

SPM(12) – 20 OCTOBER 2020

# Special Council Meeting

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Agenda

Notice is hereby given that the **Special Meeting** of the **Alpine Shire Council** will be held on **Tuesday 20 October 2020** commencing at **4:00pm**.

## Agenda

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## **1. Recording and livestreaming of Council meetings**

*The CEO will read the following statement:*

All council meetings are filmed with both video and audio being recorded.

This meeting is being held online and audio and video is focused on Councillors and Council Officers.

The reasoning behind recording council meetings is of course to hold us more accountable and improve transparency of council's decision making to our community.

The full meeting is being streamed live on Council's YouTube channel which is "Alpine Shire Council" and will also be available on the YouTube channel shortly after this meeting.

## **2. Acknowledgement of traditional custodians, and recognition of all people**

*The CEO will read the following statement:*

The Alpine Shire Council acknowledges the traditional owners of the land we are now on.

We also acknowledge those people who have contributed to the rich fabric of our community and strive to make wise decisions that will improve the quality of life for all.

## **3. Apologies**

## **4. Declarations by Councillors of conflict of interest**

## 5. Presentation of reports by officers

### 5.1 DIRECTOR CORPORATE – NATHALIE COOKE

#### 5.1.1 Alpine Shire Council Annual Report 2019/20

File Number: 900.01

##### **Election Period Statement**

The recommendation is not a prohibited decision as defined by s69(2) or s69(3) of the *Local Government Act 2020*, nor is it a decision that could be reasonably deferred, or should not be made in accordance with Council's Election Period Policy.

##### **INTRODUCTION**

The purpose of the report is to present Council's 2019/20 Annual Report to Council.

##### ***RECOMMENDATION***

*That in accordance with s134(1) of the Local Government Act 1989, Council receive and consider the Alpine Shire Council 2019/20 Annual Report.*

##### **BACKGROUND**

###### ***Extension of due date***

Local Government Victoria issued a State-wide extension for submission of 2019/20 Annual Reports, moving the due date from 30 September 2020, to 30 November 2020. Council is required to submit the Annual Report to the Minister for Local Government prior to considering the Annual Report at a Council meeting.

The Alpine Shire Council 2019/20 Annual Report was originally scheduled to be presented to the Ordinary Council meeting held on 6 October 2020. At that meeting, Council deferred presentation of the Annual Report to this Special Council meeting, as the auditor's reports had not been received from the Victorian Auditor General's Office (VAGO) in time for the meeting. Council subsequently received clearance from VAGO, and the auditor's reports has been incorporated into the Annual Report.

###### ***Content of Annual Report***

Section 131 of the *Local Government Act 1989* requires Council to prepare an Annual Report for each financial year that contains a report on the operations of the Council, an audited performance statement, audited financial statements, and a copy of the auditor's reports on the performance statement and financial statements.

The Financial Statements and Performance Statement included in the Annual Report were approved in principle at the Ordinary Council meeting held on 1 September 2020. They have been audited, endorsed by Council's Audit Committee, certified by two

Councillors authorised by Council, and contain the opinion certificates (auditor's reports) from the Victorian Auditor General.

The Annual Report contains all information required by the *Local Government Act 1989*, and the *Local Government (Planning and Reporting) Regulations 2014*.

## **ISSUES**

### ***Performance Report***

This section of the Annual Report provides an overview of progress of the strategic themes outlined in the 2017-2021 Council Plan (review 2019). This is the third year of reporting against this Council Plan.

Bushfires in January 2020, and COVID-19 restrictions introduced during March 2020 had the biggest impact on Council's operations during 2019/20. A summary of key achievements during 2019/20 include:

#### **A high performing organisation**

- Being highly responsive as an organisation to dealing with bushfire and COVID-19 responses.
- Provision of rate and fee relief for businesses and properties affected by the January 2020 bushfires, made possible through funding from the Victorian Government.
- Commencement of detailed work on the implementation of the Local Government Act 2020.
- Hosting the "Fight On" concert performed by Katy Perry in March 2020 in support of bushfire affected communities and emergency services personnel.

#### **A responsible and sustainable organisation**

- Joint development of the Business Systems Transformation project with Indigo and Towong Shire Councils, with phase one implementation due in 2020/21.
- Completion of the Better Approvals Project to provide an improved process for business customers needing to obtain multiple permits to commence or grow their business.

#### **Incredible places for our community and visitors**

- Delivery of \$6.0m of capital works projects in 2019/20 through challenges associated with bushfires and COVID-19 restrictions.
- Expansion of the Myrtleford Indoor Sports Stadium (\$2.6m) and upgrade of the Mount Beauty Skate Park (\$0.27m).

#### **Infrastructure and open space that our community is proud of**

- Delivery of maintenance programs during the year through challenges associated with bushfires and COVID-19 restrictions.
- Completion of the Oaks Lawn Precinct at Pioneer Park Bright, in time to host the Katy Perry concert in March 2020.

**Highly utilised and well managed community facilities**

- Adaptation of services due to COVID-19 restrictions, including introducing “click and collect” services at library branches.
- Food organics and garden organics community survey will be utilised to help inform a transition to increased recycling streams in the future.

**A well planned and safe community**

- Progressing a planning scheme amendment to support Mount Buffalo activation.
- Continuation of service delivery across environmental health, building, planning and local laws services while complying with COVID-19 restrictions.

**A thriving and connected community**

- Adoption of the Myrtleford Resilience Plan and action plan.
- Delivery of Maternal and Child Health services through bushfires and COVID-19 restrictions, with only a slight drop in participation compared to the previous year.
- Delivery of a busy event program during 2019, before bushfires and COVID-19 impacted on the delivery of events in 2020.

**Challenges in 2019/20**

Delivery of Council’s capital works program and service delivery was impacted by the January 2020 bushfires, and COVID-19 restrictions introduced in March 2020. Council transitioned quickly to continue to provide services and complete capital works in line with government restrictions.

***Governance Report***

This section of the Annual Report contains required statutory information including:

- Council's role and administrative details;
- How Council obtains best value for ratepayers;
- Council documents available for public inspection;
- Council's compliance with relevant Act; and
- An overview of grants and funding provided by Council.

***Financial Statements***

The Financial Statements show Council's financial performance, financial position and cash flows against the previous year.

In summary, Council ended the 2019/20 year with a surplus of \$7.9m, which was \$2.1m higher than the \$5.8m surplus projected in the 2019/20 Annual Budget (the Budget).

The higher result was primarily due to the receipt of \$3.4m in Bushfire Recovery funds; higher than expected Victorian Grants Commission funding by \$0.3m; lower than anticipated road, drainage and tree maintenance expenditure by \$0.3m; and unanticipated receipt of \$0.2m additional funding to support remediation of flood damage.

This was in part offset by the pass through of \$1.1m of Bushfire Recovery funds as rebated rates, fees and rents, and capital grants being \$1.2m lower than anticipated.

It is noted that the financial impact of COVID-19 was minimal as the majority of staff stood down from closed services were redeployed, and the impact on Council revenue streams was not material.

## 1. Income

Altogether Council received \$34.0m in income which was \$3.0m favourable to the Budget projection of \$31.0m. Key variances to budget were as follows:

### *1.1 Grants - operating*

Council received total operating grant income of \$8.7m which was \$4.0m favourable to budget, primarily due to the receipt of \$3.4m in Bushfire Recovery and Relief funding, higher than expected Victorian Grants Commission funding of \$0.2m, and unanticipated additional funding to support remediation of flood damage.

### *1.2 Grants - capital*

Council received total capital grant income of \$3.1m which was \$1.2m less than anticipated, primarily due to deferral of income for the Buckland Bridge project to 2020/21. Although the project grant has been received, under new accounting standards it cannot be recognised as income until it is spent in 2020/21. The project timeline has been extended due to delays in authority approvals as a result of summer bushfires, COVID-19 and a native title claim affecting the land on which the bridge is proposed to be build.

### *1.3 Other income*

Council received \$1.0m in other income which was \$0.2m higher than budgeted, primarily due \$0.1m of unbudgeted volunteer contributions to the organisation and unbudgeted insurance claim income.

## 2. Expenses

Overall expenses were \$26.0m which was \$0.8m higher than Budget. Key areas of variance are as follows:

### *2.1 Employee costs*

Employee costs were \$8.2m, \$0.3m lower than budgeted at \$8.5m, primarily due to the impact of vacant positions.

### *2.2 Materials and services*

Materials and services were \$10.9m, \$0.2m higher than the budgeted \$10.7m. Primary reasons for the increase versus budget included:

- The reclassification of \$1.3m in capital expenses as operating expenditure;
- \$0.3m expenditure on alternative resources to support employee vacancies;
- \$0.2m in unanticipated Bushfire Recovery related expenses including destination marketing and support for community resilience.

These increases were in part offset by:

- \$0.3m lower than budgeted road, drainage and tree maintenance expenditure due to reduced dependency on external contractors, bushfires and COVID-19 impacts on the completion of work and some delays in procuring materials;
- An error in the budget as a result of internal charges of \$0.3m not being eliminated;
- Lower than budgeted business systems costs of \$0.2m;
- \$0.2m lower than anticipated visitor information centre, pool and tourism costs due to the impact of the bushfires and COVID-19; and
- Carried forward cost of Land Development Strategy expenditure of \$0.1m.

### *2.3 Other expenses*

Other expenses were higher than anticipated by \$1.1m due to \$1.1m of grant funded Bushfire Relief funding being passed on directly to the community.

### ***Performance Statement***

The Performance Statement provides an overview of Council progress against key performance indicators. The Local Government Performance Reporting Framework (LGPRF) provides the basis for these indicators to enable a uniform Performance Statement across all Victorian councils.

A number of performance indicators were impacted due to the 2020 bushfires and COVID-19 restrictions. Notably participation in the Maternal and Child Health service dropped from 85% to 74%, and participation by Aboriginal children dropped from 79% to 59%. Utilisation of aquatic facilities also dropped somewhat from 2.4 to 2.2 visits per capita.

Other significant changes included an improvement in the proportion of critical and major non-compliance notifications relating to food safety which were followed up, from 83% to 96% following engagement of an additional Environmental Health Officer in July 2019.

Satisfaction with Council Decisions reduced somewhat compared to the previous year from 59 to 56, and satisfaction with sealed local roads dropped from 64 to 61.

Generally the financial indicators show that Council is financially sustainable and that services are being delivered within expected parameters.

### **POLICY IMPLICATIONS**

The Annual Report must be submitted to the Minister by 30 September each year as required by Section 133 of the *Local Government Act 1989*. Public notice must then be given that the Report has been prepared and can be inspected at the Council office and on the Council's website. The Report must then be considered at a meeting of the Council as soon as practicable after the Council has sent the Annual Report to the Minister as required by Section 134 of the *Local Government Act 1989*.



It is noted that from next year onwards the development of an Annual Report, Financial Statements and Performance Statements will be governed by the *Local Government Act 2020*.

The recommendation is in accordance with the following Strategic Objective of the Council Plan 2017-2021:

- A responsible and sustainable organisation

## **FINANCIAL AND RESOURCE IMPLICATIONS**

The Annual Report containing audited Financial Statements and Performance Statement for the year ended 30 June 2020 show that Council is financially sustainable and that Council services are being delivered within expected parameters. The 2020 bushfires impacted on financials primarily through receipt and expenditure of related grant funding. COVID-19 had minimal financial impact as a number of staff stood down from closed facilities were redeployed elsewhere.

## **CONSULTATION**

The Audit Committee Charter states that the Committee is required to review the Annual Financial Report and consider whether it is complete, consistent with information known to Audit Committee members and reflects appropriate accounting principles. The Audit Committee was presented with the in principle Financial Statements and Performance Statement, and received a briefing from Council's auditors following their review of these documents.

## **CONCLUSION**

Council ended the 2019/20 year with a surplus of \$7.9 million, which was higher than that predicted in the 2019/20 Annual Budget. The higher surplus result is largely attributed to the receipt of Bushfire Recovery related grants. There was reduced take-up of selected services during the bushfire season and COVID-19 restrictions, impacting on selected performance indicators.

## **DECLARATION OF CONFLICT OF INTEREST**

Under Section 80C of the *Local Government Act 1989*, the following officers declare that they have no interests to disclose in providing this report.

- Director Corporate
- Manager Corporate
- Accountant
- Governance Officer

## **ATTACHMENT(S)**

- 5.1.1 Alpine Shire Council Annual Report 2019/20

## 6. Documents for sealing

### **Election Period Statement**

The recommendation is not a prohibited decision as defined by s69(2) or s69(3) of the *Local Government Act 2020*, nor is it a decision that could be reasonably deferred, or should not be made in accordance with Council's Election Period Policy.

### **RECOMMENDATION**

*That the following document be signed and sealed.*

- 1. Contract No. 2003301 in favour of LFT Bitumen Pty Ltd for Resealing 2020-21.*

There being no further business the Chairperson declared the meeting closed at \_\_\_\_\_p.m.

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Chairperson