSSION**

It is the responsibility of MEMPC committee as a whole to deliver the emergency management plan and not that of the chair or one single agency. Whilst planning is a shared agency responsibility, Councils will convene and chair the MEMPC, recognising their expertise, networks,

and ability to coordinate across agencies at this level. The EMLA Act, s59B provides for Council's CEO or nominated delegate to act as MEMPC Chair. Director Community Wellbeing Wendy Gladman has been delegated as Chair of the Loddon Shire MEMPC.

Loddon Shire is part of an Integrated MEMPC; an IMEMPC is a cluster of Municipal Emergency Management Planning Committees that recognise there is a high proportion of shared issues, risks and membership across their Local Government areas. They seek to hold a combined meeting to increase planning efficiencies and ease the burden for those who are represented on more than one committee.

Core membership for MEMPCs includes the council or alpine resort management board, Victoria Police, Country Fire Authority and/or Fire Rescue Victoria, Ambulance Victoria, Victoria State Emergency Service, Australian Red Cross, the Department of Health and Human Services, a recovery representative, a community representative and at least one other nominated representative (for example, industry). The core representation is being coordinated at the IMEMPC level. Cr Jungwirth is participating as a Loddon Shire nominated community representative.

The Emergency Management Act 2013, as amended by the Emergency Management Legislation Amendment Act 2018, requires a MEMPC to collaborate with other MEMPCs in preparing its MEMP. The IMEMPC provides a forum for this collaboration. Involvement in an IMEMPC is optional and MEMPCs may choose other ways to collaborate.

The IMEMPC may collaboratively develop ideas and solutions that must then be agreed by individual MEMPCs before being adopted by that MEMPC. The IMEMPC is not a decision-making body on behalf of MEMPCs, nor is it a substitute for a MEMPC. Loddon Shire is part of the Northern Victorian Cluster Integrated Municipal Emergency Management Planning Committee, which also includes the Councils of Campaspe, Central Goldfields, Mount Alexander and the City of Greater Bendigo. A meeting format has been developed to combine both individual Council MEMPC business and IMEMPC collaborative opportunities.

### **COST/BENEFITS**

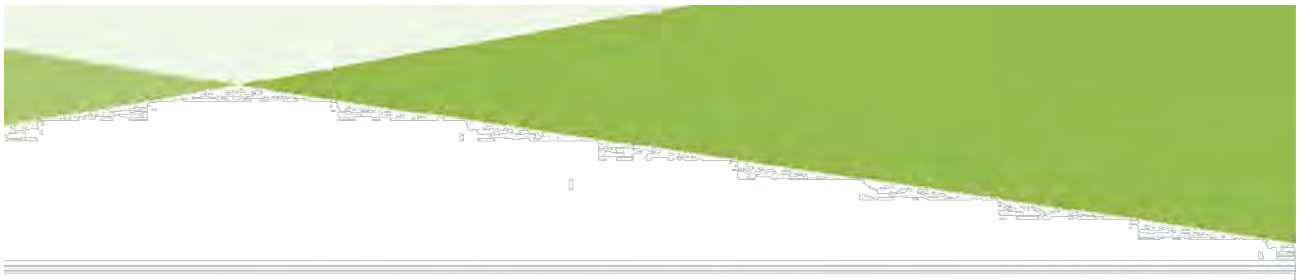
There are no changes to any financials, with these changes being incorporated within existing budget parameters.

### **RISK ANALYSIS**

The proposed disestablishment of the existing MEMPC structure and replacement with a structure that meets legislative requirements reduces the risk of not complying with new legislation.

### **CONSULTATION AND ENGAGEMENT**

No broader consultation has taken place, as this is a legislative change to an internal function of Council.



## Northern Victorian Emergency Management Cluster



# Integrated Municipal Emergency Management Planning Committee's (IMEMPC)

## Terms of Reference

### Partner MEMPCs

- Campaspe Shire
- Central Goldfields Shire
- City of Greater Bendigo
- Loddon Shire
- Mount Alexander Shire

Version 0.2 January 2021

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IMEMPC Terms of Reference -V0.2 January 2021

## 1. Introduction

The *Emergency Management Legislation Amendment Act 2018* (EMLA Act) amended the *Emergency Management Act 2013* (EM Act 2013) and various other acts to establish a new integrated and coordinated framework for emergency management planning at state, region and municipal levels.

At the municipal level, the EM Act 2013 as amended creates an obligation for a reformed Municipal Emergency Management Planning Committee (MEMPC) to be established in each of Victoria's municipal districts, including Alpine Resort Management Boards which, for the purposes of the Act, are considered as municipal districts.

Each MEMPC is a multi-agency collaboration group whose members bring organisation, industry or personal expertise to the task of developing a comprehensive emergency management plan for the municipality.

The Municipal Emergency Management Plan (MEMP) covers arrangements for mitigation, response and recovery, and identify the roles and responsibilities of agencies in relation to emergency management.

## 2. Scope

The Integrated MEMPC (IMEMPC) operates strategically to ensure comprehensive, collaborative and integrated planning occurs at all levels.

With a focus on preparedness and resilience, municipal planning applies risk-based analysis to mitigate or reduce the consequences of emergencies on the built, economic, social and natural environments and improve community outcomes.

Planning considerations include the full spectrum of prevention, preparedness, response and recovery and apply to all hazards and all communities.

Each MEMPC maintains an awareness of existing municipal capability and capacity to support the effective conduct of mitigation, response and recovery activities. Where appropriate the IMEMPC may facilitate or assist with activities that support capability and capacity uplift. This may include, but is not limited to, community engagement activities or multi-agency exercises and training that provide for continuous learning and improvement.

## 3. Governance

The IMEMPC will continue to function as five MEMPCs meeting as one integrated multi-agency committee, including core members from each local council and agency representatives as outlined in the EM Act 2013, plus several additional agency representatives.

Under section 59F of the EM Act, the municipal council establishes a MEMPC which transfers responsibility for municipal emergency management planning from the council to the multi-agency MEMPC. This shift of responsibility highlights the intent of the reform which supports emergency management planning as an integrated, multi-agency and collaborative effort.

This means that all participating agencies are required to contribute their expertise and resource to municipal emergency management planning.

As per section 59E of the EM Act 2013, the MEMPC can regulate its own procedure.

#### 4. MEMPC Functions

The IMEMPC is the peak planning body for emergency management within the five municipal districts. It is the forum for government and non-government agencies to develop policies, procedures, plans (including sub-plans), strategies and frameworks to support coordinated emergency management planning for the municipality.

In line with section 59D of the EM Act 2013 the functions of the MEMPC are to:

- a) Be responsible for the preparation and review of its MEMP;
- b) Ensure that its MEMP is consistent with the state emergency management plan and the relevant REMP;
- c) Provide reports of recommendation to its REMPC in relation to any matter that affects, or may affect, emergency management planning in the municipality;
- d) Share information with the REMPC and other MEMPCs to assist effective emergency management planning;
- e) Collaborate (having regard to the Guidelines) with any other MEMPC that the MEMPC considers appropriate in relation to emergency management planning, including preparing MEMPs;
- f) Perform any other function conferred on the MEMPC by the EM Act 2013, or any other act.

All members of the IMEMPC have contributed to the development of a core protocols that forms the basis of the Municipal Emergency Management Plan (MEMP) for each municipality, with each Council attaching its own appendices to incorporate information specific to the municipality.

The IMEMPC has the authority to do all things necessary or convenient in connection with the performance of its functions, however it cannot direct any member agency or other group.

The IMEMPC may establish ongoing sub-committees or time-limited working groups to investigate or address specific issues or undertake key tasks.

##### 4.1 Context

The MEMPC reports to the REMPC, and the REMPC is the key link between municipal and state level emergency planning and response activities. All legislated member agencies of the MEMPC are also represented on the REMPC.



Figure 1 – Relationship of the MEMPC to the REMPC and the EMC



## 5. Membership

Section 59A of the EM Act 2013 specifies the minimum membership requirements of the MEMPC. The committee may invite additional people with key skills or knowledge to join the MEMPC, as necessary.

When deciding whether to invite new members to the MEMPC, consideration should be given to the reason for the invitation; for example, a potential member may be needed to provide subject matter expertise to a specific project or body of work and therefore an invitation to participate in a sub-committee or working group may be a more appropriate strategy.

Membership of the IMEMPC will be divided into **Tiers**. Many of the legislated Core Members and Associate Members will be the appointed representative across all five MEMPCs.

Composition of **Tier 1 – Core Members, Recovery representative, Community representatives and Municipality representatives (Voting)**. There will be **one vote** per organisation.

AGENCY	MEMBER
<b>CORE MEMBERS</b>	
<b>MEMPC Chairs</b>	General Manager - Campaspe Shire Council General Manager - Central Goldfields Shire Council Director - City of Greater Bendigo Director - Loddon Shire Council Director - Mount Alexander Shire Council
<b>VicPol</b>	Bendigo Municipal Emergency Response Coordinator Mount Alexander Municipal Emergency Response Coordinator Loddon Municipal Emergency Response Coordinator Central Goldfields Municipal Emergency Response Coordinator Campaspe Municipal Emergency Response Coordinator Regional Emergency Response Coordinator ( <i>advisory member non-voting</i> )
<b>CFA</b>	Assistant Chief Fire Officer / Delegate
<b>FRV</b>	Operations Commander / Delegate
<b>Ambulance Victoria</b>	Emergency Management Planning Coordinator / Delegate
<b>VicSES</b>	Operations Officer / Delegate
<b>Australian Red Cross</b>	Divisional Operations Officer / Delegate
<b>DHHS</b>	Manager North Division / Emergency Management Coordinator
<b>RECOVERY REPRESENTATIVE</b>	
<b>VCC EM</b>	Delegate
<b>COMMUNITY REPRESENTATIVES</b>	
<b>RANCH</b>	(TBC)
<b>Loddon Campaspe Multicultural Services</b>	(TBC)
<b>OTHER NOMINATED REPRESENTATIVES</b>	
<b>Forest Fire Management Victoria</b>	(TBC)
<b>Emergency Management Coordinators &amp; Officers</b>	Campaspe Shire Council Central Goldfields Shire Council City of Greater Bendigo Loddon Shire Council Mount Alexander Shire Council

<b>Councillor</b>	Campaspe Shire Council Central Goldfields Shire Council City of Greater Bendigo Loddon Shire Council Mount Alexander Shire Council
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Composition of **Tier 2 – Associate Members: Industry, organisations and other departments (Non-Voting).**

AGENCY	MEMBER
<b>ASSOCIATE MEMBERS - Industry, organisations and other departments.</b>	
<b>Coliban Water</b>	Operations Delegate
<b>Regional Roads Victoria</b>	Regional Delegate
<b>Dept Education &amp; Training</b>	Regional Delegate
<b>Salvation Army</b>	Corps Officer / Strategic Emergency & Disaster Management Assistant Coordinator
<b>Bendigo Health</b>	Emergency Management Coordinator / Delegate
<b>ABC Central Victoria</b>	Chief of Staff / Delegate
<b>Agriculture Victoria</b>	Animal Welfare / Delegate
<b>Goulburn-Murray Water</b>	Operations Delegate
<b>Centrelink</b>	Delegate

If deemed necessary for transparency and equity, the committee can invite additional non-voting associate members.

Associate members will be:

- Invited to attend IMEMPC meetings as required;
- Invited to provide comment on plans and documentation as appropriate;
- Invited to contribute to sub-committees or working groups;
- Provided with the minutes from each meeting.

The committee will review its membership on an annual basis, or more frequently if needed.

Refer to **Appendix A** for a current list of members of the five MEMPCs.

## 5.1 Change of Representative

The relevant agency will advise each MEMPC chair in writing of any formal changes to their nominated representative. This relates to a permanent change of membership and does not relate to attendance as a proxy (refer to section 7.8). As required by Section 59A of the EM Act 2013, a representative requires confirmation from within the relevant agency, as outlined in the table below.

Agency	Agency nominations confirmed by
Municipal Council	Chief Executive Officer
Victoria Police	Chief Commissioner of Police
Fire Rescue Victoria	Agency
Country Fire Authority	Agency
Ambulance Victoria	Secretary, Department of Health and Human Services
Victoria State Emergency Service	Agency
Australian Red Cross	Agency
Department of Health and Human Services	Secretary, Department of Health and Human Services

## 6. Roles and responsibilities

### 6.1 Chair

Section 59B(1) of the EM Act 2013 specifies that the municipal council must nominate either its Chief Executive Officer or a member of the municipal council staff by the Chief Executive Officer as the chairperson.

MEMPC	Nominated Chair
Campaspe Shire Council	Keith Oberin
Central Goldfields Shire Council	Martin Collins
City of Greater Bendigo	Vicky Mason
Loddon Shire Council	Wendy Gladman
Mount Alexander Shire Council	Lisa Knight

The Chair of the IMEMPC will be the Chair of a MEMPC Committee and rotated annually.

### 6.2 Chair responsibilities

The chair has the following functions (s59B(2) of the EM Act 2013):

- Chairing MEMPC meetings
- Facilitating the MEMPC to perform its functions
- On behalf of MEMPC provide information and recommendations to the REMPC

Additionally, the chair will:

- Ensure the MEMPC operates in accordance with the requirements of this Terms of Reference
- Preside at and manage all meetings
- Confirm the agenda for each meeting
- Manage acceptance/advice of last-minute papers or agenda items prior to MEMPC meetings.
- Ensure that the MEMPC meets according to its schedule
- Ensure that MEMPC meetings are efficient and effective
- Provide leadership to the committee in its deliberations
- Facilitate frank and open discussion
- Ensure that all members can participate equally
- Refer issues or matters of concern identified by the MEMPC, or members of the MEMPC, to the REMPC
- Sign correspondence on behalf of the MEMPC
- Represent the MEMPC in other forums where appropriate
- Coordinate out of session matters

### 6.3 Election of a deputy chair

To ensure consistency and redundancy each MEMPC will elect a deputy chair. This appointment may be a certain period of time, as agreed by the MEMPC.

The Deputy Chair of the IMEMPC will be one of the five MEMPC Chairs who will be in attendance.

#### 6.4 Deputy chair responsibilities

- Undertake the role of the chair if the elected chair is absent
- Receive delegated responsibilities of the chair as agreed with the chair

#### 6.5 Member responsibilities

The agencies prescribed in the EM Act 2013 and additional invited committee members will provide representation at the appropriate level and with the authority to commit resources and make decisions on behalf of their organisation or community.

Members are asked to participate in the IMEMPC as a partnership and provide advice or make decisions in the best interest of the citizens of Victoria. The IMEMPC acknowledges and respects members existing responsibilities, accountabilities and associated levels of resourcing.

All MEMPC members will:

- Prepare for, prioritise and attend scheduled meetings;
- If members are unable to attend, they are expected to advise prior to the meeting of their apology/ absence;
- Proactively contribute to the work of the MEMPC;
- Provide meeting papers to the chair at least one week prior to a meeting;
- Respect confidential and privileged information;
- Represent all areas of their agencies and associated entities;
- Report on recent relevant agency activity relating to emergency management mitigation, response or recovery activities, with a focus on emerging risks or opportunities;
- Where a decision or action is outside the authority of the member, engage with relevant personnel within their agency to obtain approval to commit resources and undertake tasks;
- Identify and liaise with subject matter experts or key representatives from within their agencies to participate in the MEMPC, its sub-committees or working groups;
- Advocate for and report back to their agencies on MEMPC outcomes and decisions.

### 7. Administrative Arrangements

Local Government will provide the necessary administrative support to assist the IMEMPC to function effectively.

#### 7.1 Meeting frequency

To align with seasonal requirements and operational tempo, the **Tier 1 IMEMPC members** will meet at least three times within every calendar year. Combined meetings with **Tier 2 members** will be held twice a year, including professional development.

MEMPC chairs may schedule additional meetings as required:-

- Special meetings, as required for special projects and initiatives.
- Special meetings, after a significant emergency or incident that required the use or review of the plan.

- Special meetings to consider any urgent amendments to the plan or upon identification of a significant new risk / hazard or changes to legislation.
- Any special meetings may be conducted either face to face, virtually or by phone conference.

## 7.2 Meeting venue

IMEMPC meeting will alternate between virtual and in person meetings. Virtual meetings will be scheduled via an online platform (e.g. Microsoft Teams). In person meetings will be rotated across the five municipalities at a suitable venue.

## 7.3 Meeting papers and documentation

Any member can submit items to be included on the agenda. The IMEMPC Chair and Executive Officer will confirm the agenda prior to each meeting.

Meetings will be conducted on a formal basis, with proceedings recorded and action items documented in the IMEMPC Actions Register.

All proceedings and documentation of the IMEMPC are confidential until the IMEMPC agrees otherwise, or where the provider of the information advises that it is publicly available, and no restrictions apply to its release. Noting this, MEMPC records remain discoverable under the Freedom of Information Act 1982.

### 7.3.1 Agendas

The deadline for submission of agenda items is at least two weeks prior to the agenda being distributed to Committee members. The agenda for the meeting will be distributed at least one week before the meeting. Agency staff may use the Agency Report and Issue Sheet templates shown in **Appendix B**, to table information or agenda items.

### 7.3.2 Agency Reports

Agencies will provide reports to the IMEMPC on strategic and planning issues of interest to the Committee. The report forms must be submitted electronically to the Secretariat no later than 10 (ten) working days before the meeting to allow for distribution with the agenda.

### 7.3.3 Issue Sheets

All agencies and organisations will have the opportunity to submit issues for consideration by the IMEMPC using the Issue Sheet. The forms must be submitted electronically to the Secretariat no later than 10 (ten) working days before the meeting to allow for distribution with the agenda.

Prior to forwarding issues to the Secretariat, attempts should be made to resolve the issue at the originating agency or committee. These attempts should be recorded in the Comment section of the Issue Sheet. Where the MEMPC decides an issue should be dealt with by another committee (State or Regional), the Issue Sheet will be forwarded to that committee for action and the originating agency / committee will be informed of this action.

#### 7.3.4 Minutes

Meeting minutes are to be distributed to all Committee members, Sub-Committees and other organisations as listed in the plan.

Any Sub-Committee will provide minutes of their meeting with advice to the Committee.

#### 7.4 Secretariat

The IMEMPC will determine how the secretariat function will be managed.

Secretariat duties may include:

- Scheduling meetings
- Providing committee members with the meeting agenda
- Record agreed actions in the MEMPC Actions Register
- Induction of new committee members
- Develop/send correspondence for the IMEMPC
- Maintain the contact list all MEMPC members.
- Maintaining an Issue Log of all Issue Sheets, which will include details of the issues raised and their status.
- Managing all other administrative processes associated with the IMEMPC.

#### 7.5 Quorum

Committee activities may be conducted without a quorum present; however, a quorum must be present for the purpose of decision making.

Where an agency will have responsibility or accountabilities as a result of a motion/resolution, that agency must be part of the quorum for that item.

The quorum for any MEMPC meeting shall be a minimum of five organisations and includes the Chair or Deputy Chair. An example of an organisation is Victoria Police, Local Government, CFA, VICSES etc.

The quorum for any Sub-Committee meeting shall be half the voting members on the Committee, plus one.

Where a member is unable to attend a scheduled meeting, they are to formally provide an apology to the Secretariat.

#### 7.6 Decision making

In general, the Committee will adopt a consensus approach to decision-making, where a majority of members agree, with the remainder content to give way. The Chair will seek further advice from the members and attendees or through external subject matter experts to support decision making.

Where consensus cannot be achieved, decisions will be made by majority vote. In the event of a tie the MEMPC, through the Chair, will escalate issues to the REMPC for decision.

The Chair will ensure that all members are provided with the opportunity to participate in discussions and decision making.

Each agency/ organisation within the MEMPC has **one (1)** vote on any matter decided by the committee, unless that member is identified as a non-voting member.

To vote, a MEMPC member must be present at the meeting or represented by a proxy.

Where the MEMPC must reach a decision between committee meetings, this can be undertaken via circular resolution. All members will be notified of the proposed resolution, with a collective decision reached where the majority of respondents vote in the affirmative. Members will be given a minimum of three (3) working days notice to respond. Decisions made by circular resolution will be confirmed by committee at the next MEMPC meeting.

All decisions made will be regarded as collective decisions of the MEMPC.

### **7.7 Conflict of interest**

If a MEMPC member or their proxy has a direct or indirect interest in a matter to be decided by the committee, they must declare their conflict or perceived conflict and must not vote on the issue. The MEMPC will determine if the member should be excluded from all or part of the proceedings related to the matter.

### **7.8 Proxies**

In accordance with the intent of the legislation, members should prioritise MEMPC meetings wherever possible. In the event a member is unable to personally attend a specific meeting, they are encouraged to identify a suitably skilled and authorised proxy. The proxy is considered to have the same voting rights as the substantive MEMPC member, unless the chair is advised otherwise.

Members may choose to identify a standing proxy who is empowered to represent the member at any time. The member will notify the chair of the details of this person and the duration of the appointment as a standing proxy.

Where a standing proxy is not recorded, or is unavailable, a member will advise the chair of the name, role and contact details of their nominated proxy, as early as possible before a meeting. This advice should be in writing for the purpose of record keeping and will include any limitations to the voting rights of the proxy for that meeting.

If the committee member is unable to provide advice to the chair of the details of a proxy and their voting rights before the meeting, the attendee will be considered an observer for the meeting.

### **7.9 Observers**

An observer may attend a meeting for any number of reasons. MEMPC members will advise the chair of the attendance of an observer before a meeting, where possible.

Observers must respect all confidentiality and operating protocols of the MEMPC, and must not:

- Propose or vote on motions;
- Intrude on the procedures of the MEMPC;
- Take part in the meeting proceedings without the invitation of the chair.

The following table lists the observers of the IMEMPC.

AGENCY	MEMBER
<b>NON-VOTING OBSERVERS</b>	
<b>Fosterville Gold Mine (Kirkland Lake Gold Ltd)</b>	Emergency Services and Security Supervisor
<b>Costerfield Operations</b>	Senior Safety Coordinator
<b>Loddon Prison and Middleton</b>	General Manager/ Delegate
<b>Tarrengower Womens Prison</b>	General Manager / Delegate
<b>Community or business representatives</b>	At the discretion of the Committee

### 7.10 Issue Escalation

The Chair may escalate any matters of significance to the REMPC for advice or decision.

Members of the committee may also seek to escalate items to the REMPC, through the Chair, where efforts to resolve a matter at the local level have not been successful, or where the consequences of a decision will unduly impact the member agency.

Issues requiring escalation should be well documented and include:

- A description of the issue or advice sought and the consequences if it remains unresolved.
- Actions taken to resolve the issue.
- Recommended actions or options that may assist resolution.

## 8. Sub Committees / Working Groups

A sub-committee of the IMEMPC, or a working group, may be formed to address particular issues as the committee determines appropriate. These sub-committees and working groups will be formed to provide advice to the IMEMPC or develop a sub plan for the committee. They may co-opt representatives from other organisations to provide additional advice on specific matters as appropriate.

The Municipal Fire Management Planning Committee and the Municipal Flood Management Planning Committee of each MEMPC will become a sub-committee of the IMEMPC.

Terms of Reference for sub-committees and working groups will be determined by the MEMPC, in consultation with the sub-committee or working group.

Members of sub-committees or working groups do not have voting rights unless they are also members of the MEMPC.



## 9. Financial Management

The MEMPC does not have a financial delegation and does not hold a budget. The MEMPC cannot expend or receive monies.

Member agencies may agree to commit funds to a MEMPC activity or event, in which instance the expenditure is considered expenditure of the agency and not the MEMPC. The member agency is responsible for all aspects of financial management within their existing governance arrangements. The MEMPC does not accept liability for any agency-led initiatives.

## 10. Acronyms

Acronym	Description
<b>EM Act 2013</b>	Emergency Management Act 2013
<b>EMC</b>	Emergency Management Commissioner
<b>EMCOP</b>	Emergency Management Common Operating Picture (EMV system)
<b>EMLA Act</b>	Emergency Management Legislation Amendment Act 2018
<b>EMV</b>	Emergency Management Victoria
<b>MEMP</b>	Municipal Emergency Management Plan
<b>MEMPC</b>	Municipal Emergency Management Planning Committee
<b>IMEMPC</b>	Integrated Emergency Management Planning Committee

## 11. Document information

### Document details

Criteria	Details
Document ID	
Document title:	Terms of Reference
Document owner:	IMEMPC

### Version control

Version	Date	Description	Author
0.1	1 December 2020	Draft IMEMPC ToR	Cluster Executive Working Group.
0.2	28 January 2020	Draft IMEMPC ToR	IMEMPC Secretariat

### Document approval

This document requires the approval of the IMEMPC:

Name	Title	Organisation
Lisa Knight	Chair	On behalf of the IMEMPC

### Audience

The audience for this document is the MEMPC

Terms	Description
12 months	This document will be reviewed every 12 months or more frequently as required.
Review Date	

## Appendix A – MEMPC Membership

### TIER 1

Municipal Council (MEMPC chair)		Representing
Keith Oberin	General Manager	Campaspe Shire
Martin Collins	General Manager	Central Goldfields Shire
Vicky Mason	Director	City of Greater Bendigo
Wendy Gladman	Director	Loddon Shire
Lisa Knight	Director	Mount Alexander Shire
Department of Health and Human Services		
Robert Bakes	Manager North Division	All MEMPCs
Victoria Police		
Michael Carroll	MERC	Campaspe Shire
Wendy Lambert	MERC	Central Goldfields Shire
Brad Hiatt	MERC	City of Greater Bendigo
Zac Bull	MERC	Loddon Shire
Peter Carey	MERC	Mount Alexander Shire
Travis McCarthy	RERC	All MEMPCs <i>(*advisory member non-voting)</i>
Country Fire Authority		
Bill Johnstone	Regional Commander	All MEMPCs
Fire Rescue Victoria		
Steve Pitcher	Ops Commander	City of Greater Bendigo
Ambulance Victoria		
Justyne Kistic	Emergency Management Planning Coordinator	All MEMPCs
Australian Red Cross		
Greg Ralton	Divisional Operations Officer – Central Loddon Mallee Division	Campaspe Shire/ City of Greater Bendigo/ Loddon Shire
Phillip Walker	Divisional Operations Officer – Inner Loddon Mallee Division	Central Goldfields Shire / Mount Alexander Shire
Victoria State Emergency Service		
Mal Ross	Regional Officer	All MEMPCs
Recovery representative/s		
Rosie Baker	Loddon Regional Coordinator	All MEMPCs
Community representative/s		
RANCH	TBC	All MEMPCs
Loddon Campaspe Multicultural Services	TBC	All MEMPCs
Other nominated representative/s		
Forest Fire Management	TBC	All MEMPCs
tba	Councillor	Campaspe Shire Council
John Boal	Emergency Management Coordinator	
Anna De Villiers	Councillor	Central Goldfields Shire Council
Belinda McKnight	Emergency Management Coordinator	
Andrea Metcalf	Councillor	City of Greater Bendigo
Frances Ford	Coordinator Resilient Communities / IMEMPC Executive Officer	
Ann-Marie Roberts	Resilient Communities Officer	
Sharyn Brasher	Resilient Communities Officer/ IMEMPC Secretariat	
Linda Jungwirth	Councillor	Loddon Shire Council
Belinda McKnight	Emergency Management Coordinator	
Bill Maltby	Councillor	Mount Alexander Shire Council
Luke Ryan	Emergency Management Coordinator	

<b>IMEMPC-only members</b>	
ABC Central Victoria	Sian Gard
Agriculture Victoria	Georgia Spangaro
Bendigo Health	Bob Stayner
Centrelink	Neale Torpey
Coliban Water	Darren Masters
Dept Education & Training	John Brownstein
Forest Fire Management Vic	Jon Cuddy
Goulburn-Murray Water	Paul Wakenshaw
Regional Roads Vic	Barry Green
Salvation Army	Major. Andrew Walker
<b>Guests/Observers</b>	
Costerfield Operations	Pat Willcocks / Karl Shay
Fosterville Gold Mine (Kirkland Lake Gold Ltd)	Scott Symons
Loddon Prison and Middleton	Delegate – DJCS
Tarrengower Womens Prison	Delegate – DJCS

## Appendix B – Agency Report / Issue Sheet Templates

### NORTHERN VICTORIAN INTEGRATED MUNICIPAL EMERGENCY MANAGEMENT PLANNING COMMITTEE Agency Report

AGENCY: \_\_\_\_\_

Strategic Matters

✦

Staffing Changes

✦

Planning updates

✦

Policy/Procedure updates

✦

Training / Exercises

✦

Community Resilience

✦

Report submitted by:

Date:

#### Governance Guide:

1. Only report on matters that are significant at the *Municipal* level - matters which may have an impact on other agencies or will affect an agency's capacity to carry its functions under the MEMPC plans.
2. Wherever possible keep the agency report to a single page.
3. Report should be submitted electronically to the Secretariat a minimum of 10 working days prior to the next meeting date to allow for pre-distribution with the agenda.

**NORTHERN VICTORIAN INTEGRATED MUNICIPAL EMERGENCY  
MANAGEMENT PLANNING COMMITTEE (MEMPC)  
Issue Sheet**

<b>Issue:</b>
<b>Date:</b>
<b>Background:</b>
<b>Comment:</b>
<b>Recommendations:</b>
<b>Submitted by:</b>

GOVERNANCE GUIDE

1. The issue sheet is to be submitted electronically to the Secretariat no later than 10 working days before the meeting to allow for distribution with the agenda.
2. Prior to forwarding issues to the MEMP, attempts should be made to resolve the issue at the originating agency or committee. These attempts should be recorded in the Comment section of the Issue Sheet.
3. Where necessary, supporting documents may be attached to the Issue Sheet.
4. Where the MEMPC decides an issue should be dealt with by another committee (State or Regional), the Issue Sheet will be forwarded to that committee for action and the originating agency / committee will be informed of this action.

**10.5 VICTORIAN LOCAL GOVERNMENT WOMEN'S CHARTER**

**File Number:** FOL/19/98  
**Author:** Sharon Morrison, Director Corporate Services  
**Authoriser:** Phil Pinyon, Chief Executive Officer  
**Attachments:** Nil

**RECOMMENDATION**

That Council:

1. notes the history and progress of the Victorian Local Government Women's Charter ('the Charter')
2. reaffirms its commitment to the Charter
3. continues to progress actions in support of the Charter's three principles: gender equity, diversity and active citizenship;
4. appoint the following people as Charter Champions
  - (a) Councillor: Wendy Murphy until the annual meeting of Council where appointments are made to various committees and advisory roles
  - (b) Council Officer: Casey Shelton until the next annual report on progress against the Victorian Local Government Women's Charter
5. authorises the Chief Executive Officer to continue to promote Council's Charter signatory status and display the Charter in council premises and communications (including Council's website)
6. sends a copy of this report to the Victorian Local Governance Association (VLGA), notifying the VLGA of Council's reaffirmation of the Charter
7. supports the VLGA campaign to increase women's participation in local government as citizens, candidates and councillors
8. requests that an annual report be provided to Council on progress against the Charter principles.
9. rotate the Charter Champion position among Councillors throughout the Council term.

**CONFLICT OF INTEREST**

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

**PREVIOUS COUNCIL DISCUSSION**

At the Council meeting on 26 February 2019, Council resolved to adopt the Victorian Local Government Women's Charter (the Charter) and appoint Councillor Colleen Condliffe as the Charter Champion.

On 28 April 2020 Council noted the first annual report on Council's progress against the Charter principles.

**BACKGROUND**

The Charter was established in 1998 by the Women's Participation in Local Government Coalition (WPILGC) to recognise the need for increased women's participation in the key decision-making forums in the community and in democratic governance.

The WPILGC was a coalition of organisations, including peak bodies in local government, the Victorian Immigrant and Refugee Women's Coalition, Victorian Women's Trust, Women's Electoral Lobby Victoria, Women's Planning Network and YWCA Victoria.

Following council amalgamations in 1996, the number of women councillors was at a record low (134 out of more than 600).

In 2013, the WPILGC dissolved itself and handed responsibility for this work to the MAV and the VLGA. At present, the VLGA manages the administration of the Charter signatories and network, working alongside the MAV on promoting the charter and achieving gender equity in local government.

In 2020, 73 of 79 Victorian councils were signatories to the Charter.

## ISSUES/DISCUSSION

With the Local Government Bill 2019 and Gender Equality Act 2020 highlighting the importance of community engagement and equality, all 79 Victorian councils have a legislative imperative to prioritise the active and equal participation of women in council decision-making.

The VLGA has generated a list of suggested actions. Council's performance against these suggested actions is listed below:

CHARTER STATUS & CHARTER CHAMPIONS	STATUS
Become a Charter signatory.	Completed 26 February 2019
Reaffirm your commitment to the Charter.	Pending adoption of the recommendation in this report.
Reappoint your Charter Champions.	Pending adoption of the recommendation in this report.
Appoint a councillor and an officer.	Completed 26 February 2019
Try to rotate the Charter Champion position among councillors throughout the council term.	To be considered after the 2020 Council election.
Make the Charter a standing item on Council's agenda: <ul style="list-style-type: none"> <li>requiring an annual report on actions related to gender equity, diversity and active citizenship.</li> <li>appoint Charter Champions at the same time as other delegations.</li> </ul>	Completed 26 February 2019
Send a copy of the minutes to the VLGA ( <a href="mailto:deborah@vlga.org.au">deborah@vlga.org.au</a> ) for publication on their website.	Pending adoption of the recommendation in this report.
Display a framed copy of your council's Charter certificate (or multiple copies in different council buildings, including community centres, libraries etc).	Complete
Empower Charter Champions and council staff to use the Charter in their work. Provide them with the time or delegation to implement action items and attend network meetings or development sessions related to the Charter.	Complete
<b>POLICY &amp; ADVISORY GROUPS</b>	
Undertake a simple audit of Council's activities, processes and community projects to identify what you have already achieved and can build on.	Council has developed a gender equity strategy which identifies priority actions. Council has developed a gender equity strategy which identifies priority actions.
Create a committee or working group of council that has oversight/responsibility for women's civic participation (i.e. Gender Equality Working Group, Women's Charter Advisory Committee).	
Empower the committee to operate in a meaningful advisory capacity on all relevant policies facing council – not just 'women's' or 'family' policies.	
Conduct a gender equality audit of all committees.	



<p>Encourage committees to consider diversity when recruiting new members.</p>	
<p>Provide regular opportunities for women on all committees to develop their skills in leadership, policy, negotiation and decision-making.</p>	
<p>Conduct an audit of committee meeting times and locations.</p> <ul style="list-style-type: none"> <li>• Are they held in venues and at times that suit working women and women with childcaring responsibilities?</li> <li>• Consider using a survey to investigate barriers to women’s attendance at/participation in committees.</li> <li>• Work to address these barriers and evaluate the success of these measures.</li> </ul>	
<p>Compile a list of community groups (and their contact details) that may have women who are interested in running (or interested in supporting another woman to run) for local government.</p> <ul style="list-style-type: none"> <li>• Invite these groups to pre-candidate training and ask that they distribute details to their networks.</li> <li>• Invite these groups to participate in community engagement or consultation that council undertakes.</li> </ul>	
<p>Make sure that you are actively seeking input from the Indigenous community, people with disabilities and culturally and linguistically diverse groups. Dedicate resources to provide cultural, language, accessibility support where appropriate.</p>	
<p>Ensure that the Charter is referenced in any council policy that relates to Charter principles.</p>	
<p>Include the Charter in relevant council documents and strategies, including the Council Plan and Municipal Health and Wellbeing Plan.</p>	
<p>Distribute the Charter document to officers and ensure that they are aware of Council’s signatory status. Encourage officers to consider the Charter as an authorising document in their reports and daily work.</p>	
<p><b>AWARENESS RAISING</b></p>	
<p>Increase information and resources available to the community about the business of local government, on topics such as:</p> <ul style="list-style-type: none"> <li>• How councillors are elected</li> <li>• How councils make decisions</li> <li>• What services councils provide</li> </ul>	<p>Council has developed a gender equity strategy which identifies priority actions.</p>
<p>Make sure that these resources are accessible to all community members, particularly those from culturally and linguistically diverse groups.</p>	
<p>Spotlight the experiences and achievements of women leaders in your community, particularly those from culturally and linguistically diverse groups and current and former women councillors.</p>	
<p>Profile current and former women councillors on their backgrounds, their motivations for running for office and their achievements during their time as a councillor.</p>	

Facilitate community conversations about the importance of diverse representation. Seek local examples and anecdotes of the impact that diverse representation has on decision making and community outcomes.	
Hold an event for International Women's Day (8 March). Consider holding an awards ceremony celebrating the achievements of local women.	
Encourage the community to nominate women for civic awards (see Honour A Woman).	Council has developed a gender equity strategy which identifies priority actions.
Nominate a local active citizen for inclusion on the Victorian Women's Honour Roll.	
Celebrate the centenary of Mary Rogers' election – the first woman elected to local government in Victoria and only the second in Australia (1920).	
<b>SUPPORTING WOMEN COUNCILLORS</b>	
Host a Victorian Local Government Women's Charter Afternoon Tea with women councillors, community groups and women who were elected in the October 2020 election. This is a great opportunity for women to network and share information.	Continue to include events promoting women's civic participation.
Host one of the VLGA's Local Women Leading Change workshops for women in Council. These workshops are held across Victoria, free of charge for councils and communities.	
Encourage all community members to attend the VLGA's Candidate Information workshops.	
<b>NEW COUNCILLOR INDUCTION</b>	
Provide information on the Victorian Local Government Women's Charter as an authorising document for council during induction for new councillors.	Complete
Encourage councillors to consider the Charter when developing the Council Plan. As a task that must be completed within the first 6 months of the council term, it is important that councillors begin the next four years considering gender equity, diversity and active citizenship as core business for local government.	Charter will be included as a key reference document in development of Council Plan.
Provide opportunities for all councillors to learn about the importance of diversity and gender equity in local government, and the importance of a diversity of views in decision making processes.	Complete – included in induction
Provide gender equality and/or unconscious bias training as part of new councillor induction.	Training to be provided.
Connect women councillors with opportunities for mentorship and support, including the Australian Local Government Women's Association (ALGWA).	Networking opportunities included in councillor development budget.
Consider working with the VLGA and other councils in your area to initiate a mentorship/peer support program for new women councillors.	VLGA opportunities will be monitored.

**COST/BENEFITS**

Costs associated with the recommendations in this report will be contained within operational budgets. The benefit of adopting the recommendations is reaffirmation of Council's commitment to achieving gender equality and improving outcomes for women and men.

**RISK ANALYSIS**

There is a risk that Council will not be able to progress actions in support of the Charter due to competing priorities and limited resources.

**CONSULTATION AND ENGAGEMENT**

Various staff have been consulted during the preparation of this report.

**10.6 CALL FOR NOTICES OF MOTION - ALGA AND MAV STATE COUNCIL**

**File Number:** FOL/19/432782  
**Author:** Lynne Habner, Manager Executive and Commercial Services  
**Authoriser:** Phil Pinyon, Chief Executive Officer  
**Attachments:** 1. ALGA Call for notices of motion

**RECOMMENDATION**

That Council:

1. Advise the wording of any motions that should be lodged by Loddon Shire Council for the Australian Local Government Association National General Assembly or the Municipal Association of Victoria State Council.
2. Note that registrations and accommodation bookings will need to be completed as soon as possible for the Canberra National General Assembly to be held in June 2021.

**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 matter was raised at the March 2021 Council Forum so that Councillors could consider any motions in advance of this meeting.

**BACKGROUND**

The Australian Local Government Association (ALGA) is now calling for Notices of Motions for the National General Assembly (NGA) 2021, which is scheduled for 20-23 June in Canberra. The NGA provides a platform for local government to address national issues and advocate to the federal government on critical issues facing the sector.

The next Municipal Association of Victoria (MAV) State Council Meeting will be held from 9.30am to 2:30pm on Friday 21 May 2021 at the Melbourne Town Hall.

**ISSUES/DISCUSSION**ALGA

Attached is a discussion paper, including an invitation to register for the 2021 NGA. Previously, the Mayor, CEO and interested Councillors have attended on various occasions.

To be eligible for inclusion in the NGA Business Papers, and subsequent debate on the floor of the NGA, motions must meet the following criteria:

- 1) be relevant to the work of local government nationally
- 2) be consistent with the themes of the NGA
- 3) complement or build on the policy objectives of your state and territory local government association
- 4) be from a council which is a financial member of their state or territory local government association
- 5) propose a clear action and outcome

- 6) not be advanced on behalf of external third parties that may seek to use the NGA to apply pressure to Board members or to gain national political exposure for positions that are not directly relevant to the work of, or in the national interests of, local government.

Motions should be lodged online at [alga.asn.au](http://alga.asn.au) no later than 11:59pm on Friday 26 March 2021.

### MAV

State Council is made up of representatives from each member council. Cr Holt is Council's MAV representative, and Cr Beattie is the substitute representative.

At the May 2019 State Council meeting there was unanimous support for a Rules change to minimise the number of repetitive motions that are included in State Council Business Papers.

Motions should be submitted online using the State Council Motion Submission Form. The form is in a 'survey' format and requires councils to identify whether the motion is supported by a council resolution and whether the subject matter of the motion:

- has state-wide significance to the sector
- relates to one of the sector's priority issues in the MAV Strategic Plan 2019-2021
- is identical or substantially similar to a motion submitted to State Council in October 2019, May 2019 or October 2018.

The Motion Submission Form requires details of Primary and Secondary Contacts for each motion to enable MAV communication on the motion, including where it may be considered not to be of state-wide significance.

In accordance with the MAV Rules, motions are to be submitted no later than midnight on Friday 23 April 2021.

### **COST/BENEFITS**

The only costs associated with this report are travel and accommodation expenses for Councillors who may wish to attend either event. Costs will be paid in advance or reimbursed to Councillors in accordance with Council policy.

### **RISK ANALYSIS**

No risks have been identified for the subject matter of this report.

### **CONSULTATION AND ENGAGEMENT**

Councillors were advised at the March Council Forum that the calls for notices of motions had been made.



27 November 2020

Loddon Shire Council  
PO Box 21  
WEDDERBURN VIC 3518

To the Mayor, Councillors and CEO (please distribute accordingly)

The Australian Local Government Association (ALGA) is now calling for Notices of Motions for National General Assembly 2021 (NGA).

The NGA provides a platform for Local Government to address national issues and advocate to the federal government on critical issues facing our sector.

The theme for the 2021 NGA is *Working Together for our Communities*. This theme acknowledges the need to come together and with other partners, including the Federal Government, to deliver for our communities.

ALGA received significant feedback on the motions process and topics from the 2018 and 2019 NGA. In response to the feedback received, ALGA has prepared a discussion paper that explores data that identifies critical areas local government needs to consider now and into the future.

To inform the submission of motions, please read the discussion paper (included with this letter) and ensure motions meet the identified criteria.

To be eligible for inclusion in the NGA Business Papers, and subsequent debate on the floor of the NGA, motions must meet the following criteria:

1. be relevant to the work of local government nationally;
2. be consistent with the themes of the NGA;
3. complement or build on the policy objectives of your state and territory local government association;
4. be from a council which is a financial member of their state or territory local government association;
5. propose a clear action and outcome; and
6. not be advanced on behalf of external third parties that may seek to use the NGA to apply pressure to Board members or to gain national political exposure for positions that are not directly relevant to the work of, or in the national interests of, local government.

All motions require, among other things, a contact officer, a clear national objective, a summary of the key arguments in support of the motion, and endorsement of your council. Motions should be lodged online at [alga.asn.au](http://alga.asn.au) no later than 11:59pm on Friday 26 March 2021.

Any administrative inquiries can be directed to ALGA by calling 02 6122 9400.

Included with the Discussion Paper is an invitation to register for the 2021 National General Assembly for Local Government, which will be held in Canberra on 20-23 June. The Regional Forum will be held onsite in Canberra on 20 June 2021. At this time it is unclear whether COVID-19 restrictions will still be in force in June 2021, but if this is the case the NGA may also include virtual participation and attendance. Lastly, Stilmark has recently become a major sponsor for the Australian Local Government Association events and we have included a brochure outlining how they wish to partner with Councils to improve the resilience of telecommunications for your community.

Yours sincerely



Adrian Beresford-Wylie  
ALGA CEO



## Call for Motions

**20 - 23 June 2021**

National Convention Centre Canberra





## **KEY DATES**

16 November 2020  
Opening of Call for Motions

26 March 2021  
Acceptance of Motions Close

20 - 23 June 2021  
National General Assembly

To submit your motion go to:  
[alga.asn.au](http://alga.asn.au)

## SUBMITTING MOTIONS

The National General Assembly of Local Government (NGA) is an important opportunity for you and your council to influence the national policy agenda.

The 2020 NGA "Working Together for Our Communities" was unfortunately cancelled due to COVID-19 but the ALGA Board has decided to retain the theme and emphasise the importance of partnerships to building and maintaining resilience in our councils and our communities.

To assist you to identify motions that address the theme of the 2021 NGA, the Australian Local Government Association (ALGA) Secretariat has prepared this short discussion paper. You are encouraged to read all the sections of the paper but are not expected to respond to every question. Your motion/s can address one or more of the issues identified in the discussion paper.

Remember that the focus of the NGA is on partnerships, working together, and resilience so your questions could focus on how local governments can work in partnership with the Australian Government to address the challenges our communities face, or the opportunities that are arising to build back better.

### Criteria for motions

To be eligible for inclusion in the NGA Business Papers, and subsequent debate on the floor of the NGA, motions must meet the following criteria:

1. be relevant to the work of local government nationally;
2. not be focussed on a specific location or region – unless the project has national implications. You will be asked to justify why your motion has strategic national importance and should be discussed at a national conference;
3. be consistent with the themes of the NGA;
4. complement or build on the policy objectives of your state and territory local government association;
5. be submitted by a council which is a financial member of their state or territory local government association;
6. propose a clear action and outcome i.e. call on the Australian Government to do something;
7. be a new motion that has not already been debated at an NGA in the preceding two years; and
8. not be advanced on behalf of external third parties that may seek to use the NGA to apply pressure to Board members, or to gain national political exposure for positions that are not directly relevant to the work of, or in the national interests of, local government.

## OTHER THINGS TO CONSIDER

Motions should generally be in a form that seeks the NGA's support for a particular action or policy change at the Federal level which will assist local governments to meet local community needs. Motions should commence as follows: This National General Assembly calls on the Australian Government to restore funding for local government Financial Assistance Grants to a level equal to at least 1% of Commonwealth taxation revenue.

To ensure efficient and effective debate where there are numerous motions on a similar issue, the ALGA Board NGA Subcommittee will group the motions together under an overarching strategic motion. The strategic motions have either been drafted by ALGA or are based on a motion submitted by a council which best summarises the subject matter. Debate will focus on the strategic motions. Associated sub-motions will be debated by exception only.

Motions should be lodged electronically using the online form available on the NGA website at: [www.alga.asn.au](http://www.alga.asn.au). All motions require, among other things, a contact officer, a clear national objective, a summary of the key arguments in support of the motion, and the endorsement of your council. Motions should be received no later than 11:59pm AEST on Friday 26 March 2021.

Please note that for every motion it is important to complete the background section on the form. The background section helps all delegates, including those with no previous knowledge of the issue, in their consideration of the motion. There is a word limit of 150 for the motion and 200 for the national objective and 300 for the key arguments.

All motions submitted will be reviewed by the ALGA Board's NGA Sub-Committee, as well as by state and territory local government associations to determine their eligibility for inclusion in the NGA Business Papers. When reviewing motions, the Sub-Committee considers the importance and relevance of the issue to local government and whether the motions meet all the criteria detailed above.

Please note that motions should not be prescriptive in directing how the matter should be pursued.

With the agreement of the relevant council, motions may be edited before inclusion in the NGA Business Papers to ensure consistency. If there are any questions about the substance or intent of a motion, the ALGA Secretariat will raise these with the nominated contact officer.

Any motion deemed to be primarily concerned with local, state or territory issues will be referred to the relevant state or territory local government association and will not be included in the NGA Business Papers.

There is an expectation that any council that submits a motion will be present at the National General Assembly to move and speak to the motion.

## INTRODUCTION

2020 has been a year like no other. A year that many individuals and organisations, including councils, would wish to forget. While the drought lessened its hold on parts of the country to be replaced by floods, more than 110 local government areas were severely impacted by the Black Summer (2019-20) bushfires - and no one was spared the effects of the battle against COVID-19. The 2020-21 storm and fire season may add to the sense that it was a year of disasters.

Friedrich Nietzsche said: "That which does not kill us, makes us stronger." So how can councils become stronger after 2020? How can we ensure that our communities are stronger and more resilient? How do we work together and with our partners to ensure that we build back better from the series of unprecedented events that have marked 2020?

## COUNCIL RESILIENCE

In the first quarter of 2020, state and territory Governments closed facilities where people gathered in numbers to reduce the probability that hospitals would be overwhelmed by a rise in COVID-19 cases. This included a substantial number of council owned and operated revenue generating facilities which had flow-on effects for other revenue-generating enterprises such as paid parking. Major funding gaps rapidly emerged in many councils that typically generated significant amounts of own revenue.

Councils that cannot generate significant amounts of the own revenue are typically dependent on grant funding from other levels of government, including Financial Assistance Grants from the Australian Government. These councils tend to service rural, regional and remote communities that are often large in area but small in terms of population. The capacity of these councils to deliver all their required services and infrastructure can be severely strained at any time.

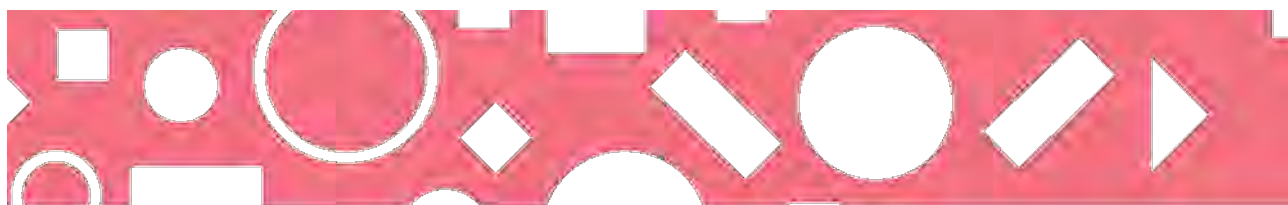
With local government funding under pressure across the nation, and other levels of government facing fiscal constraints, councils may need to do more with less in the near term and be innovative with both budgeting, service delivery, balancing competing demands and longer term financial planning. Services may need to be scaled down or delivered in innovative ways. Asset management and maintenance programs may need to be varied. Working collaboratively with neighbouring councils or forming alliances may be a way of achieving efficiencies and enhancing service delivery along with fostering innovation, cutting red tape, and working in partnership with third parties may be others.

Digital service delivery and working from home - adopted during the height of the pandemic - may become the new norm. This may increase opportunities for councils to innovate, work together and share resources, and fill long term skill gaps. New challenges may emerge including how staff are supported and how productivity, collaboration and motivation maintained. There may be significant consequences for local democracy and council's ability to engage authentically with their communities. Digital transformation and technology modernisation will be essential for some councils. Even already well-established adopters of digital technology may need to rethink their approach.

***Can the Australian Government assist councils with efficiency measures that reduce the cost of services without a major change in service levels experienced by the community?***

***What opportunities are available to enhance the adaptive capacity of councils and its potential to 'weather the storm' through innovation and creativity? How can the Australian Government assist?***

***Apart from Financial Assistance Grants, how can the Australian Government assist councils to become more financially sustainable and able to better meet the needs of their communities? Are there new partnership programs or policy changes the Government***



## COMMUNITY RESILIENCE

Community resilience is the capacity of communities to respond to, withstand, and recover from adverse situations including natural disasters, persistent drought, pandemics, fluctuations in global trade, recession, and a rise in inequality. In some circumstances in response to these pressures and stresses, local communities are not able to recover to their previous state. Instead they need to adapt to cope with long term stresses. But ideally, we want all communities to not only survive but thrive.

Local governments play a critical role in building resilient and sustainable communities and helping to buffer people and places against social, economic, and environmental disruptions and overcome adversity. One critical area is through the provision of resilient infrastructure. Councils' infrastructure should meet the community's current and future demand, be built to contemporary standards, be affordable for both the council and the user, and be reliable with appropriate asset management practices in place to ensure maximum return on investment.

In addition to physical infrastructure, social infrastructure is also vital for resilience. Social infrastructure is broader than just buildings, it includes the individuals and groups, places, and institutions, including councils, that foster community cohesion and social support. Communities and individuals with good social networks and connections demonstrate greater resilience.

The loneliness epidemic is challenging social resilience. Research produced before the coronavirus pandemic revealed that one in four adult Australians are experiencing loneliness with over half the nation reporting they feel lonely for at least one day each week. In addition to its impacts on community resilience, feeling lonely can pose a bigger risk for premature death than smoking or obesity and can be associated with depression, poorer cardiovascular health and, in old age, a faster rate of cognitive decline and dementia.

Communities that are more vulnerable to shocks and disasters are often reliant on only one industry, have minimal redundancy or no backups for essential services and infrastructure such as only one source of water, one powerline or one access road. They also often only have few voluntary or charitable organisations working in the community. Often community leadership is weak or fails to inspire, engage, and unleash the power of other leaders and critical social networks.

Community resilience cannot be built and then left to its own devices. It needs to be strengthened continuously, not just in times of crisis. It involves people getting together to create sustainable links within their community and the community and its leaders having the ability to learn from experience and improve over time.

***How can councils work in partnership with the other tiers of government to adopt a community development approach that builds resilience?***

***What are the best models available to councils to ensure that our communities thrive and focus on prevention and preparation rather than relief and recovery? How can the Australian Government partner with councils to ensure thriving communities?***

***What actions can councils take, in partnership with others including the Australian Government to promote community resilience and protect against external shocks such as industry closures or natural disasters? Are tools available to assist councils build community resilience or do we need new or different tools?***



## COLLABORATION AND PARTNERSHIPS

Creating a resilient community and ensuring a resilient and sustainable council requires partners. Councils can work with partners in different ways to find local solutions to local problems. They can partner with a wide range of organisations including other councils, other levels of government, the voluntary and community sector or business and research sector organisations. The aims of these partnerships are typically to improve services and deliver changes to benefit the local area.

Collaboration and partnerships with other councils and public or private organisations can also bring benefit from economies of scale in providing services or purchasing in bulk for example. Procurement partnerships have been a particularly successful example of this. Working in partnership can make a considerable contribution to efficiency improvements, such as through cost savings in back-office functions or sharing of plant and equipment.

Other benefits associated with partnerships and collaboration include opening the way for local communities to share ideas and connect with others. Partnerships enhance the ability of a council to access innovation, enhance skills development, work across council boundaries to address regional issues, and maximise competitive advantage in the delivery of major infrastructure projects.

Strategic collaboration is not just about savings and sharing resources. It is also about maximising capacity in addressing community expectations, or working with members of the community to overcome challenges and seize opportunities. For example, building and maintaining productive partnerships with Aboriginal and Torres Strait Islander people and communities is critical for councils committed to Closing the Gap and involving Aboriginal and Torres Strait Islander communities in decision-making and service development and delivery.

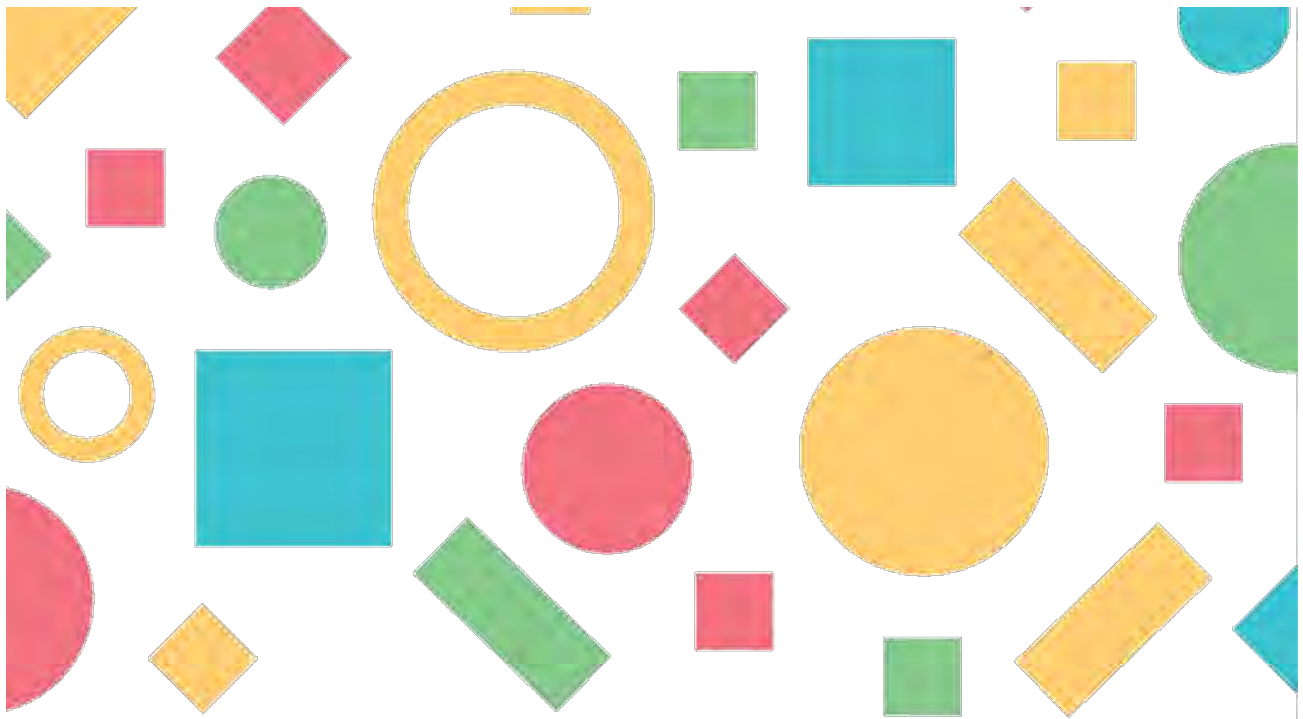
Collaboration and partnerships that work well are underpinned by good governance, an agreed purpose, and mutual benefit.

There is a long history of local government partnering with the Australian Government to deliver projects and programs that benefit local communities, achieve fairness and equity across the nation, and support local delivery of services and infrastructure. In the absence of constitutional change, how do we further build and strengthen this partnership with the Australian Government?

*How do we encourage and incentivise councils to embrace partnerships and collaborative arrangements more enthusiastically including those which seek to ensure the development of economic development supporting infrastructure?*

*What are the obstacles to working in partnership with other councils or organisations? Can the Australian Government help overcome these?*

*How do councils, together with their communities, work in partnership to build resilience and entrench it into everyday life?*



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**10.7 REVIEW OF COUNCILLOR ALLOWANCES**

**File Number:** FOL/19/127662  
**Author:** Sharon Morrison, Director Corporate Services  
**Authoriser:** Phil Pinyon, Chief Executive Officer  
**Attachments:** Nil

**RECOMMENDATION**

That Council:

1. provides in-principle support to the recommendation that the level of Mayoral and Councillor allowance be set at the top of the range for a Category One municipality
2. seeks community feedback on the recommendation for a period of 14 days from 26 March 2021 to 9 April 2021

**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 matter was discussed at the Council Forum in March 2021.

**BACKGROUND**

Under section 74(1) of the Local Government Act 1989, which is still in force, Councils must review and determine the level of mayoral and councillor allowances within six months of the general election or by 30 June, whichever is later.

Councillor allowance categories are divided into three categories based on the income and population of each Council. Loddon Shire is a Category One municipality. This means that the current range of allowances as at 1 December 2020 is:

- Councillors \$8,833 to \$21,049
- Mayor up to \$62,884

Councillors and the Mayor are currently paid at the top of these ranges in accordance with a resolution following the 2016 election.

**ISSUES/DISCUSSION**

The Local Government Act 2020 provides for the responsibility for determining mayoral, deputy mayoral and councillor allowances to transfer to the Victorian Independent Remuneration Tribunal (the Tribunal).

The Tribunal, which is also responsible for setting remuneration for Members of Parliament and executives in the Victorian public sector, will be required to make its first determination on allowances within six months of being requested by the Minister for Local Government. The latest advice is that no request has been received by the Tribunal yet.

As a result of no request being made by the Minister, Councils must conduct a review and determine the level of mayor and councillor allowances within six months of the general election or by 30 June, whichever is later.

As Council is already paying allowances at the top of the range of allowances, it is recommend that this continue at least until the Tribunal makes its first determination.

**COST/BENEFITS**

There is a budget for Councillor and Mayoral allowances adequate to meet the maximum level of allowance.

**RISK ANALYSIS**

The risk of not setting the allowance at the maximum of the range for Category One municipalities is that Councillors and the Mayor will not be adequately recognised for the considerable commitments they undertake as Councillors and as the Mayor.

**CONSULTATION AND ENGAGEMENT**

The community will be invited to comment on the recommendation that the level of mayoral and councillor allowance be set at the top of the range for a Category One municipality prior to Council making a final determination.

**10.8 FINANCE REPORT FOR THE PERIOD ENDING 28 FEBRUARY 2021**

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

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

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

**Attachments:** 1. Finance Report for the period ending 28 February 2021

**RECOMMENDATION**

That Council:

1. receives and notes the 'Finance Report for the period ending 28 February 2021'
2. approves budget revisions included in the report for internal reporting purposes only
3. approves the supplementary valuations of rateable and non-rateable properties in respect of the 2020/21 financial year, as returned by the Shire Valuer, LG Valuations Pty Ltd, and endorses them being incorporated into the Register of Rateable and Non Rateable Properties and Rate Book for 2020/21.

**CONFLICT OF INTEREST**

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

**PREVIOUS COUNCIL DISCUSSION**

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

**BACKGROUND**

The Finance Report for the period ended 28 February 2021 standard monthly information about budget variations, cash, investments, interest, debtors and creditors, and provides a comparison of year-to-date actual results to year-to-date budget (by dollars and percentage) and total revised budget (by percentage).

The information is in the format provided in the adopted 2020/21 Budget, and includes operating results, capital expenditure and funding sources.

The report this month does not provide explanation on budget timing variances as this timing work is not fully complete.

This Finance Report also includes reporting on supplementary valuations. Each year Council makes a number of additions, subtractions and alterations to the valuations contained in the annual rate book. These changes arise from various sources including:

- splitting of parcels into new rateable assessments
- development of vacant or unproductive land (urban and rural)
- consolidation of separate rateable assessments into one assessment
- re-assessment of property valuations arising from objections to the initial valuation
- additions and cancellations of licences (grazing and water frontages)
- change of use
- covenant on Title

- area amendment
- change of Australian Valuation Property Classification Code (AVPCC)
- supplementary valuation corrections.

## ISSUES/DISCUSSION

**Budgeted Surplus** - Council's budgeted cash surplus has increased by \$774K to \$1.64M.

**Income Statement (revenue)** - Council's year to date (YTD) operating revenue is at 60% of total budget. Revenue brought to account for February was \$0.3M (January was \$1.92M).

**Income Statement (expenditure)** - Council's operating expenditure is at 54% of total budget. Payments for this month totalled just over \$2.49M (\$2.51M in January).

**Capital Works** - The approved budget for capital works is \$26.8M and is 20% complete in financial terms for the current financial year (January was 18%).

**Service Areas** – Appendix 3 provides Council with net results for each service area. As further work is done on service planning and reviews throughout the year, the cost of each service will be refined.

**Balance Sheet** - Council has a cash total of \$31.3M with \$2.3M in general accounts. Total debtors at the end of February are \$2.95M (\$10.31M in January). Sundry debtors total \$1.09M with invoices outstanding for 90 or more days relating to community wellbeing debtors and local community groups totalling approximately \$34K.

## COST/BENEFITS

The benefit to Council and the community is that accurate and regular financial reporting is being disclosed, along with an accurate representation of property valuations being reflected in Council's rating system and the distribution of rate notices for the year 2020/21.

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

## RISK ANALYSIS

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

## CONSULTATION AND ENGAGEMENT

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

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

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

# LODDON SHIRE COUNCIL

## FINANCE REPORT FOR PERIOD ENDING 28 FEBRUARY 2021





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## INTRODUCTION

At the start of the financial year, Council implemented a new chart of accounts structure and as a result improvements will be gradually made to the monthly finance report to provide information in different formats to assist Councillors and the public to understand Council's current financial position.

During February 2021 finance staff have been busy progressing with the Annual Budget, Financial Plan along with the interim audit with RSD Audit, Council's external audit provider.

## 1 CASH SURPLUS POSITION

### 1.1 Budget revisions

During February 2021, there have been a large amount of adjustments most of which are relating to expected savings identified in preparing for the Annual Budget for 2021/2022.

As a result the cash surplus has increased from \$862,109 to \$1,636,005.

Details of all major adjustments are included in the table below:

<b>Opening Surplus (Position as at 31 January 2021)</b>	<b>\$ 862,109</b>
<b>ADJUSTMENTS</b>	
Reduction in expected costs for service delivery reviews	\$ 138,093
Expecting lower interest income due to low interest rates	-\$ 80,000
Additional income for rates and charges due to supplementary valuations	\$ 55,270
Savings in plant operating costs and additional plant usage income	\$ 425,763
Additional road maintenance associated costs	-\$ 95,374
Expected savings in capital infrastructure program	\$ 98,241
Other minor adjustments	\$ 231,903
<b>Closing surplus (Position as at 28 February 2021)</b>	<b>\$ 1,636,005</b>

## 2 STANDARD INCOME STATEMENT

Budget revisions are up to date and timing of the budget has been underway with work to continue in this space. Variance reporting has been included in this monthly report where variations occur within the statements of 10% or \$30,000.

### 2.1 Operating revenue

Total revenue brought to account for the month of February was \$300K. The total income received is 60% of the total revised budget income for 2020/21.

#### 2.1.1 Statutory fees

There is an increase in activity in both the planning and building permit departments and as a result, higher than expected fee income has been raised. This accounts for almost \$60K of the overall variation.

2.1.2 Non-recurrent grants (operating)

The main variation in this area relates to the Working for Victoria program where a reduction to the expected staffing numbers has been approved. This has resulted in a budget variation to reflect the updated grant approval amounts, and invoices that have already been raised will be adjusted to suit.

2.1.3 Recurrent grants (capital)

Grant income is raised when a specific milestone is met within a project agreement. Some projects are behind expected timing and others are ahead. The main variation in this area relates to Roads to Recovery of \$1.32M with a claim invoice yet to be raised for quarter one of the year.

2.1.4 Non-recurrent grants (capital)

The main variation in this area relates to the \$1.9M grant tied to the Donaldson Park pavilion upgrade. The milestone for this project has not yet been met and as a result the invoice is still to be raised.

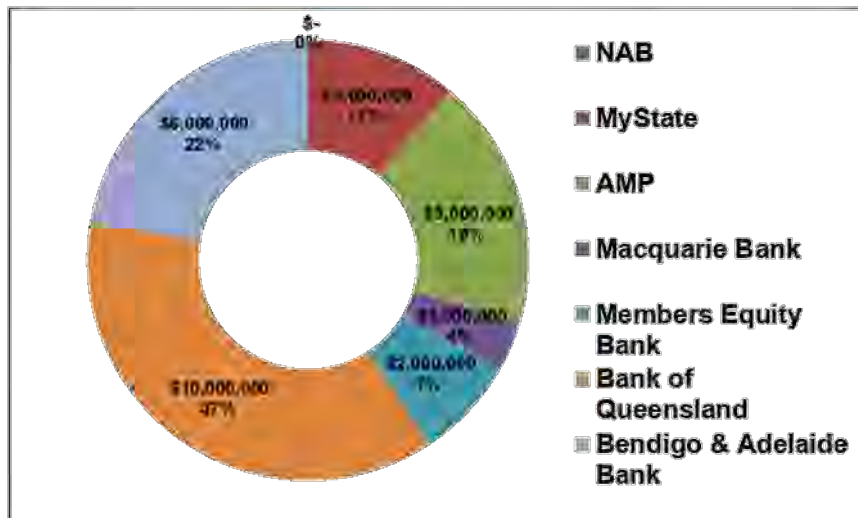
2.1.5 Interest income

Council’s Investment Policy requires investment of funds with authorised deposit taking institutions rated AAA+ to BBB- with a maximum of 40% of funds at any one institution and a maximum of \$2M in any one transaction.

The total investment interest received and accrued to date is \$205K. Rates interest amounts to \$11K. Year to date represents 70% of the total Revised Budget amount of \$295K.

All investments are term deposits and are currently with banks which meet Council’s rating standards as below:

<b>Current investments:</b>						
NAB	A1+AA-				\$ -	0.0%
MyState	A2/BBB+				\$ 3,000,000	11.1%
AMP	A2/BBB+				\$ 5,000,000	18.5%
Macquarie Bank	A1/A				\$ 1,000,000	3.7%
Members Equity Bank	A2/BBB				\$ 2,000,000	7.4%
Bank of Queensland	A2/BBB				\$10,000,000	37.0%
Bendigo & Adelaide Bank	A2/BBB+				\$ 6,000,000	22.2%
<b>Council Funds on Term Deposit</b>					<b>\$27,000,000</b>	<b>100%</b>



The below table shows all investments for the financial year to date:

LODDON SHIRE COUNCIL INVESTMENT SCHEDULE												
Bank	Establishment date	Status	Maturity date	Term (days)	Interest rate	Investment amount	Total interest receivable on TD	Interest accrued 2019/20	YTD accrued interest	Total interest accrued	YTD interest received	Total YTD interest earned
Bendigo & Adelaide Bank	31/12/2018	Closed	N/A	N/A	1.00%	\$ 1,000,000		\$ -	\$ -	\$ -	\$ 230	\$ 230
Members Equity Bank	26/05/2020	Closed	28/07/2020	61	0.00%	\$ 2,000,000	\$ 3,175	\$ 1,718	\$ -	\$ -	\$ 1,467	\$ 1,467
Members Equity Bank	26/05/2020	Closed	26/08/2020	90	1.10%	\$ 2,000,000	\$ 5,425	\$ 1,989	\$ -	\$ -	\$ 3,498	\$ 3,498
MyState	18/03/2020	Closed	16/09/2020	184	1.75%	\$ 2,000,000	\$ 17,844	\$ 10,184	\$ -	\$ -	\$ 7,479	\$ 7,479
MyState	18/04/2020	Closed	15/10/2020	183	1.75%	\$ 2,000,000	\$ 17,548	\$ 7,238	\$ -	\$ -	\$ 10,290	\$ 10,290
MyState	17/03/2020	Closed	19/10/2020	216	1.75%	\$ 2,000,000	\$ 20,732	\$ 10,068	\$ -	\$ -	\$ 10,644	\$ 10,644
Bank of Queensland	5/05/2020	Closed	8/11/2020	184	1.40%	\$ 2,000,000	\$ 14,810	\$ 4,448	\$ -	\$ -	\$ 10,170	\$ 10,170
AMP	25/05/2020	Closed	29/11/2020	184	1.65%	\$ 2,000,000	\$ 16,638	\$ 3,285	\$ -	\$ -	\$ 13,301	\$ 13,301
Bank of Queensland	28/05/2020	Closed	29/11/2021	245	1.15%	\$ 2,000,000	\$ 15,438	\$ 2,070	\$ -	\$ -	\$ 13,359	\$ 13,359
Members Equity Bank	18/05/2020	Closed	18/02/2021	278	1.20%	\$ 2,000,000	\$ 18,148	\$ 2,827	\$ -	\$ -	\$ 15,321	\$ 15,321
Bendigo & Adelaide Bank	28/08/2020	Closed	28/02/2021	184	0.65%	\$ 2,000,000	\$ 8,503	\$ -	\$ -	\$ -	\$ 8,503	\$ 8,503
Members Equity Bank	25/05/2020	Open	25/05/2021	304	1.20%	\$ 2,000,000	\$ 16,980	\$ 2,387	\$ 15,978	\$ 18,348	\$ -	\$ 15,978
Bank of Queensland	12/05/2020	Open	12/04/2021	304	1.05%	\$ 2,000,000	\$ 17,400	\$ 1,036	\$ 13,961	\$ 15,018	\$ -	\$ 13,961
AMP	6/05/2020	Open	5/05/2021	365	1.65%	\$ 2,000,000	\$ 31,000	\$ 4,756	\$ 20,638	\$ 25,395	\$ -	\$ 20,638
AMP	6/05/2020	Open	8/05/2021	365	1.65%	\$ 2,000,000	\$ 31,000	\$ 4,671	\$ 20,638	\$ 25,310	\$ -	\$ 20,638
Bank of Queensland	28/07/2020	Open	28/08/2021	335	0.85%	\$ 2,000,000	\$ 16,603	\$ -	\$ 10,014	\$ 10,014	\$ -	\$ 10,014
Bendigo & Adelaide Bank	8/10/2020	Open	2/08/2021	300	0.60%	\$ 1,000,000	\$ 4,932	\$ -	\$ 2,384	\$ 2,384	\$ -	\$ 2,384
Bendigo & Adelaide Bank	8/10/2020	Open	1/09/2021	330	0.60%	\$ 1,000,000	\$ 5,425	\$ -	\$ 2,384	\$ 2,384	\$ -	\$ 2,384
Bendigo & Adelaide Bank	19/10/2020	Open	14/09/2021	330	0.60%	\$ 2,000,000	\$ 10,848	\$ -	\$ 4,340	\$ 4,340	\$ -	\$ 4,340
Bank of Queensland	28/02/2021	Open	24/09/2021	210	0.32%	\$ 2,000,000	\$ 3,682	\$ -	\$ 35	\$ 35	\$ -	\$ 35
MyState	8/10/2020	Open	8/10/2021	365	0.70%	\$ 1,000,000	\$ 7,000	\$ -	\$ 2,781	\$ 2,781	\$ -	\$ 2,781
MyState	15/10/2020	Open	15/10/2021	365	0.70%	\$ 2,000,000	\$ 14,000	\$ -	\$ 5,218	\$ 5,218	\$ -	\$ 5,218
Bank of Queensland	26/02/2021	Open	25/10/2021	241	0.32%	\$ 2,000,000	\$ 4,226	\$ -	\$ 35	\$ 35	\$ -	\$ 35
Bank of Queensland	25/02/2021	Open	25/11/2021	273	0.35%	\$ 2,000,000	\$ 5,238	\$ -	\$ 58	\$ 58	\$ -	\$ 58
Macquarie Bank	25/02/2021	Open	23/12/2021	301	0.50%	\$ 1,000,000	\$ 4,123	\$ -	\$ 41	\$ 41	\$ -	\$ 41
AMP	25/02/2021	Open	27/01/2022	338	0.75%	\$ 1,000,000	\$ 8,804	\$ -	\$ 82	\$ 82	\$ -	\$ 82
Bendigo & Adelaide Bank	26/02/2021	Open	26/02/2022	365	0.30%	\$ 2,000,000	\$ 8,000	\$ -	\$ 33	\$ 33	\$ -	\$ 33
Total Interest on Investments								\$ 56,688	\$ 98,817	\$ 111,447	\$ 92,200	\$ 190,007
Interest on General Accounts												\$ 2,730
Total Interest												\$ 192,737
Interest transferred to/from externally funded projects												\$ -
Net interest on investments												\$ 192,737

Due to the short term nature of the term deposits, those deposits which have not reached maturity are included as cash in the Balance Sheet.

2.2 Operating expenditure

Total operating expenditure for February 2021 was \$2.49M. The total expenditure for the month increases the spend to 54% of the total revised budget expenditure for 2020/21.

**2.2.1 Creditors**

Creditors are currently at 56% of YTD Budget. The main variations where project expenditure has been delayed are:

- Bridgewater female change rooms of \$285K with the project yet to commence
- Councillor induction costs of \$40K, with process still underway
- election costs of \$120K with invoices for the work undertaken in 2020 still to be received
- various community planning projects that have not yet commenced.

**2.2.2 Contractors**

The main variations within the contractors expenditure relates to the timing of invoices that are received for cleaning, pool operations and waste contracts. This is expected to continue throughout the year where the invoices are not received in a timely manner for processing.

**2.2.3 Payments**

During the month the following payments were made:

Creditor payments - cheque	\$37,595.25
Creditor payments - electronic funds transfer	\$1,096,819.52
Payroll (2 pays)	\$625,792.36
<b>TOTAL</b>	<b>\$1,760,207.13</b>

**2.3 Operating surplus**

The operating surplus to date is \$535K compared to a revised budget deficit amount of \$2.85M.

**2.4 Capital expenditure**

Total capital works expenditure for February was \$971K. The total revised budget amount for 2020/21 is \$26.8M, therefore capital works are 20% complete with 67% of the year elapsed.

The main variations within capital expenditure relate to:

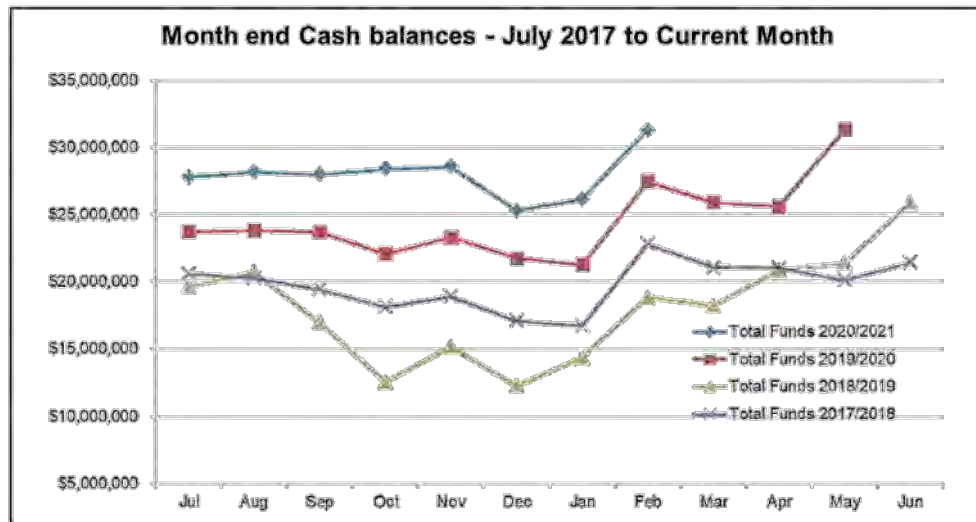
- building and property maintenance with the building asset management plan allocations now finalised and some works are underway, but others are still in the design phase
- major caravan park improvement works along with the purchase of caravan parks have a variation of \$1.35M with works commencing for the improvement program but a delay in finalisation of the sale with legislated gazetting requirements still to be completed
- various community planning projects of \$288K due to limited staff available in this department along with COVID-19 restrictions which have closed many community facilities temporarily.

### 3 STANDARD BALANCE SHEET

#### 3.1 Cash

At the end of the month, Council's overall cash total was \$31.5M which includes a balance of \$2.3M in general accounts.

Month end balances for Council's cash, from July 2017 until the current month, are reflected in the following graph:



#### 3.2 Receivables

##### 3.2.1 Debtors

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

Debtor category	February 2020	November 2020	December 2020	January 2021	February 2021
Rates	1,680,772	9,032,289	8,296,264	7,211,150	1,642,503
Fire Services Property Levy	229,937	1,025,446	944,931	830,106	240,289
<b>Total Rates &amp; Fire Services Property Levy</b>	<b>1,910,709</b>	<b>10,057,736</b>	<b>9,241,195</b>	<b>8,041,256</b>	<b>1,882,793</b>
Sundry debtors	1,261,167	1,509,554	1,859,881	2,288,315	1,089,472
Community loans/advances	2,400	1,200	1,200	1,200	1,200
Long term loans/advances	-	-	-	-	-
Employee superannuation	3,836	2,686	(1,343)	4,597	2,298
Magistrates court fines	100,319	100,319	100,319	100,319	100,319
LESS provision for doubtful debts	(118,887)	(127,248)	(127,248)	(127,248)	(127,248)
<b>Total</b>	<b>3,159,544</b>	<b>11,544,248</b>	<b>11,074,004</b>	<b>10,308,439</b>	<b>2,948,834</b>

## 3.2.2 Rates debtors

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

	February 2020 (2/3/2020)	November 2020 (2/11/2020)	December 2020 (7/1/2021)	January 2021 (4/2/2021)	February 2021 (4/3/2021)
2006/07 to 2016/17	\$ 48,612	\$ 34,809	\$ 33,852	\$ 33,142	\$ 33,265
2006/07 to 2016/17 FSPL	\$ 7,670	\$ 5,548	\$ 5,480	\$ 5,321	\$ 5,358
2017/18	\$ 39,412	\$ 24,566	\$ 24,640	\$ 23,823	\$ 23,949
2017/18 Fire Services Property Levy	\$ 7,591	\$ 5,432	\$ 5,396	\$ 5,378	\$ 5,318
2018/19	\$ 78,919	\$ 42,180	\$ 41,552	\$ 38,805	\$ 39,927
2018/19 Fire Services Property Levy	\$ 14,149	\$ 8,866	\$ 8,696	\$ 8,184	\$ 8,059
2019/20	\$ 1,513,829	\$ 154,748	\$ 149,238	\$ 139,249	\$ 134,214
2019/20 Fire Services Property Levy	\$ 200,528	\$ 26,021	\$ 25,228	\$ 23,794	\$ 22,796
2020/21	\$ -	\$ 8,790,556	\$ 8,061,256	\$ 6,990,464	\$ 1,425,494
2020/21 Fire Services Property Levy	\$ -	\$ 965,009	\$ 885,858	\$ 773,095	\$ 184,413
<b>Sub-total: arrears</b>	<b>\$ 1,910,709</b>	<b>\$10,057,736</b>	<b>\$ 9,241,197</b>	<b>\$ 8,041,256</b>	<b>\$ 1,882,793</b>
Current year (outstanding but not due)	\$ 1,513,831	\$ 8,790,556	\$ 8,061,256	\$ 6,990,464	\$ 1,425,494
Fire Services Property Levy	\$ 200,528	\$ 965,009	\$ 885,858	\$ 773,095	\$ 184,413
<b>Total outstanding</b>	<b>\$ 1,714,358</b>	<b>\$ 9,755,566</b>	<b>\$ 8,947,115</b>	<b>\$ 7,763,559</b>	<b>\$ 1,609,907</b>
<i>Summary</i>					
Rates in arrears	\$ 1,680,771	\$ 256,303	\$ 249,283	\$ 235,019	\$ 1,656,848
FSPL in arrears	\$ 229,938	\$ 45,867	\$ 44,799	\$ 42,678	\$ 225,945
<b>Total arrears-</b>	<b>\$ 1,910,709</b>	<b>\$ 302,170</b>	<b>\$ 294,082</b>	<b>\$ 277,697</b>	<b>\$ 1,882,793</b>

It is important to note the effort made by the Rates Department over a difficult year and the outstanding results shown above. The last 12 months have seen the introduction of the COVID-19 Financial Hardship Policy and as a result a pause in the debt collection process. However the Rates Department have continued to keep up the communication and support to ratepayers. This has seen an increase in the amount of payment arrangements which has enabled them to make payment of their rates.

In 2020/21, there has been an increase to rate income of 4.3% or \$476K. At the end of February 2020 there was 17.3%, or \$1.91M outstanding however at the end of February 2021 there was only 16.3%, or \$1.88M outstanding.

3.2.3 Sundry debtors

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

Current	\$62,591	29%
30 days	\$66,177	30%
60 days	\$55,320	25%
90 + days	\$34,268	16%
<b>Sub total routine debtors</b>	<b>\$218,357</b>	<b>100%</b>
Paid Parental Leave	\$0	
Government departments	\$754,581	
GST	\$116,534	
<b>Total</b>	<b>\$1,089,472</b>	
90 + days consists of:		
Community Wellbeing debtors	\$2,994	
Local community groups	\$913	
Others	\$30,361	
<b>Total</b>	<b>\$34,268</b>	

Total outstanding sundry debtors as at 28 February 2021 are \$1.09M.

The mainstream sundry debtors (\$218K) have been broken into the amount of time they have been outstanding. At the time of this report \$34K or 16% of that total has been outstanding for more than 90 days. All debtors are contacted as a matter of routine.

3.2.4 Supplementary valuations

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

Type	Number	Site Value Movement	Capital Improved Value Movement	NAV Value Movement
Objection	10	-\$ 577,000	-\$ 753,000	-\$ 37,650
<b>TOTAL</b>	<b>10</b>	<b>-\$ 577,000</b>	<b>-\$ 753,000</b>	<b>-\$ 37,650</b>

Valuation type	1 July 2020 Revaluation	Opening Balance	Supplementary changes	Closing balance
Site Value	\$ 1,556,194,900	\$ 1,649,983,500	-\$ 577,000	\$ 1,649,406,500
Capital Improved Value	\$ 2,354,772,700	\$ 2,498,397,300	-\$ 753,000	\$ 2,497,644,300
NAV	\$ 120,800,115	\$ 128,045,875	-\$ 37,650	\$ 128,008,225

There were supplementary valuations during February 2021.

The total rateable CIV at the end of February 2021 is just under \$2.50B.

3.3 **Water rights**

Council-owned water rights were valued at \$2.98M at 30 June 2020.

The rights are revalued to market at the end of each financial year.

There have been no purchases to date this financial year, and no future purchases are budgeted for 2020/21.

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### 3.4 Vision Super Defined Benefits Plan update

On 11 March 2021, Council received official notification of the 31 December 2020 actual Vested Benefit Index (VBI) for the sub-plan being 109.6%. This is a slight increase from the previous quarter and it remains well above the required 100%. Currently, under the superannuation prudential standards, VBI's must generally be kept above a fund's nominated shortfall, currently 97%. When an actuarial review/investigation is in progress the fund's VBI must be at least 100% as it was at 30 June 2020.

Below is the sub-plan's recent VBI history:

As at	30 June 2019 (actual)	30 June 2020 (actual)	30 Sep 2020 (estimated)	2020 (estimated)
LASF DB	107.1%	104.6%	104.5%	109.6%

### APPENDIX 1: STANDARD INCOME STATEMENT

Element	2020/21 Original Budget	2020/21 Revised Budget	2020/21 YTD Revised Budget	2020/21 YTD Actuals	2020/21 YTD Percentage
<b>Income</b>					
69 - Statutory Fees	277,532	277,532	196,377	262,329	134%
70 - Fees & Charges	1,464,986	1,464,800	997,617	1,063,630	109%
71 - Contribution	100,000	490,000	60,000	70,000	117%
73 - Interest	375,200	295,000	183,336	205,434	112%
77 - Reimbursements	277,411	297,411	202,444	157,078	78%
80 - Rates	11,461,007	11,523,816	11,383,631	11,396,045	100%
81 - Non Recurrent Grants (Operating)	152,766	2,733,224	1,451,815	2,115,295	146%
82 - Recurrent Grants (Operating)	6,299,505	6,324,362	4,708,390	4,725,902	100%
83 - Recurrent Grants (Capital)	2,367,726	3,291,999	1,671,000	51,564	3%
84 - Non Recurrent Grants (Capital)	0	9,650,566	5,637,270	1,757,245	31%
90 - VicRoads	510,474	512,033	341,360	338,473	99%
<b>Total Income</b>	<b>23,306,607</b>	<b>36,860,743</b>	<b>26,833,240</b>	<b>22,162,994</b>	<b>83%</b>
<b>Expenses</b>					
01 - Labour	11,492,803	12,340,781	8,297,291	8,169,958	98%
04 - Creditors	8,898,234	13,975,021	9,104,733	5,071,402	56%
05 - Stores	70,286	61,172	40,784	0	0%
06 - Fuel	1,051,376	905,045	603,383	413,040	68%
07 - Contractors	1,797,721	1,863,943	1,258,096	954,179	76%
08 - Depreciation	9,666,789	9,666,789	6,444,504	6,444,528	100%
09 - Utilities	533,565	526,149	372,482	272,494	73%
25 - Grants Expenditure	361,400	371,954	358,954	294,988	82%
45 - Bad Debts Expense	0	0	0	7,610	0%
63 - Reversal of Impairment Losses	0	0	0	(32)	0%
<b>Total Expenses</b>	<b>33,872,174</b>	<b>39,710,854</b>	<b>26,480,227</b>	<b>21,628,165</b>	<b>82%</b>
<b>Net Result Surplus / (Deficit)</b>	<b>(10,565,567)</b>	<b>(2,850,111)</b>	<b>353,013</b>	<b>534,829</b>	<b>152%</b>

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

**APPENDIX 2: STANDARD CAPITAL WORKS STATEMENT**

Element	2020/21 Original Budget	2020/21 Revised Budget	2020/21 YTD Revised Budget	2020/21 YTD Actuals	2020/21 YTD Actuals
<b>Funding Decisions</b>					
88 - Reserves Transfer From	6,466,816	18,400,190	0	0	0%
89 - Reserves Transfer To	(2,341,772)	(2,467,116)	0	0	0%
74 - Asset Sales (Capital)	471,181	867,071	734,824	539,163	73%
<b>Total Funding Decisions</b>	<b>4,596,225</b>	<b>16,800,145</b>	<b>734,824</b>	<b>539,163</b>	<b>73%</b>
<b>Capital Expenditure</b>					
12 - Economic Development	0	0	0	6,400	0%
21 - Caravan Parks	7,500	2,010,437	1,340,288	153,722	11%
31 - Aged Care Services	0	0	0	3,000	0%
40 - Community Support	0	31,335	20,888	41,664	199%
41 - Community Planning - Boort	0	1,105	736	0	0%
42 - Community Planning - Inglewood	50,000	153,685	102,456	0	0%
43 - Community Planning - Tarnagulla	50,000	91,683	61,120	21,174	35%
44 - Community Planning - Terricks	50,000	20,848	13,896	2,888	21%
45 - Community Planning - Wedderburn	50,000	25,000	16,664	0	0%
47 - Grants & Community Planning	750,000	4,808,169	77,968	22,457	29%
49 - Swimming Pools	0	15,101	13,590	0	0%
65 - Information Technology	185,000	185,000	123,336	111,413	90%
71 - Council Engineering and Technical Services	0	50,000	0	0	0%
72 - Project & Contract Management	2,555,132	12,974,763	6,472,540	2,882,333	45%
73 - Roads to Recovery	2,387,726	3,574,197	2,377,958	1,026,772	43%
75 - Local Laws and Animal Management	0	102,121	68,080	0	0%
82 - Building & Property Maintenance	535,000	785,983	523,992	97,015	19%
84 - Fleet	522,000	1,618,140	1,078,760	1,072,395	99%
90 - Parks & Townships	100,000	90,310	60,208	9,286	15%
98 - Waterways Management	0	288,781	192,520	3,513	2%
<b>Total Capital Expenditure</b>	<b>7,242,358</b>	<b>26,826,698</b>	<b>12,545,000</b>	<b>5,454,032</b>	<b>43%</b>
<b>Non Cash Adjustments</b>					
08 - Depreciation	9,666,789	9,666,789	6,444,504	6,444,526	100%
45 - Bad Debts Expense	0	0	0	7,610	0%
63 - Reversal of Impairment Losses	0	0	0	(32)	0%
<b>Total Non Cash Adjustments</b>	<b>9,666,789</b>	<b>9,666,789</b>	<b>6,444,504</b>	<b>6,452,104</b>	<b>100%</b>
Accumulated surplus bought forward	3,640,629	4,845,880	0	0	100%
<b>Net Cash Surplus / (Deficit)</b>	<b>95,710</b>	<b>1,636,005</b>	<b>(5,012,659)</b>	<b>2,072,065</b>	<b>-41%</b>

**APPENDIX 3: NET RESULT BY SERVICE AREA**

Service Area	2020/21 Full Year Budget	2020/21 Total Revised Budget	2020/21 YTD Revised Budget February	2020/21 YTD Actuals February	2020/21 YTD Percentage Revised Variance February
11 - Administration and Management	2,881,065	3,203,082	2,167,004	1,684,794	22.25%
12 - Economic Development	93,510	(73,779)	(203,174)	(326,687)	60.79%
13 - Council Administration	1,106,573	1,064,583	681,580	332,539	51.21%
14 - Library Services	216,502	216,502	162,378	154,922	4.59%
15 - Media	0	39,000	23,336	21,695	7.03%
21 - Caravan Parks	(60,165)	1,328,449	990,851	(36,531)	103.69%
22 - Loddon Discovery Tours	83	101	170	(1,733)	1121.10%
23 - Tourism	346,479	366,219	230,824	223,972	2.97%
31 - Aged Care Services	622,547	1,656,055	502,226	418,639	16.64%
32 - Elderly Persons Units	(15,795)	(16,152)	(4,748)	5,821	-222.59%
33 - Rural Access	25,000	145,653	97,104	1,390	96.57%
34 - Seniors	43,048	43,097	35,211	(6,436)	118.28%
40 - Community Support	950,577	1,192,183	853,069	371,917	58.40%
41 - Community Planning - Boort	0	134,684	89,792	0	100.00%
42 - Community Planning - Inglewood	50,000	186,478	124,320	73	99.94%
43 - Community Planning - Tarnagulla	50,000	283,402	188,936	58,430	69.07%
44 - Community Planning - Terricks	50,000	122,932	81,952	6,493	92.08%
45 - Community Planning - Wedderburn	50,000	258,543	172,360	13,152	92.37%
46 - Emergency Management	16,447	16,313	12,951	7,179	44.56%
47 - Grants & Community Planning	621,891	2,355,364	(1,897,188)	159,445	-108.40%
48 - Municipal Health & Wellbeing	8,500	159,522	106,696	10,281	90.36%
49 - Swimming Pools	538,314	561,758	501,825	318,892	36.45%
50 - Maternal and Child Health	193,733	307,402	207,923	(58,303)	128.04%
51 - Early Years	148,236	426,207	206,653	(13,256)	106.41%
52 - Boort Pre School	0	(0)	(2,909)	16,426	-664.67%
53 - Dingee Pre School	(0)	0	(4,947)	9,816	-298.43%
54 - Inglewood Pre School	0	(0)	(8,355)	30,604	-466.29%
55 - Pyramid Hill Pre School	0	(0)	(2,575)	9,669	-475.48%
56 - Wedderburn Pre School	0	(0)	(2,336)	1,920	-182.21%
59 - Youth	6,560	14,572	9,712	(12,022)	223.79%

**APPENDIX 3: NET RESULT BY SERVICE AREA (Continued)**

Service Area	2020/21 Full Year Budget	2020/21 Total Revised Budget	2020/21 YTD Revised Budget February	2020/21 YTD Actuals February	2020/21 YTD Percentage Revised Variance February
60 - Corporate Governance	166,163	329,675	236,303	71,369	69.80%
61 - Financial Services	(10,176,944)	(23,084,509)	(1,770,814)	(1,837,573)	3.77%
62 - Rates & Property	(9,641,826)	(9,738,341)	(9,661,686)	(9,635,173)	-0.27%
63 - Customer Service	293,129	293,726	210,232	160,347	23.73%
64 - Information Management	230,218	247,234	147,675	125,238	15.19%
65 - Information Technology	889,092	944,213	656,077	555,451	15.34%
66 - Human Resources & Development	728,156	820,497	453,967	264,160	41.81%
67 - Risk Management	443,711	446,921	369,799	385,430	-4.23%
71 - Council Engineering & Technical Services	231,555	349,090	212,340	97,316	54.17%
72 - Project & Contract Management	2,535,338	5,425,436	3,540,135	1,046,479	70.44%
73 - Roads to Recovery	0	944,007	1,062,862	1,026,772	3.40%
74 - Building Regulation	72,870	72,985	49,671	28,248	43.13%
75 - Local Laws and Animal Management	372,730	520,373	316,362	11,797	98.27%
76 - Public Health	99,957	100,040	49,062	37,844	22.86%
77 - Strategic & Statutory Planning	145,483	146,557	68,008	2,538	96.27%
80 - Air Strips	9,393	9,131	6,518	1,310	79.90%
82 - Building & Property Maintenance	1,370,585	1,829,452	1,244,506	551,039	55.72%
84 - Plant and Fleet	(2,023,737)	(1,539,078)	(980,778)	(1,379,150)	40.62%
86 - Gravel Pits	(86,567)	(73,905)	(49,171)	(43,454)	-11.63%
88 - Management & Administration	512,411	512,643	343,808	339,071	1.36%
90 - Parks & Townships	1,171,430	1,054,619	713,084	501,325	29.70%
92 - Roads	4,201,610	4,488,846	2,883,315	3,054,832	-5.95%
94 - DoT Routine Maintenance Contract	(75,783)	(160,235)	(104,961)	(140,273)	33.64%
96 - Waste Management	244,353	235,819	(404,094)	(730,143)	80.69%
98 - Waterways Management	47,849	197,630	80,724	30,034	62.79%
<b>Grand Total</b>	<b>(95,718)</b>	<b>(1,636,005)</b>	<b>4,993,585</b>	<b>(2,072,063)</b>	<b>141.49%</b>

## APPENDIX 4: STANDARD BALANCE SHEET

	February 2021 As per trial balance	June 2020 As per financial statements	February 2020 As per trial balance
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$31,494,292	\$30,326,446	\$18,825,261
Trade and other receivables	\$2,947,566	\$807,408	\$3,199,344
Financial assets	\$174,938	\$462,212	\$23,111
Inventories	\$27,291	\$26,782	\$44,820
Non-current assets classified as held for sale	\$540,076	\$540,076	\$690,322
<b>TOTAL CURRENT ASSETS</b>	<b>\$35,184,162</b>	<b>\$32,162,924</b>	<b>\$22,782,858</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	\$1,268	\$1,268	\$80,000
Financial assets	\$275,436	\$275,336	\$300,808
Intangible assets	\$2,979,650	\$2,979,650	\$1,979,130
Property, infrastructure, plant and equipment	\$356,346,539	\$362,791,061	\$338,585,254
<b>TOTAL NON-CURRENT ASSETS</b>	<b>\$359,602,893</b>	<b>\$366,047,315</b>	<b>\$338,945,190</b>
<b>TOTAL ASSETS</b>	<b>\$394,787,055</b>	<b>\$398,210,239</b>	<b>\$361,728,048</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	\$949,688	\$1,339,196	\$52,890
Trust funds and deposits	\$1,245,791	\$356,380	\$1,180,349
Provisions	\$3,079,388	\$2,622,435	\$1,805,421
Interest bearing loans and borrowings	\$0	\$0	\$0
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$5,274,867</b>	<b>\$4,318,011</b>	<b>\$3,038,660</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	\$1,716,013	\$1,716,013	\$2,324,221
Interest bearing loans & borrowings	\$0	\$0	\$0
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>\$1,716,013</b>	<b>\$1,716,013</b>	<b>\$1,797,418</b>
<b>TOTAL LIABILITIES</b>	<b>\$6,990,880</b>	<b>\$6,034,024</b>	<b>\$5,362,881</b>
<b>NET ASSETS</b>	<b>\$387,796,176</b>	<b>\$392,176,215</b>	<b>\$356,365,168</b>
<b>EQUITY</b>			
Accumulated Surplus	\$86,538,292	\$90,918,332	\$90,046,117
Asset Revaluation Reserve	\$278,439,144	\$278,439,144	\$247,387,367
Other Reserves	\$22,818,739	\$22,818,739	\$18,931,684
<b>TOTAL EQUITY</b>	<b>\$387,796,176</b>	<b>\$392,176,215</b>	<b>\$356,365,168</b>

**10.9 PLANNING APPLICATION 5571 - 1453 WYCHITELLA QUAMBATOOK ROAD TERRAPEE**

**File Number:** FOL/19/91357

**Author:** Darcy Jackson, Junior Statutory Planning Officer

**Authoriser:** Glenn Harvey, Manager Development and Compliance

**Attachments:** 1. **Decision Repoert 5571: Earthwork, which change the rate of flow of water across a property boundary**

**RECOMMENDATION**

That Council determines to issue a notice of decision to refuse planning application 5571 for earthworks, which change the rate of flow of water across a property boundary.

**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**

There have been no previous Council discussions on this matter.

**BACKGROUND**

Planning application 5571 is for earthworks, which change the rate of flow across a property boundary.

The subject site is located at 1453 Wychitella Quambatook Road, Terrapee, approximately 14 km to the west of the Boort Township at the corner of Boort-Charlton Road and Wychitella-Quambatook Road. The site currently contains approximately 532 hectares of olive trees, with an olive oil processing plant also on site.

**ISSUES/DISCUSSION**

Under the Planning and Environment Act 1987 (the Act) the Minister of Planning delegates a municipal council power to become the planning authority for any planning scheme in force in its municipal district.

A municipal council is obligated to enforce and administer the relevant Planning Scheme, which must use the scheme to determine applications, which are put forth to the council.

For Council the Loddon Planning Scheme is the relevant Planning Scheme, which must be used by Council when determining applications, which:

- receive one or more objections
- and/or
- are to be recommended for refusal by the Planning officer.

Pursuant to Section 52 of the Planning and Environment Act 1987 notices were sent to owners and occupiers of adjoining land as well as land opposite and surrounding the site. Council has received three objections as the result of the public notification process and as such the matter is being brought to Council for determination. A decision report detailing this application has been prepared and can be found in Attachment 1.

**COST/BENEFITS**

There are various costs associated with having a delegated Planning Officer consider an application and make a recommendation as well as with the time of the Councillors to consider this recommendation.

The benefits associated with this cost are the ability for Council to fulfil its requirement under law and provide the community with a statutory service that delivers well-managed and appropriate development.

**RISK ANALYSIS**

The risks of Council not fulfilling its statutory obligation under the Act include:

- inappropriate use and development which could endanger life and property
- Council's reputation as a Responsible Authority
- breaches of the Planning & Environment Act 1987 requiring compliance action.

**CONSULTATION AND ENGAGEMENT**

Refer to the decision report for further detail on the application.

# LODDON SHIRE COUNCIL

## DECISION REPORT 5571: Earthwork, which change the rate of flow of water across a property boundary





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## SUMMARY

<b>Application Number:</b>	5571
<b>Applicant:</b>	Neil Carmichael
<b>Subject Land:</b>	1453 Wychitella-Quambatook Road Terrapee
<b>Owner:</b>	Lanyons Paddock Pty Ltd
<b>Zone:</b>	Farming Zone
<b>Overlay(s):</b>	Nil
<b>Existing use:</b>	Olive and olive oil production
<b>Proposal:</b>	Earthworks which change the rate of flow of water across a property boundary.

## 1 RECOMMENDATION

That the Responsible Authority having considered all matters which the Planning and Environment Act, 1987, requires it to consider, decides to issue a Notice of Decision to refuse planning application 5571 for earthworks which change the rate of flow of water across a property boundary on the following grounds:

- 1) Insufficient information supporting the application
- 2) Earthworks will result in unreasonable flow of water across property boundaries

## 2 DISCUSSION

### 2.1 Site & location

The subject site is located approximately 14 km to the West of the Boort Township at the corner of Boort-Charlton Road and Wychitella-Quambatook Road. A drainage line is located in a GMW channel reserve and partly in Council's road reserve. The channel reserve accommodates a supply channel for Lake Marmal Vineyard as well as the Waranga Western Channel. The drain is used for localised rainfall runoff and flows north through a 450mm siphon under the Waranga Western Channel into a neighbour's farm dam on the adjacent allotment. There is also a gated access into north eastern tip of the property. Photo 1 shows the site as described above.



Photo 1

### 2.2 Site history

The site is not covered by a Land Subject to Inundation Overlay however, based on the 1 in 100-year flood extent (fig 1) this area of the site has been inundated by floodwater.



Figure 1: 1 in 100 year Flood Event Imagery (Source, Loddon Pozi)

Waterlogging of soils that has resulted in tree deaths appearing to occur after the 2010/11 flood is evident in Figure 2.



Figure 2: 2014 Aerial Imagery (Source, Loddon Pozi)

A site inspection revealed that a 450mm culvert has been installed under the Wychitella-Quambatook Road about 700 metres south from the subject site. It appears that this pipe facilitates the flow of water from Drain Zone 3 and the south western section of Drain Zone 2 as indicated on the submitted Surface Drainage Zone Plan (see Appendix 1) onto the Wychitella-Quambatook Road allowing surface water to flow to the subject site and the north eastern section of Drain Zone 2. It does not appear to support the drainage of the road in anyway. Therefore, it is possible that the applicant is contributing to the increase of flow of water to the low area of Drainage Zone 2 as a direct result of diverting water from other sections of the property. Figure 3 shows location of culvert under road indicated by the arrow.

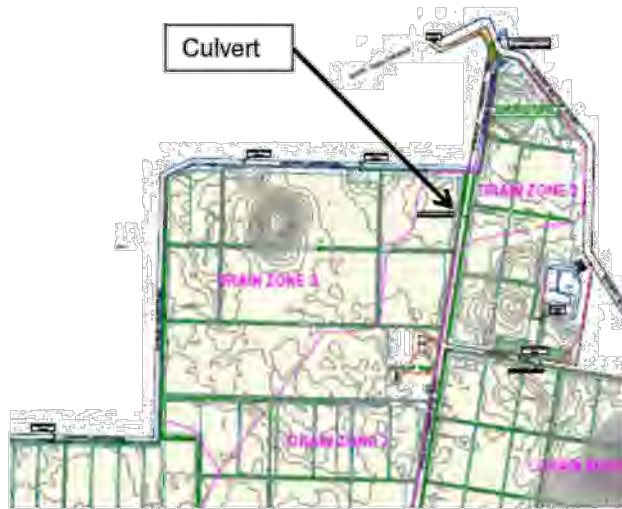


Figure 3: Extract from Surface Drainage Zone Plan (Source: NJC Irrigation Solutions)

**2.3 Proposal**

The applicant’s proposal is regarding a surface drainage issue and is stated as follows. The proposal seeks to mitigate the degradation of a low laying area that has been isolated by irrigation developments of the past. The location is at 1453 Wychitella Quambatook Road, Terrapee and the application is on behalf of Lanyons Paddock Pty Ltd. The development of a water supply channel for Lake Marmal Vineyard has isolated this area from accessing a 450mm diameter siphon under the Waranga Western Channel. They are proposing to reinstate the historic drainage course to that siphon by lowering the gateway to the paddock to the same height of the siphon under the Waranga Western Channel. This will require the existing pipe that services the Lake Marmal Vineyard Channel under the access to the paddock gateway to be lengthened and lowered. They also propose to clean out the drain adjacent to the Wychitella Quambatook Road that leads to the siphon under the Waranga Western Channel.

Further details can be found in Appendix 1, this includes a letter detailing the proposal as well as a site plan and a surface drainage zone plan for their land. Figure 4 is an extract of the site plan highlighting the subject site.

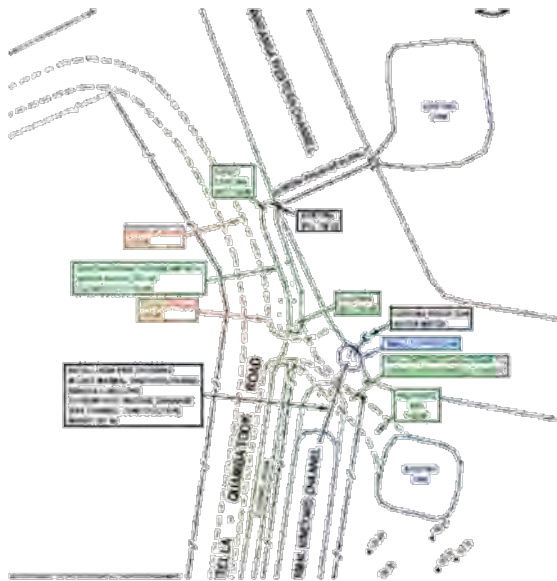


Figure 4: Extract from the proposed works pipe installation & drain construction (Source: Application Plans)

**2.4 Loddon Planning Scheme**

**2.4.1 Zone**

The subject site is within the Farming Zone. Clause 35.07 states that the purpose of the Farming Zone is:

- To implement the Municipal Planning Strategy and the Planning Policy Framework
- To provide for the use of land for agriculture
- To encourage the retention of productive agricultural land
- To ensure that non-agricultural uses, including dwellings, do not adversely affect the use of land for agriculture
- To encourage the retention of employment and population to support rural communities.
- To encourage use and development of land based on comprehensive and sustainable land management practices and infrastructure provision
- To provide for the use and development of land for the specific purposes identified in a schedule to this zone

**2.4.2 Overlay**

There are no overlays covering the site.

**2.4.3 Permit trigger**

The requirement for a planning permit is triggered under the following clauses within the Loddon Planning Scheme:

- Clause 35.07-4 of the scheme states that earthworks, which change the rate of flow or discharge point of water across a property boundary require planning approval. As the proposed works will increase the rate of flow of water across the property boundaries, a planning permit is therefore required.

#### 2.4.4 Restrictive covenant

There are no restrictive covenants listed on the titles included within the subject site.

#### 2.4.5 Planning Policy Framework

The following section gives consideration to the relevant sections of the Planning Policy Framework for this application.

### **14.02-1S- Catchment planning and management**

#### Objective:

To assist the protection and restoration of catchments, water bodies, groundwater, and the marine environment.

#### Strategies:

Ensure the continued availability of clean, high-quality drinking water by protecting water catchments and water supply facilities.

Consider the impacts of catchment management on downstream water quality and freshwater, coastal and marine environments.

Retain natural drainage corridors with vegetated buffer zones at least 30 metres wide along each side of a waterway to:

- Maintain the natural drainage function, stream habitat and wildlife corridors and landscape values,
- Minimise erosion of stream banks and verges, and
- Reduce polluted surface runoff from adjacent land uses.

Undertake measures to minimise the quantity and retard the flow of stormwater from developed areas.

Require appropriate measures to filter sediment and wastes from stormwater prior to its discharge into waterways, including the preservation of floodplain or other land for wetlands and retention basins.

Ensure that development at or near waterways provide for the protection and enhancement of the environmental qualities of waterways and their instream uses.

Ensure land use and development minimises nutrient contributions to water bodies and the potential for the development of algal blooms.

Require appropriate measures to restrict sediment discharges from construction sites.

Ensure planning is coordinated with the activities of catchment management authorities.

#### 2.4.6 Local Planning Policy Framework

The following section gives consideration to the relevant sections of the Local Planning Policy Framework.

### **Clause 22.02 Drainage and Flooding**

This policy applies to all land within the Loddon Shire.

#### Policy Basis:

There are extensive areas in the north of the Shire that are flood prone. These areas include farmland and homes and it is recognised that there are economic reasons to protect these. The fundamental role of the flood plain to convey and store water can be in conflict with the use and development of land in flood plains. Sound floodplain management is vital to the economic, social and environmental objectives of the Shire.

Objective:

To encourage use of drainage works and schemes that manage surface flows and minimise irrigation runoff to assist in the reduction of the salinization of land.

To promote on-farm drainage re-use for effective nutrient management.

To ensure that drainage works and schemes are consistent with management plans for wetlands, streams and forests.

To ensure levee banks are constructed and maintained to a standard that provides for the appropriate and equitable flow and distribution of floodwaters.

To ensure that downstream impacts of levee banks are appropriately considered and managed.

To recognise the role of public and community-based organisations in the maintenance and development of existing flood protection levee banks.

To encourage the use of rain where it falls, particularly in groundwater recharge areas.

To ensure appropriate land use and development of flood plains.

Policy:

It is policy that:

- Applicants shall demonstrate that proposed drainage works and levee banks complement and are compatible with
  - a whole farm plan developed in consultation with Council, Salinity Management Group, Department of Sustainability and Environment and/or the North Central Catchment Management Authority;
  - Loddon Murray Surface Water Management Strategy, where relevant;
  - the relevant requirements and policies of the North Central Catchment Management Authority
  - Regional Floodplain Management Strategy;
  - flood mitigation schemes approved by the North Central Catchment Management Authority
  - or Council;
  - the objectives and policies of relevant Salinity Management Plans; and
  - the Water Act 1989.
- Council in its consideration of any applications for drainage works or the construction and maintenance of levee banks may seek the comments of the North Central Catchment Management Authority or any other relevant body in relation to the application.
- Council recognises the important role of the flood plain in storing flood waters and preventing excessive flooding downstream. Council also recognises the need to provide drainage to prevent water sitting for extended periods where it may recharge groundwater.
- Council will discourage levee banks that unreasonably constrict or redirect flood flows or remove inappropriate amounts of land from the flood plain.
- Levee banks must be located and designed to minimise the effect on overland flow and must ensure that water enters and leaves the allotment boundary at its natural location.
- Proposals which provide scope for on-farm re-use systems to assist in the reduction of drainage volumes, and to harvest nutrients in accordance with land and water management plans, will be encouraged.



- Land use and development that would be compromised by flooding, or that would compromise the passage of flood waters or the pursuit of water quality enhancement, will be discouraged from areas documented to be subject to flooding.

2.5 Referrals

**Table 1: Internal referral to Asset & Infrastructure Department of Loddon Shire Council**

Response:	<p>The subway/ syphon was most likely installed when the channel WW channel was built and is the presumed conduit for allowing water to the north side at that location.</p> <p>The work they are doing will likely allow more water to get to the subway instead of storing in their paddocks. This may have an effect on the property on the north side of the WW Channel (Khandalla Park).</p> <p>The information the developers have supplied it is very difficult to ascertain the potential impact on the road and the downstream flood plain.</p> <p>The proposal indicates that any stormwater currently stored in the paddock on the south side of the Waranga channel will be released into the Wychitella Quambatook Road reserve</p> <p>As there is insufficient information to determine effects and impacts within the Wychitella Quambatook Road Reserve, I would not recommend this proposal move forward.</p>
Planning Officer Comment: Nil	

**Table 2: External Referral to Goulburn Murray Water (GMW)**

Response:	<p>Based on the information provided and in accordance with Section 56 (b) of the <i>Planning and Environment Act 1987</i>, Goulburn-Murray Water has no objection to this planning permit being granted subject to the following conditions:</p> <p>1. All construction and ongoing activities must be in accordance with sediment control principles outlined in 'Construction Techniques for Sediment Pollution Control' (EPA, 1991).</p>
Planning Officer Comment: Nil	

**Table 3: External Referral to North Central Catchment Management Authority (NCCMA)**

Response:	<p>North Central CMA, pursuant to <i>Section 56</i> of the <i>Planning and Environment Act 1987</i>, <b>does not object</b> to the granting of a permit.</p> <p>Advice: Flood levels for the 1% AEP probability (100-year ARI) have not been determined for this area under the <i>Water Act 1989</i>. However, information available at North Central CMA indicates that in the event of a 1% AEP flood event it is likely that the property may be subject to inundation.</p>
Planning Officer Comment: Nil	

## 2.6 Public notification

The application is not exempt from the notice requirement. Pursuant to Section 52 of the Planning and Environment Act 1987 and the following forms of advertising were undertaken:

- Notices were sent to owners and occupiers of adjoining land (including opposite and surrounding).

Three objections have been received in response to the application and can be found in Appendix 2. The matters raised in the objections are summarised below and have been responded to by the applicant.

The following matters were raised in the objection(s):

- The drainage works will increase the flow of water under and through the subway resulting in excess water entering the objector's dam and flooding their property.
- There is no evidence provided that the "historical drainage" is used to drain local floodwater. The drain is in fact used for "stock and domestic" and is mainly used for dam fill not drainage.
- The planning report fails to indicate the height of the area along Wychitella Quambatook Road. It is obvious that the drain will be placed below the height of the ground.
- During the 2011, floodwater was pumped from "Lanyon's Paddock" causing extensive economic damage and impact on the culturally sensitive. The proposed works will cause the same damage.
- The planning report doesn't contain the existing height of the area to be constructed as the drain.

The applicant was provided with the opportunity to respond to the objectors and the response(s) can be found in Appendix 3. The following is a summary of the applicant's response to the matters raised in the objection(s):

- The proposal is only looking to reinstate the historic drainage of the area by cleaning out existing drainage beds along the Wychitella Quambatook Road.
- The capacity of the subway under Waranga Western Channel will not change therefore any increase in flooding to the adjacent site will be minimal because of this proposal.
- Based on evidence from Goulburn Murray Water the drain is both used for rainfall drainage and water supply (dam fill).
- The subway drainage plan shows that the height of Wychitella-Quambatook Road as being 103.55 with the drainage proposed to be cleared to 102.80.
- Natural ground level where there has been no earthworks is 102.80.
- The water, which will be drained, is from localised flooding during heavy rainfall events.
- Subway Drainage Proposal Plan shows that the height of the existing drainage is 102.95. The height of the Subway Sill is 102.78. We are adopting 102.80 for the proposed drainage bed.

## 3 ASSESSMENT

### 3.1.1 Planner assessment

The application is triggered by earthworks, which change the rate of flow across a property boundary, under the Loddon Planning Scheme 35.07 Schedule to the Farming Zone. The application is required to be assessed against the relevant points within the Local Planning Policy and clause 35.07 Farming Zone. The planning officer's reasons for refusal listed at the beginning of this report are explored further below.

Insufficient information supporting the application:

The plans and information provided by the applicant is considered to be insufficient. There has been no evidence of consultation with neighbours apart from the Lake Marmal Vineyard as they required consent to extend and replace the pipe from the cofferdam to their supply channel.

The applicant states in their submission that the low-lying area has been isolated by the development of Lake Marmal Vineyard Channel resulting in the waterlogged soil and ultimately tree deaths. After closer analysis of the Drainage Zones further south, it appears that a proportion of the water from Drain Zone 3 and the south western section of Drain Zone 2 is being directed through the 450mm culvert 700 metres south on the Wychitella Quambatook Road and drains down the road to the subject site.

Given the documentation provided by the applicant is difficult to ascertain the potential impact on the Wychitella Quambatook Road and the downstream floodplain. Insufficient information has been provided to assess the impact of the increase in flow of water into the Wychitella Quambatook Road reserve. The likely impact on the properties to the north of the subject site has not been included either and is mainly due to the lack of consultation with the surrounding neighbours.

Earthworks will result in unreasonable flow of water across property boundaries:

The proposed earthworks will result in unreasonable flow of water across property boundaries with the excess water pooling in the road reserve and causing large amounts of water to be deposited onto the property to the north east. The land to the north east 'Khandalla Park' is flat with no existing drainage lines to allow the deposited water to further flow through the property. With water laying on the property, the use of the land for agriculture is restricted as the soil becomes waterlogged. Olive tree deaths due to the waterlogged soil on the subject site is a direct result of the owner directing water from other drainage areas into this low lying area of the property. In order to drain this low-lying area the applicant has proposed to dig a drain through an existing embankment creating a large opening for excess water to drain. These works are considered to not be supporting or enhancing the surrounding agricultural uses.

The existing dam within the low-lying area of the subject site only has a small capacity, lowering the existing embankment will further reduce its capacity. Once it has reached capacity, it is likely that there will be a constant and significant flow of water from the subject site and into the existing roadside drain. Due to the small capacity of the drain and the existing subway, this corner of Wychitella Quambatook Road will be required to retain water that once would have been retained on the applicants land. This will potentially result in detrimental impacts to Council's road infrastructure.

#### **4 CONCLUSION**

The proposal is not considered to be compatible within the Farming Zone due to the fact the earthworks will increase the flow of water beyond the property boundaries significantly. This is therefore causing detrimental impacts on the Wychitella-Quambatook road as it turns the road into a drain and flood storage area. It will also shift water that was once retained on the applicant property and deposit that water onto 'Khandalla Park' the property to the north east of the subject site.

The proposal provided limited information as to the impact the earthworks will have on the surrounding land uses and the Wychitella-Quambatook Road.

Based on the reasons explored throughout this report I am hereby recommending this application for refusal.

**APPENDIX 1: Application, Submission letter and site plans**

Ref: IS-160

5<sup>th</sup> May, 2020

Carolyn Stephenson  
Loddon Shire Council  
Po Box 21  
Wedderburn VIC 3518

Dear Carolyn,

As discussed with you earlier regarding a surface drainage issue for Lanyons Paddock P/L at 1453 Wychitella-Quambatook Road at Terrapee. We would like to put forward a proposal to help mitigate the degradation of a low laying area that has been isolated by irrigation developments in the past. This area used to drain to a subway under the GMW run Waranga Western Main Channel adjacent to the Wychitella-Quambatook Road, but with the development of Lake Marmal Vineyard and their water supply channel has isolated this area from of any form of surface drainage.

With the installation of the new drain culvert under the road it has increased flow to this area and the silting up and overgrown native vegetation of the side cut makes any form of drainage almost impossible (see drainage zone 2 on the attached drainage plan.

We are only proposing to reinstate the historic drainage course to the subway via replacing the pipe in the existing channel with a longer pipeline to allow the reinstatement of the surrounding natural surface level of 102.80m AHD. We have the support of the owners of Lake Marmal Vineyard to replace their pipe as per the design proposal. The road side cut appears to be a drain but has silted up and overgrown with weeds due to lack of maintenance, we propose to just clean out as shown on the attached subway drainage plan attached.

As shown on the topographic map attached the Lanyons paddock property is broken up into 4 drainage zones .

Zone 1 has a constructed reuse sump for storage or any runoff (is sufficient).  
Zone 2 is the isolated area that we have concerns for (environmental issue – salinity build up).  
Zone 3 has existing 300mm siphons under the Lake Marmal Vineyard channel (is sufficient).  
Zone 4 has existing 300mm siphons under the Lake Marmal Vineyard channel (is sufficient).

We are happy to discuss with you further and look forward to your response

We suggest that you make any notes, alterations and queries clearly on the face of the plan, organise an appointment with myself to discuss so we can finalise your preferred layout.

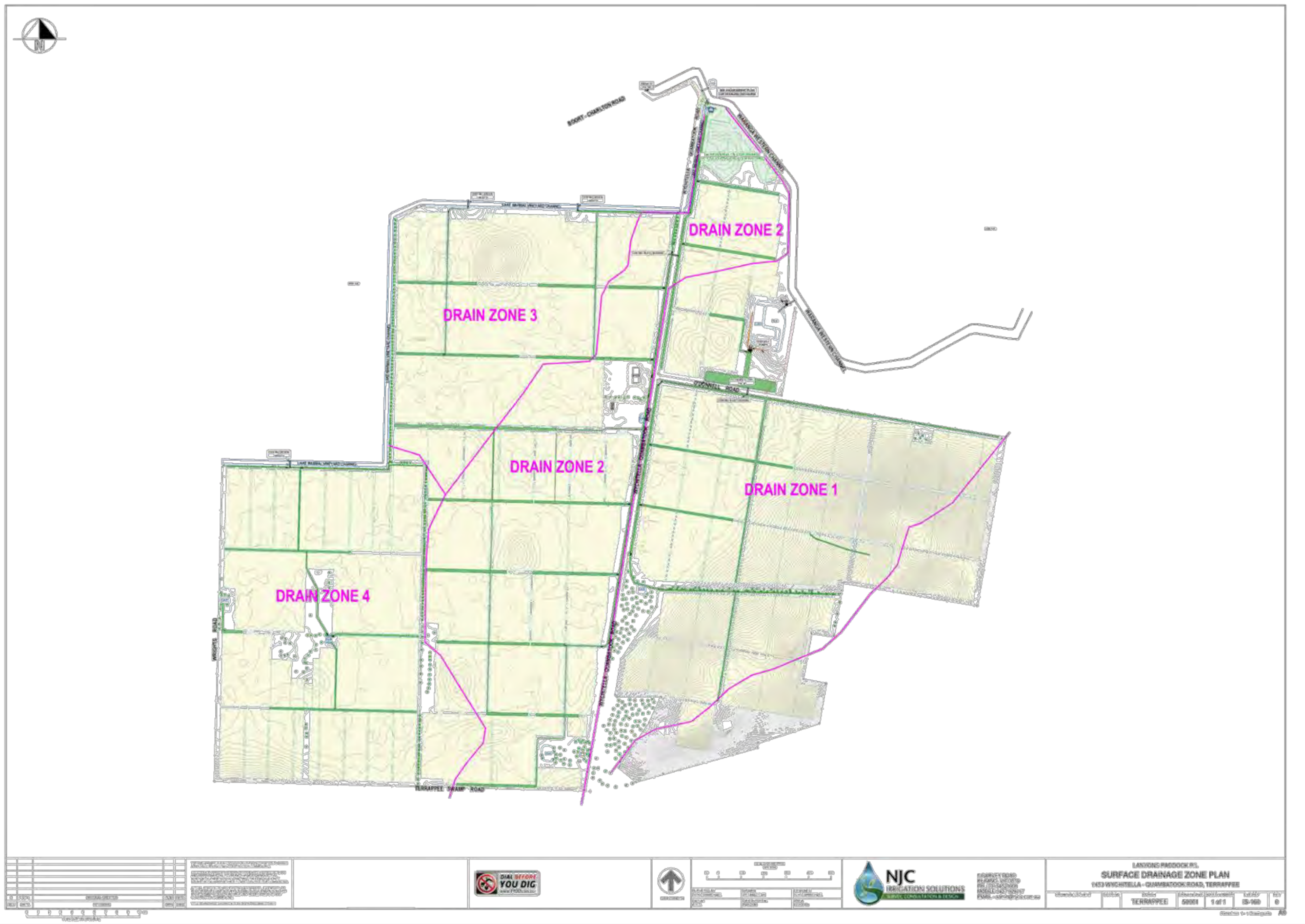
We look forward to hearing from you when convenient.

Yours faithfully,

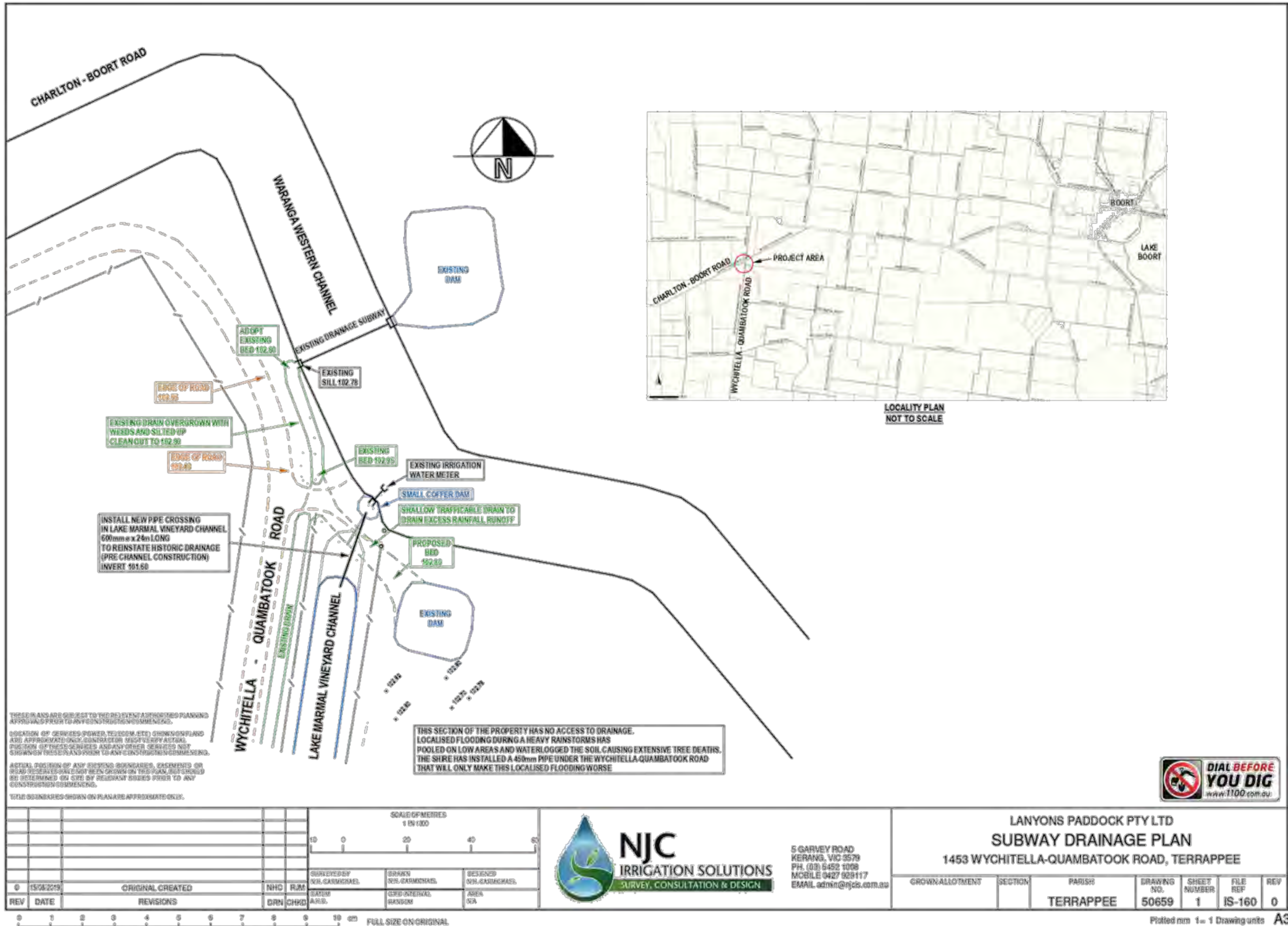
Neil Carmichael

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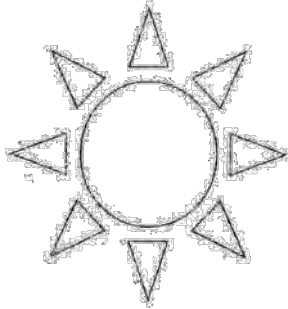
Postal: 5 Garvey Road, KERANG VIC 3579  
Ph: (03) 5452 1008 Mob: 0427 929 117  
Email: [admin@njcs.com.au](mailto:admin@njcs.com.au)  
ABN 43 245 317 973



				<p>LANDYNS PADDOCK PT. <b>SURFACE DRAINAGE ZONE PLAN</b> 1453 WYCHITELLA - QUAMBATOOK ROAD, TERRAPEE</p> <p>50051 1 of 1 IS-160 0</p>
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## APPENDIX 2: Objections



6<sup>th</sup> October 2020

Responsible Authority  
P.O. Box 21  
WEDDERBURN 3518

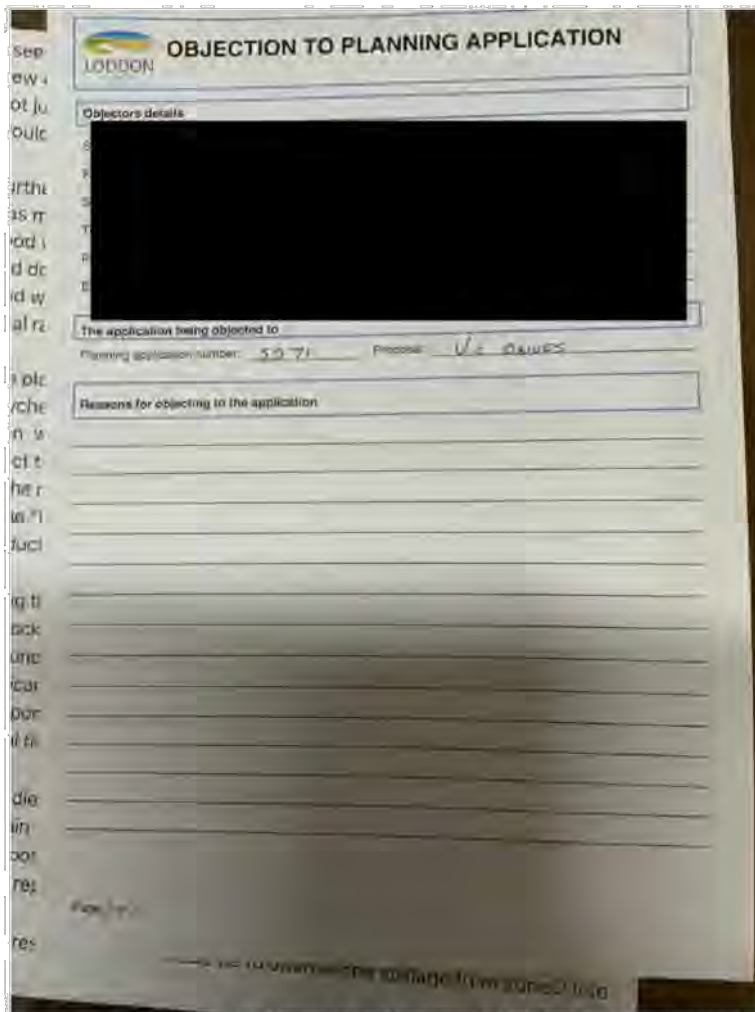
Re: APPLICATION NO 5571 - NJC IRRIGATION SOLUTIONS

We are writing to strongly object to the application to fix surface drainage for Lanyons Paddock P/L at 1453 Wychitella-Quambatook Road at Terraptee. The proposal will drain excess water under the Waranga channel into our existing dam which could and most possibly cause flooding of property.

There is only a small channel outlet from this dam to our neighbour's dam used currently only for dam filling. This small channel can only hold a maximum demand of 1 megalitre of water so would not cater for excess water coming from the application you are proposing. The small box cultivate under the Charlton Road (used for GMW dam filling) will hold limited water flow which would cause backflow of water coming back into our property and because there is nowhere to drain the water our property would then be under threat of flooding if this application was to go ahead.

Thanking you





Please see the attached cover letter for our objection to planning application 5571 by Vicolives

I see in the application provided that the drain is required because of a new 450mm culvert put in by the council, however a 450mm culvert does not justify adding a new 600 mm pipes on the property. A 450 mm pipe would be adequate.

Furthermore there is no evidence that the assumed "historical drain" that was mentioned in the permit application was put in place to drain local flood water. Local knowledge suggests that the channel is in fact a "stock and domestic" channel and was only in place to fill a dam in adjacent farm land west of quambatook whychetella road and was not used for draining local rainfall and irrigation spillage as the report suggested

The planning report doesn't indicate the height of the area along the whychetella quambatook road, upon visiting the site it is clear that that a drain will be placed below the height of the ground which will illegally effect the natural flow of water.



As the report was provided without any information on the original depth of the "historical drain" without this information reinstatement cannot be conducted as it will likely be made larger than what was there

During the flooding events in 2011 water was pumped from the "Lanyon's paddock" property which resulted in substantial economic damage to surrounding farmland as well as widespread damage to a "culturally significant area" such events are going to be repeated if the property fails to responsibly manage their irrigation and local rainfall changing the natural flow of water to the proposed plan will see a repeat of this damage

No studies have been conducted to assess the potential negative effects the drain will have on the water table in the surrounding areas therefore it is irresponsible to continue without providing a complete environmental impact report of the areas where water spillage will occur

A more responsible plan would be to drain all the spillage from zone 2 into the 14 megalitre reuse pump in the planning report

The "proposed bed" to be put in at a height of 102.80 is significantly lower than the natural ground height of 103.48 and no indication has been provided of the ground height prior to excavation only what is proposed.

The sacrificial area height is 103.1 which will not be able to hold 14ml If the drain is put in at 102.8 suggest raising drainage height to 103.1

As no overlays have been provided it is unclear if efforts have been made to minimise damage to areas that have significant vegetation and cultural overlays

Original design was to have small culverts to regulate the flow of water to a rate that minimises flood damage to surrounding areas, increasing flow will cause significant damage to neighboring properties

We would also like clarification regarding why Vicolives are planting trees in an area with a clearly visible flood overlay and how it considers it to be appropriate, planting trees elsewhere would be a more responsible decision

In conclusion we believe the permit should not be approved because the planned drainage system permit is based on false assumptions that will cause significant economic and environmental damage to neighboring properties and areas of cultural significance



Responsible Authority  
Po Box 21  
Widdaburn 3518.

Re. Application No 5571 - NHC Irrigation Solutions.

In Regards to the Application for Surface Drainage  
from Lanyons Paddock Pt Terrapee.

We cannot Object strongly enough to this proposal  
of dumping water on our Farming Properties.

To Send Water under the Warraga Channel to  
Mr Johnsons dam, and onto us, via GWM Dam  
filling Channel would be a grave mistake.

This very small Channel, with small Culvert will have  
a very limited carrying Capacity, that no doubt,  
and inevitably will cause flooding upon us.

We should not be paying for the Olive Groves failure to  
managing their Irrigation and Run off Excess Water  
issues.

Regards



## APPENDIX 3: Response from Applicant to Objectors

**From:** [NJC Irrigation Solutions](#)  
**To:** [Darcy Jackson](#)  
**Subject:** FW: WWC subway  
**Date:** Tuesday, 1 December 2020 12:56:57 PM  
**Attachments:** [image005.png](#)  
[image006.png](#)  
[image007.png](#)

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**CAUTION: This email originated from outside of the organisation. Do not click links or open attachments unless you recognise the sender's full email address and know the content is safe.**

Hi Darcy

Please find below from Goulburn Murray Water the Status of the siphon under the Waranga Western channel. As thought previously it is for water supply (dam fill) as well as drainage, which also correlates with the NCCMA response in the positive to our planning permit.

As discussed and outlined in our permit, we are reinstating historic rainfall runoff only

Any queries please call me

Regards

Neil Carmichael  
Irrigation Consultant and Designer  
5 Garvey Road,  
Kerang, VIC. 3579  
Ph. (03) 54 521008 0427 929117  
Email [admin@njcis.com.au](mailto:admin@njcis.com.au)



---

**From:** Streader, Bill [<mailto:Bill.Streader@gmwater.com.au>]  
**Sent:** Wednesday, 25 November 2020 12:01 PM  
**To:** NJC Irrigation Solutions <[admin@njcis.com.au](mailto:admin@njcis.com.au)>  
**Subject:** FW: WWC subway

Hi Neil,

As per below emails, the subway is used as both a drainage pipe and a water supply to fill dams.

Says it is a 600mm pipe around 30m long and has a 13ml capacity

Regards

Bill

---

**From:** Mayberry, Kelvin <[Kelvin.Mayberry@gmwater.com.au](mailto:Kelvin.Mayberry@gmwater.com.au)>

**Sent:** Wednesday, 25 November 2020 10:21 AM

**To:** Streader, Bill <[Bill.Streader@gmwater.com.au](mailto:Bill.Streader@gmwater.com.au)>

**Subject:** RE: WWC subway

Giddy Bill,

Yes that is used to supply west Loddon for Bunny and Johnno as well as drainage

Regards

Kel.

**Kelvin Mayberry**  
**Customer Service Team Leader**  
**Water Delivery Services- West**  
**Goulburn-Murray Water**

40 Casey Street  
 PO Box 165  
 Tatura Victoria 3616 Australia  
[www.gmwater.com.au](http://www.gmwater.com.au)

**Mobile** 0427 557 295  
**Direct** (03) 5451 6822  
**Reception** 1800 013 357  
**Email** [kelvin.mayberry@gmwater.com.au](mailto:kelvin.mayberry@gmwater.com.au)



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**From:** Streader, Bill <[Bill.Streader@gmwater.com.au](mailto:Bill.Streader@gmwater.com.au)>

**Sent:** Wednesday, 25 November 2020 10:08 AM

**To:** Mayberry, Kelvin <[Kelvin.Mayberry@gmwater.com.au](mailto:Kelvin.Mayberry@gmwater.com.au)>

**Subject:** WWC subway

Hi Kel,

Wondering if you could give me any info on subway ST008370 as highlighted below.?

Ie: Is it simply used as a drainage subway or do GMW also utilise for dam filling run to Bunny Rob and Co through ST079137 outfall ?



Regards

Bill

---

**Bill Streader**  
**ENGAGEMENT OFFICER**  
**Loddon Valley**  
**GMW Connections Project**

**Direct:** (03) 54 552 300  
**Mobile:** 0427 557 476

**connectionsproject**

Enquiries: 1300 163 006  
 Email: [bill.streader@gmwater.com.au](mailto:bill.streader@gmwater.com.au)  
 Website: [www.connectionsproject.com.au](http://www.connectionsproject.com.au)  
 Address: 24 Barber St Pyramid Hill Vic 3575



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**From:** [NJC Irrigation Solutions](#)  
**To:** [Darcy Jackson](#)  
**Subject:** RE: Question from objector  
**Date:** Friday, 25 December 2020 10:25:52 AM

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Hi Darcy

What I can ascertain from what is already existing is the common levels of the following,

1. subway sill being 102.78
2. natural surface in corner of Lanyons Paddock 102.80 (areas where no landforming has taken place)
3. existing sidecut bed level at subway = 102.80

We adopted 102.80

Any questions please call me

Regards  
Neil Carmichael

**From:** darcy.jackson@loddon.vic.gov.au [mailto:darcy.jackson@loddon.vic.gov.au]  
**Sent:** Monday, 21 December 2020 1:27 PM  
**To:** NJC Irrigation Solutions <admin@njcis.com.au>  
**Subject:** Question from objector

Hi Neil

One of the objectors was questioning what the height of the historic drainage is. Would you be able to answer this?

Kind regards

Darcy Jackson

**11 INFORMATION REPORTS**

Nil



**12 COMPLIANCE REPORTS****12.1 SECTION 65 COMMUNITY ASSET COMMITTEE MEMBERSHIP DETAILS - DONALDSON PARK**

**File Number:** FOL/20/7159  
**Author:** Michelle Hargreaves, Administration Officer  
**Authoriser:** Sharon Morrison, Director Corporate Services  
**Attachments:** Nil

**RECOMMENDATION**

That Council appoints the additional persons named in this report as members of the Donaldson Park Section 65 Community Asset Committee, effective immediately.

**CONFLICT OF INTEREST**

That Council appoints the persons named in this report as members of the Donaldson Park Section 65 Community Asset Committee, effective immediately.

**CONFLICT OF INTEREST**

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

**PREVIOUS COUNCIL DISCUSSION**

Council approved the current list of committee members for Donaldson Park Community Asset Committee on 27 January 2021.

**BACKGROUND**

Under section 65 of the Local Government Act 2020 (Act) Councillors establish community asset committees and appoint their members. Under section 47 of the Act the CEO issues their instrument of delegation.

Clause 7.1 of the instrument of delegation establishes the composition of the committee. Clause 7.2.1 provides for the appointment of the member by name by resolution of Council for a term of one year. For community based committees, at least 6 community representatives are preferred. For organisation based committees, each delegation has a list of organisations that are required to provide representatives for the committee.

Clause 7.6 states that:

At the annual meeting each year nominations shall be called for proposed members of the Committee. The Committee must then elect from its proposed members the following office bearers:

- chair
- deputy chair (not mandatory, but recommended)
- secretary
- treasurer\*
- booking officer\*
- general members

\*The treasurer and booking officer must not be the same person.

Clause 7.2.4 states that Council shall appoint members to the Committee as soon as reasonably practicable after the date upon which their annual meeting occurs.

**ISSUES/DISCUSSION**

Donaldson Park is an organisation-based committee with representatives from each of the stakeholder groups. The following are nominated representatives for the committee, in addition to the appointments made at the January 2021 meeting:

<b>Name</b>	<b>Organisation</b>
Allan Holt	Wedderburn Bowls Club
Lance Stanfield	Wedderburn Bowls Club

The Council representative for this committee is Cr Gavan Holt.

**COST/BENEFITS**

The benefit of this report is that Council has an up to date and accurate record of current committee members to ensure that contact can be made, particularly where Council is requesting committees to comply with reporting requirements under the legislation.

**RISK ANALYSIS**

Section 65 Community Asset Committees act for and on behalf of Council which creates a risk for Council should they ever act outside their delegated authority.

Clause 7.3 of the instrument of delegation provides for the removal of any committee member. This clause could be used to mitigate risk.

Council's appointment of committee members, not only satisfies the legislation, but also provides Council with the opportunity to sight the list of committee members before formally appointing them as they are the people that will be operating the committees, and in effect, acting for and on behalf of Council over the course of the year.

**CONSULTATION AND ENGAGEMENT**

The community asset committee has provided Council with the list of proposed committee members and their positions.

**13 GENERAL BUSINESS**

**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 C500 - Laanecoorie-Newbridge Road Reconstruction**

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.

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.

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 April 2021 commencing at at 3pm.

There being no further business the meeting was closed at [enter time](#).

Confirmed this.....day of..... 2021.