



# Alpine Shire

**ORDINARY COUNCIL MEETING**

**MINUTES**

**M8 – 6 August 2019**

**Bright Council Chambers**

**7:00pm**



The **Ordinary Meeting** of the **Alpine Shire Council** was held in the Council Chambers, Great Alpine Road, Bright on **6 August 2019** and commenced at **7:00pm**.

## **PRESENT**

### **COUNCILLORS**

Cr Ron Janas - Mayor

Cr Sarah Nicholas - Deputy Mayor

Cr Kitty Knappstein - Councillor

Cr Daryl Pearce - Councillor

Cr Tony Keeble – Councillor

Cr Peter Roper - Councillor

Cr John Forsyth - Councillor

### **OFFICERS**

Mr Charlie Bird - Chief Executive Officer

Ms Nathalie Cooke - Director Corporate

Mr William Jeremy - Director Assets



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## **1 RECORDING AND LIVESTREAMING OF COUNCIL MEETINGS**

*The CEO read the following statement:*

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

Video is focused on a specific area however audio from the entire room is captured.

By speaking during question time, or at any time during the meeting, you consent to your voice and any comments you make being recorded.

In common with all narrative during council meetings verbal responses to congratulations, obituaries and question time will not be recorded in the written minutes.

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 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 CONFIRMATION OF MINUTES**

### **3.1 ORDINARY COUNCIL MEETING – M7 - 2 JULY 2019**

*Cr Forsyth  
Cr Knappstein*

*That the minutes of Ordinary Council Meeting M7 - held on 2 July 2019 as circulated be confirmed.*

*Carried*

## **4 APOLOGIES**

Nil

## **5 OBITUARIES / CONGRATULATIONS**

Refer to Alpine Shire Council's website [www.alpineshire.vic.gov.au](http://www.alpineshire.vic.gov.au); for its YouTube live-streaming recording for responses to questions.



## **6 DECLARATIONS BY COUNCILLORS OF CONFLICT OF INTEREST**

### Item 8.2.2 Event Funding Program 2019/20

Cr John Forsyth declared a conflict of interest with respect to the following: La Fiera Festival, Myrtleford Bush Market, Myrtleford Show'n'Shine and Swap Meet as he is a Member of the Myrtleford Chamber of Commerce and Rotary Club and was not present for assessment of these applications.

### Item 8.2.3 Community Grants Program 2019/20

Cr Tony Keeble declared a conflict of interest due to his involvement with the Kangaroo Hoppet and it should be noted that Cr Keeble's father is a member of the Mount Beauty Men's Shed and was not present for assessment of these applications.

Cr Ron Janas declared a conflict of interest with his wife's involvement with the Myrtleford and District Landcare Group.

CEO declared a conflict of interest in reference to item 8.3.3. I would like it noted:

That Alpine Shire Council is a part owner of MomentumOne Shared Services, the company that it is recommended the contract be awarded to.

That the Alpine Shire Council CEO (myself) is a Director of the MomentumOne Shared Services company, as nominated by Council, and that this is an unpaid role.

That I have not been involved in the assessment of any tenders that related to this item.

## **7 PUBLIC QUESTIONS**

Questions on Notice will be limited to two questions per person.

Questions on Notice can be written or from the floor.

Refer to Alpine Shire Council's website [www.alpineshire.vic.gov.au](http://www.alpineshire.vic.gov.au) for its YouTube live-streaming recording for responses to questions.



## **8 PRESENTATION OF REPORTS BY OFFICERS**

### **8.1 CHIEF EXECUTIVE OFFICER – CHARLIE BIRD**

#### **8.1.1 New proposed date for September 2019 Ordinary Council Meeting**

File Number: 662.01

##### **INTRODUCTION**

This report seeks Council's approval to reschedule the 3 September 2019 Council meeting to 10 September 2019.

*Cr Pearce*

*Cr Forsyth*

*That:*

- 1. the September Ordinary Council Meeting be held on Tuesday 10 September 2019 in the Council Chambers Bright and not 3 September 2019 as previously endorsed by Council in December 2018;*
- 2. notice of the proposed change to the September 2019 Ordinary Council Meeting schedule be published on Council's website; and*
- 3. notice of the revised date be given at least two weeks prior to the revised date and published on Council's website and in a locally circulating newspaper.*

*Carried*

##### **BACKGROUND**

Section 83 of the *Local Government Act 1989* (the Act) provides for Council to hold 'ordinary meetings at which general business of the Council may be transacted'.

Council historically holds its ordinary meetings on the first Tuesday of the month (except public holidays) commencing at 7pm.

##### **ISSUES**

###### **September Meeting**

Council's Annual Financial Statements must be presented to a Council meeting for in-principle approval prior to being submitted to the Victorian Auditor General's Office. This would ordinarily occur at the Ordinary Council meeting in September, however due to availability of Council's external auditors information will not be available until the week following. By revising the date of the Ordinary Council Meeting this will negate the need to hold a Special Council Meeting solely for the purpose of the Annual Financial Statements.

**POLICY IMPLICATION**

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

- A high performing organisation.

**CONCLUSION**

The revised date for the September Ordinary Council Meeting be approved by Council.

**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.

- Executive Assistant to CEO

**ATTACHMENT(S)**

- Nil



## **8.2 DIRECTOR ASSETS – WILLIAM JEREMY**

### **8.2.1 Cycling Safety Strategy**

#### **INTRODUCTION**

A Cycling Safety Strategy has been developed to identify and prioritise infrastructure improvements and education actions that Council can undertake to improve safety for cyclists in the Alpine Shire.

*Cr Keeble*

*Cr Nicholas*

*That Council:*

- 1. Endorse the Cycling Safety Strategy Report (July 2019); and*
- 2. Add to the project pipeline the infrastructure upgrade projects recommended in the Strategy for delivery by Council.*

*Carried*

#### **BACKGROUND**

Cycle tourism has grown significantly in the past five years and is forecast to more than double in the next seven years.

The growth in all modes of cycling, by both visitors and residents, is resulting in increased friction between vehicles and cyclists competing for space on our road network. There is concern that this competition will result in undesirable impacts to road user safety and enjoyment.

In September 2018, Council received grant funding of \$25,000 from the Traffic Accident Commission (TAC) to develop a Cycling Safety Strategy.

#### **POLICY IMPLICATIONS**

This recommendation is consistent with the following Strategic Objective of the Council Plan 2017-2021:

- Incredible places for our community and visitors.

It is also consistent with the following priority of the Municipal Public Health and Wellbeing Plan:

- Physical activity and healthy eating.

#### **FINANCIAL AND RESOURCE IMPLICATIONS**

Where appropriate, actions from the Strategy will be added to Council's Project Pipeline for future delivery. The prioritisation and funding of projects in the Project Pipeline is subject to the normal annual budgeting process in Council.



## **CONSULTATION**

Key external stakeholders were consulted throughout the development of the strategy including:

- Regional Roads Victoria;
- Victoria Police;
- Local schools;
- State Government Department of Economic Development, Jobs, Transport and Resources (DEDJTR);
- Alpine Cycling Club;
- Team Mount Beauty; and
- Tourism North East.

These organisations have a specific interest in public safety, tourism, cycling, or road infrastructure, and were consulted for their views on how cycling safety can be improved.

## **CONCLUSION**

The Strategy identifies the key cycling safety issues across the Shire. It also provides recommended solutions to the identified safety issues, which will inform future infrastructure works, as well as education campaigns to improve safety for all road users. It is recommended that Council endorse the Cycling Safety Strategy.

## **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 Assets
- Manager Asset Development
- Project Officer

## **ATTACHMENT(S)**

- Cycling Safety Strategy Report



## 8.2.2 Event Funding Program 2019/20

File Number: 1610.26

### INTRODUCTION

This report relates to the allocation of financial sponsorship and the provision of logistics support to events through Councils 2019/20 Event Funding Program.

Cr Nicholas moved to suspend standing orders.

*Cr Pearce*

Cr Forsyth and Cr Keeble left Council Chambers at 7:18p.m.

*Cr Nicholas*

*Cr Pearce*

Cr Nicholas moved to reinstate standing orders.

*Cr Nicholas*

*Cr Knapstein*

*That Council:*

- 1. Allocates financial sponsorship and provides logistics support to events as follows:*

<i>Event Name</i>	<i>Applicant</i>	<i>Sponsorship \$</i>	<i>Logistics \$</i>
<i>1st FAI Continental Paragliding Championships</i>	<i>Victoria Hang Gliding &amp; Paragliding Association</i>	<i>\$2,000</i>	<i>Nil</i>
<i>5Zero</i>	<i>Bright Brewery Australia Pty Ltd</i>	<i>\$1,000</i>	<i>Nil</i>
<i>Alfred 6 Hour</i>	<i>Alpine Cycling Club</i>	<i>Nil</i>	<i>\$500</i>
<i>Alpine Classic</i>	<i>O2 Events Pty Ltd</i>	<i>\$1,500</i>	<i>\$2,500</i>
<i>Australian Paragliding Open and National Championships</i>	<i>North East Victoria Hang Gliding Club</i>	<i>\$2,000</i>	<i>Nil</i>
<i>Barrowthon, The</i>	<i>Beechworth Barrowthon Inc.</i>	<i>\$900</i>	<i>\$100</i>
<i>Bright Autumn Festival</i>	<i>Bright &amp; District Chamber of Commerce</i>	<i>\$5,000</i>	<i>\$1,500</i>
<i>Bright Cabaret &amp; Comedy Festival</i>	<i>FAM Events &amp; Productions &amp; Backpack On Productions</i>	<i>\$1,500</i>	<i>Nil</i>



<i>Event Name</i>	<i>Applicant</i>	<i>Sponsorship \$</i>	<i>Logistics \$</i>
<i>Bright Festival of Photography</i>	<i>Bright Festival of Photography Ltd</i>	<i>\$1,500</i>	<i>Nil</i>
<i>Bright Fun Run</i>	<i>Bright P12 College</i>	<i>\$1,600</i>	<i>\$400</i>
<i>Bright Make it, Bake it, Grow it Market</i>	<i>Bright &amp; District Chamber of Commerce</i>	<i>Nil</i>	<i>\$1,000</i>
<i>Bright Rotary Carols &amp; Music in the Park</i>	<i>Bright Rotary Club</i>	<i>\$1,000</i>	<i>\$200</i>
<i>Bright Rotary Markets</i>	<i>Bright Rotary Club</i>	<i>\$1,800*</i>	<i>\$1,200*</i>
<i>Bright Spring Festival Carnival and Fireworks</i>	<i>Bright &amp; District Chamber of Commerce – Spring Festival Sub-Committee</i>	<i>\$1,500</i>	<i>\$250</i>
<i>Brighter Days Festival</i>	<i>Brighter Days Foundation</i>	<i>Nil</i>	<i>\$15,000</i>
<i>Bright's Iconic Rod Run</i>	<i>Bright Rod &amp; Kustom Club Inc</i>	<i>\$15,000*</i>	<i>\$33,000</i>
<i>Darker Days</i>	<i>Bright Brewery Australia Pty Ltd</i>	<i>Nil</i>	<i>\$250</i>
<i>Dederang Picnic Races</i>	<i>Dederang Picnic Race Club Inc</i>	<i>\$1,500</i>	<i>Nil</i>
<i>e-Bright, e-Bike MTB Festival</i>	<i>All Terrain Cycles</i>	<i>\$1,000</i>	<i>Nil</i>
<i>Gather Festival, The</i>	<i>Champagne Club Kiewa Valley Inc</i>	<i>\$3,000</i>	<i>\$900</i>
<i>Get a Grip of the Grind</i>	<i>Get a Grip of the Grind Pty Ltd</i>	<i>\$1,000</i>	<i>Nil</i>
<i>Harrierville Half</i>	<i>Team Harrierville Half</i>	<i>\$2,000</i>	<i>Nil</i>
<i>High Country Charity Ride</i>	<i>Cycle Plan</i>	<i>\$1,000</i>	<i>Nil</i>
<i>High Country Women's Cycling Festival</i>	<i>High Country Women's Cycling Pty Ltd</i>	<i>\$600</i>	<i>\$900</i>
<i>Kangaroo Hoppet</i>	<i>Kangaroo Hoppet Inc</i>	<i>\$1,000</i>	<i>\$350</i>
<i>LaFiera (Italian Festival Myrtleford)</i>	<i>Myrtleford Chamber of Commerce &amp; Industry</i>	<i>\$2,500</i>	<i>\$2,500</i>
<i>Mount Beauty Music Festival</i>	<i>Mount Beauty Music Festival</i>	<i>\$2,500</i>	<i>\$500</i>
<i>Myrtleford &amp; District Agricultural &amp; Pastoral Society Show</i>	<i>Myrtleford and District Agricultural and Pastoral Society</i>	<i>\$2,000</i>	<i>\$500</i>
<i>Myrtleford 66th</i>	<i>Myrtleford Golden</i>	<i>Nil</i>	<i>\$1,000</i>



<i>Event Name</i>	<i>Applicant</i>	<i>Sponsorship \$</i>	<i>Logistics \$</i>
<i>Golden Spurs Rodeo</i>	<i>Spurs Rodeo Committee Inc</i>		
<i>Myrtleford Bush Market</i>	<i>Myrtleford Chamber of Commerce &amp; Industry</i>	<i>Nil</i>	<i>\$700</i>
<i>Myrtleford Farmers Market</i>	<i>Myrtleford Farmers Market</i>	<i>\$1,000</i>	<i>\$1,100</i>
<i>Myrtleford Festival, The</i>	<i>The Myrtleford Festival Association Inc</i>	<i>\$1,400</i>	<i>\$1,600</i>
<i>Myrtleford Lawn Tennis Club Annual Easter Tournament</i>	<i>Myrtleford Lawn Tennis Club</i>	<i>Nil</i>	<i>\$500</i>
<i>Myrtleford Rotary Annual Show'n'Shine and Swap Meet</i>	<i>Rotary Club of Myrtleford</i>	<i>Nil</i>	<i>\$1,000</i>
<i>New Year's Eve Mount Beauty 2019</i>	<i>Mount Beauty United Cricket Club</i>	<i>\$1,500</i>	<i>\$500</i>
<i>OVCC Championship Conformation Shows</i>	<i>Ovens Valley Canine Club Inc</i>	<i>Nil</i>	<i>\$500</i>
<i>Porepunkah Community Christmas Party</i>	<i>Porepunkah Community Christmas Party Committee</i>	<i>\$1,000</i>	<i>\$200</i>
<i>Ride 4 Ora - A ride against family violence</i>	<i>Ovens Valley Horse Riders Association</i>	<i>\$500</i>	<i>Nil</i>
<i>Team Mount Beauty MTB Events</i>	<i>Team Mount Beauty Inc</i>	<i>\$1,500</i>	<i>\$1,000</i>
<i>Tour of Bright</i>	<i>Alpine Cycling Club</i>	<i>\$1,900</i>	<i>\$1,100</i>
<i>Valley Fire Festival</i>	<i>Champagne Club Kiewa Valley Inc</i>	<i>\$800</i>	<i>\$200</i>
<i>Wandi Cross</i>	<i>Wandi Trail Runners Inc</i>	<i>\$2,000</i>	<i>Nil</i>
<i>Wandiligong Nut Festival</i>	<i>Wandiligong Nut Festival Inc</i>	<i>\$1,500</i>	<i>\$500</i>
<i>Wingjam</i>	<i>Wingvan</i>	<i>\$600</i>	<i>\$400</i>
<b>TOTALS</b>	<b>\$139,950</b>	<b>\$68,100</b>	<b>\$71,850</b>

2. *Notes that the provision of financial support and cash sponsorship for the delivery of the Bright Rotary Markets is contingent on the Twilight Market being held in a location other than the Bright CBD;*
3. *Notes that provision of financial sponsorship for the delivery of Bright's Iconic Rod Run is on the basis that no support will be provided to the Bright Rod & Kustom Club Inc for the hire of a marquee after the 2019 event;*



*4. Notes that the provision of financial support for the Brighter Days Festival is on the basis that the event is held in Pioneer Park; and*

*5. Provides feedback to applicants on their funding applications.*

*Carried*

## **BACKGROUND**

Alpine Shire Council's 2019/20 Event Funding Program was open for applications between 29 May and 21 June 2019. Forty nine (49) applications were received, with a cumulative request of \$375,265 in financial sponsorship.

Council Officers carried out preliminary scoring of each application against the following criteria as detailed in the Event Funding Program Guidelines:

- Community impact and benefit;
- Expected economic and tourism benefits;
- Event profile;
- Capacity and capability of the event organiser to develop and deliver the event; and
- General criteria, including: long term sustainability of the event; operational detail of the event (including marketing); social justice principles; capacity to build relationships; location and fit of the event within the community; long term legacy creation; links to state/regional and local event strategies/plans.

Guided by the preliminary scoring, the applications were then reviewed by an assessment panel comprising:

- One member of the Bright and District Chamber of Commerce;
- One member of the Upper Kiewa Valley Community Association;
- One member of the Myrtleford Chamber of Commerce;
- A youth representative from Bright;
- Two Councillors (Cr Forsyth and Cr Knappstein);
- Council's Director Assets; and
- Council's Manager Economic and Community Development and Events Development Officers were also present to support the assessment panel.

The assessment panel has recommended that 44 applicants receive support through the Event Funding Program, totalling \$68,100 in financial sponsorship and an estimated value of \$71,850 in logistics support.



## ISSUES

Five applications have not been recommended for funding through the Events Funding Program, for the reasons outlined below.

Event Name	Applicant	Requested \$
Bright Oktoberfest	Gilandos T/A Bright Oktoberfest	\$4,000
<i>This event has been running for 10 years and has been financially supported by Council for the past three years. It is run for profit and should now be financially sustainable. The assessment panel agreed that financial support from Council is no longer appropriate.</i>		
Midwinter Snowball	Champagne Club Kiewa Valley Inc	\$1,500
<i>This event is now out of the seed funding period (first three years of event) and has not shown adequate growth/innovation to justify continued financial support from Council.</i>		
Second Chance Deb Ball	Champagne Club Kiewa Valley Inc	\$500
<i>The assessment panel agreed that based on the event plan this event would be better suited as a private social event and as such financial support from Council would not be appropriate. Other community funding sources or corporate sponsorship may be more fitting.</i>		
Summer Festival	Mount Beauty Neighbourhood Centre	\$1,950
<i>The application did not provide adequate information about the event to properly assess it against all criteria. From what was provided, the assessment panel agreed that the activities proposed were an extension of the core business practices of the Neighbourhood Centre rather than a standalone event.</i>		
Transmoto 8-Hour Wangaratta	Three Crowns Media Group Pty Ltd	\$5,000
<i>This event is not taking place within the Alpine Shire and was deemed ineligible.</i>		

## POLICY IMPLICATIONS

The recommendations in this report are aligned with the following Strategic Objective of the Council Plan 2017-2021:

- A thriving and connected community.

## FINANCIAL AND RESOURCE IMPLICATIONS

Council's 2019/20 budget includes provision of \$200,000 to support the delivery of events, comprising expenditure of \$250,000 offset by income of \$50,000 from Sports and Recreation Victoria for the Mountain Bike Australia (MTBA) National Championships event.

Outside of the Event Funding Program, Council has committed to providing \$40,000 of financial sponsorship to the 2019 Spartan Trifecta Event and \$20,000 of financial sponsorship to the 2020 Mountain Bike Australia (MTBA) National Championships.

The available budget to allocate to events through the Event Funding Program is therefore \$140,000, and the recommended allocation of \$139,950 for sponsorship and logistics support is within the available budget.



## **CONSULTATION**

The Event Funding Program was advertised in the local media, on Council's website and Facebook page, and details were emailed directly to all existing event organisers. Event organisers were engaged by Council's events team through the application period.

An assessment panel including two Councillors and four representatives from across the Shire assessed the applications received under the Event Funding Program, and provided the recommendations contained in the report.

## **CONCLUSION**

Events are important to the Alpine Shire, providing economic injection and cultural enrichment.

The recommendations put forward by the funding assessment panel support events that align with the regional brand, encourage repeat visitation, contribute to the events calendar, have a positive economic impact for the community and may be sustainable over a long period of time.

The recommendation aligns with the event funding criteria.

## **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 Assets
- Manager Economic and Community Development
- Development Officer (Event Development)
- Development Officers (Event Operations)

The following Declarations of Conflict of Interest were made by assessment panel members. Panel members removed themselves from assessment of the relevant event funding applications and any panel discussions relevant to the applications.

Member of the Bright and District Chamber of Commerce: 5Zero, Bright Autumn Festival, Bright Make It, Bake It, Grow It markets, Bright Spring Festival, Darker Days, Wandiligong Nut Festival.



Member of the Upper Kiewa Valley Community Association: Gather Festival, Midwinter Snowball, Second Chance Deb Ball, Summer Festival, Valley Fire Festival

Cr John Forsyth: La Fiera, Myrtleford Bush Market, Myrtleford Show'n'Shine and Swap Meet

Member of the Myrtleford Chamber of Commerce: La Fiera, Myrtleford Bush Market, Myrtleford Farmers Market

Director Assets: Aust. Paragliding Open and National Championships

**ATTACHMENT(S)**

- Nil

Cr Forsyth re-entered Council Chambers at 7:21p.m.



### 8.2.3 Community Grants Program 2019/20

File Number: 1780.00

#### **INTRODUCTION**

This report relates to the allocation of funding through Council's 2019/20 Community Grants Program.

*Cr Nicholas*

*Cr Pearce*

Cr Nicholas moved to suspend standing orders.

Cr Janas left the Council Chambers at 7:22p.m.

*Cr Roper*

*Cr Forsyth*

Cr Roper moved to reinstate standing orders.

*Cr Roper*

*Cr Knappstein*

*To elect Cr Sarah Nicholas as Chair for 8.2.3 Community Grants Program 2019/20.*

*Carried*



*Cr Roper*  
*Cr Forsyth*

*That Council:*

*1. Allocate funding as follows:*

<i>Applicant</i>	<i>Project</i>	<i>Amount Requested</i>	<i>Amount Recommended</i>	<i>Total Project Cost</i>
<i>1st Myrtleford Scout Group</i>	<i>Safety Equipment</i>	<i>\$1,587</i>	<i>\$750</i>	<i>\$2,117</i>
<i>Alpine Little Athletics Centre</i>	<i>Hurdle Trolley</i>	<i>\$1,057</i>	<i>\$1,057</i>	<i>\$1,409</i>
<i>Alpine Regional Horsemen's Association</i>	<i>Arena Extension</i>	<i>\$9,303</i>	<i>\$5,877</i>	<i>\$12,253</i>
<i>Boomerang Bags Bright &amp; Townships</i>	<i>Wrap, Reuse, Maintain &amp; Extend Workshops</i>	<i>\$1,741</i>	<i>\$1,741</i>	<i>\$4,461</i>
<i>Bright &amp; District Chamber of Commerce</i>	<i>Storage container for Christmas Tree</i>	<i>\$1,500</i>	<i>\$1,500</i>	<i>\$2,800</i>
<i>Bright Courthouse Committee of Management</i>	<i>Government Hills Arts Precinct - Branding and Signage</i>	<i>\$7,060</i>	<i>\$4,605</i>	<i>\$9,602</i>
<i>Bright Croquet Club Inc.</i>	<i>Storage Shed for Greenkeeper Equipment</i>	<i>\$2,100</i>	<i>\$1,050</i>	<i>\$2,800</i>
<i>Bright United Men's Shed</i>	<i>Astronomy Trailer Shelter</i>	<i>\$3,100</i>	<i>\$1,000</i>	<i>\$4,400</i>
<i>Gapsted CFA</i>	<i>Training Trailer</i>	<i>\$4,406</i>	<i>\$4,406</i>	<i>\$5,906</i>
<i>Harrietville Bush Kinder</i>	<i>Indoors, Outdoors and Beyond</i>	<i>\$3,288</i>	<i>\$1,644</i>	<i>\$4,343</i>
<i>Kiewa Valley Historical Society</i>	<i>Improvements to Exhibition Interpretation and Signage Equipment</i>	<i>\$1,717</i>	<i>\$1,100</i>	<i>\$2,337</i>
<i>Mount Beauty &amp; District Men's Shed</i>	<i>Purchase of a 15 inch Heavy-Duty Portable Thicknesser</i>	<i>\$2,000</i>	<i>\$2,000</i>	<i>\$3,084</i>



<i>Mount Beauty Dragon Boat Club</i>	<i>Gazebo for Club Events</i>	<i>\$1,042</i>	<i>\$1,042</i>	<i>\$1,402</i>
<i>Mount Beauty Dragon Boat Club</i>	<i>Concept 2 Rower</i>	<i>\$1,485</i>	<i>\$1,485</i>	<i>\$2,020</i>
<i>Mount Beauty Golf Club Inc</i>	<i>Women and Junior Participation in Golf Workshops</i>	<i>\$3,520</i>	<i>\$1,000</i>	<i>\$5,800</i>
<i>Mount Beauty Neighbourhood Centre</i>	<i>Painting for a cause</i>	<i>\$9,100</i>	<i>\$3,000</i>	<i>\$17,500</i>
<i>Mount Beauty Playgroup</i>	<i>Dramatic and collaborative play equipment improvement</i>	<i>\$1,550</i>	<i>\$1,550</i>	<i>\$2,067</i>
<i>Mudgegonga Hall Committee</i>	<i>Hall Insulation and Guttering Project</i>	<i>\$2,000</i>	<i>\$2,000</i>	<i>\$3,047</i>
<i>Myrtleford &amp; District Landcare &amp; Sustainability Group</i>	<i>Say NO to bottled water, tap it instead and enjoy the best: NE Victorian water</i>	<i>\$4,205</i>	<i>\$2,103</i>	<i>\$5,845</i>
<i>Myrtleford Cemetery Trust</i>	<i>Drive &amp; Path way extension</i>	<i>\$9,075</i>	<i>\$3,000</i>	<i>\$12,500</i>
<i>Myrtleford Community Garden</i>	<i>Install large water tank</i>	<i>\$2,045</i>	<i>\$1,045</i>	<i>\$3,050</i>
<i>Myrtleford Table Tennis Association Inc</i>	<i>Purchase safety barriers</i>	<i>\$600</i>	<i>\$600</i>	<i>\$800</i>
<i>Porepunkah Panthers Baseball Club</i>	<i>Baseball Equipment</i>	<i>\$190</i>	<i>\$190</i>	<i>\$190</i>
<i>Sustainable Upper Ovens</i>	<i>Event Waste Management Toolkit</i>	<i>\$5,000</i>	<i>\$2,500</i>	<i>\$10,000</i>
<i>Team Mount Beauty</i>	<i>Junior Ride Program - Ride Leader Packs</i>	<i>\$1,266</i>	<i>\$1,266</i>	<i>\$1,766</i>
<i>Totals</i>		<i>\$79,937</i>	<i>\$47,511</i>	<i>\$121,499</i>



2. *Allocates \$500 to support community groups wishing to apply for small grants to run Clean Up Australia Day events in March 2020. This program will be open for applications in January 2020;*
3. *Provides delegation to the Chief Executive Officer to distribute residual or unspent funds;*
4. *Provides feedback and assistance to unsuccessful applicants in highlighting other potential funding opportunities that may be available for their projects; and*
5. *Allocates funding of \$5,000 to each of the Mount Beauty, Myrtleford and Bright communities for the purpose of supporting community-led Christmas decoration initiatives from the 2019/20 Community Grants Budget.*

*Carried*

## **BACKGROUND**

Council's Community Grants Program is a long established funding program assisting community groups and organisations to deliver community focussed projects, programs and initiatives.

The 2019/20 Community Grants Program was open for applications between 29 May and 21 June 2019. 45 eligible applications were received, with a cumulative request of \$191,811 in funding. Two ineligible applications were received: (1) Falls Creek Tennis and Social Club (project located outside of Alpine Shire); and (2) O2 events (application received through Alpine Shire Council Event Funding program).

The applications were reviewed by an assessment panel comprising:

- One member of the Mudgegonga Community;
- One member of the Myrtleford Chamber of Commerce;
- One member of the Bright and District Chamber of Commerce;
- One youth representative from Mount Beauty;
- Director Assets, Will Jeremy;
- Two Councillors (Cr Forsyth and Cr Knapstein).

The nominated representative of the Mount Beauty community withdrew from the assessment process due to ill health.

Council's Manager Economic and Community Development and Community Development Officer were also present to support the assessment panel.

Applications were assessed against the following criteria:

- The degree of benefit to the community;
- The contribution and support from the community toward the project;
- The degree to which projects can be maintained and are sustainable;
- The impact on environmental, economic, social, built, recreational and wellbeing criteria; and
- The geographical spread of funding allocation across the Shire.



The assessment panel has recommended that 25 applicants receive funding, with 12 to receive the full amount of funding requested and 13 to receive funding at a reduced level.

A further amount of \$500 is recommended to be allocated to support community groups wishing to apply for small grants to run Clean Up Australia Day events held in March 2020.

Bright Community Bank Branch – Bendigo Bank has agreed to contribute \$23,451 towards specific projects submitted as part of the Alpine Shire Council Community Grants Program as follows:

<i>Name of Applicant</i>	<i>Project Title</i>	<i>Bright Community Bank</i>
<i>Alpine Cycling Club</i>	<i>MTB Loop Extension Mystic Park</i>	<i>\$2,500</i>
<i>Bright Community Garden</i>	<i>Bright Community Garden, All Ability Raised Wicking Garden Beds</i>	<i>\$3,935</i>
<i>Bright Croquet Club Inc.</i>	<i>Storage Shed for Greenkeeper Equipment</i>	<i>\$1,050</i>
<i>Myrtleford Community Garden</i>	<i>Install large water tank</i>	<i>\$1,000</i>
<i>Happy Valley Hall Committee</i>	<i>Something for the Young Ones</i>	<i>\$2,485</i>
<i>*Bright &amp; District Pony Club</i>	<i>BPC &amp; AARC Clubrooms Improvement Project</i>	<i>\$3,230</i>
<i>Myrtleford &amp; District Landcare &amp; Sustainability</i>	<i>Say NO to bottled water, tap it instead and enjoy the best: NE</i>	<i>\$2,102</i>
<i>Ovens Valley United Cricket Club</i>	<i>Pitch mower upgrade</i>	<i>\$1,400</i>
<i>Harrietville Bush Kinder</i>	<i>Indoors, Outdoors and Beyond</i>	<i>\$1,644</i>
<i>Bright and District Chamber of Commerce</i>	<i>Bright Co working Phase 2 Fitout</i>	<i>\$1,605</i>
<i>Sustainable Upper Ovens</i>	<i>Event Waste Management Toolkit</i>	<i>\$2,500</i>
<b><i>Total</i></b>		<b><i>\$23,451</i></b>

*\*Funding for this project is subject to further information/funding commitment of Bright and District Pony Club.*



## ISSUES

20 applications have not been recommended for funding through the Community Grants Program, for the reasons outlined below:

<i>Applicant</i>	<i>Project</i>	<i>Amount Requested</i>
*Alpine Cycling Club	MTB Loop Extension Mystic Park	\$6,000
<i>The club has been granted funds for a number of projects through previous rounds of Councils community grant program.</i>		
*Bright & District Pony Club	BPC & AARC Clubrooms Improvement Project	\$12,923
<i>Potential for this to be part of a larger future upgrade project, to make the facility available to a broader range or community user groups.</i>		
*Bright and District Chamber of Commerce	Bright Co working Phase 2 Fitout - Access, Health & Safety	\$1,605
<i>This project is being fully funded by Bright Community Bank.</i>		
*Bright Community Garden	Bright Community Garden, All Ability Raised Wicking Garden Beds	\$7,870
<i>Bright Community Bank contributing to 1/2 cost of this project, recommend applicant to consider using locally produced garden beds using recycled materials.</i>		
Bright Gymnastics	Cooling System for Bright Community Stadium	\$7,431
<i>The stadium is not currently insulated; recommend that applicant seek support of other user groups to insulate the stadium prior to installing cooling system.</i>		
Community Christmas Lights	Light Up Bright	\$19,000
<i>Council will allocate funds to the Mount Beauty, Myrtleford and Bright communities outside of the Community Grants Funding Program.</i>		
*Happy Valley Hall Committee	Something for the Young Ones	\$4,970
<i>Part funded by Bright Community Bank.</i>		
Harrietville Community Forum	Harrietville information Board	\$3,861
<i>Panel recommends this project be held off until the Shared Use Trail from Harrietville to Bright is completed; in the meantime, Council will advocate to VicRoads for 'site of interest' signage to be installed at the intersection directing people to Harrietville.</i>		



<i><b>Applicant</b></i>	<i><b>Project</b></i>	<i><b>Amount Requested</b></i>
Mount Beauty Dragon Boat Club	Chinese New Year Celebrations	\$620
<i>The benefit to the boarder community was not demonstrated with this project; two other applications for this applicant have been approved.</i>		
Mount Beauty Half Marathon Committee	Mount Beauty Half Marathon	\$4,060
<i>This project has not demonstrated that it is sustainable.</i>		
Mount Beauty Music Festival	Celebration Children's Week	\$1,100
<i>Alpine Shire Council currently runs Children's Week celebrations in Bright, Mount Beauty and Myrtleford. This project would duplicate existing events.</i>		
Mount Beauty Tennis Club Inc.	Update signage	\$600
<i>Council made a significant capital investment into the Tennis Club during the previous financial year.</i>		
Myrtleford Agricultural & Pastoral Society Inc.	Resurface floor in AW Richardson Pavilion	\$12,660
<i>As this is noted in the application as a public safety issue, it is recommended that the applicant explore funding through DELWP's 'public safety on public lands' fund - Council will advocate on behalf of the applicant for this funding.</i>		
Myrtleford Speedway Club Inc.	Safety upgrading and general refurbishment of Myrtleford Speedway	\$14,415
<i>As this is noted in the application as a public safety issue, it is recommended that the applicant explore funding through DELWP's 'public safety on public lands' fund - Council will advocate on behalf of the applicant for this funding.</i>		
Myrtleford Whorouly Uniting Church	Lap Top Computer	\$1,850
<i>The cash noted as being available to contribute to the project appears sufficient to purchase a lap top computer with a specification capable of supporting the uses which are proposed.</i>		
*Ovens Valley United Cricket Club	Pitch mower upgrade	\$1,400
<i>This project is being fully funded by Bright Community Bank.</i>		
Team Mount Beauty	She Rides Junior Mountain Bike Ride Days	\$2,820
<i>Club needs to look at how they deliver this project to achieve an event that requires less financial input.</i>		
Upper Kiewa Valley Community Association Inc.	Interpretive Signage for West Kiewa/Pebble Beach Track and Embankment Drive	\$4,669
<i>Recommend deferring until the extension of the Pebble Beach Track has been completed. The proposed content of the signs was unclear from the application, and would benefit from clarification in any future application.</i>		



<i>Applicant</i>	<i>Project</i>	<i>Amount Requested</i>
Upper Kiewa Valley Regional Arts Inc	Performance - Wolfgang's Magical Musical Circus	\$3,570
<i>This is a one off project and has not demonstrated sustainability.</i>		
Upper Ovens Valley Landcare Group	Platypus signage	\$2,250
<i>This project is part of a larger project being undertaken by Council, if as a result of the outcomes of this project signage is required, Council will cover the cost of this.</i>		

### **POLICY IMPLICATIONS**

The recommendations in this report are consistent with the following Strategic Objective of the Council Plan 2017-2021:

- A thriving and connected community.

### **FINANCIAL AND RESOURCE IMPLICATIONS**

Council's 2019/20 budget includes provision of \$80,000 to support community projects through the Community Grants Program.

The recommended allocation of \$47,511 through community grants and \$500 for the Clean-Up Australia initiative fits within the allocated budget.

Any unspent grants may be considered for distribution to other community initiatives, programs or projects arising throughout the financial year.

In addition, it is proposed that Council allocate \$5,000 to each of the Mount Beauty, Myrtleford and Bright communities (a total commitment of \$15,000 from the 2019/20 Community Grants Budget) to support community led Christmas decoration initiatives.

### **CONSULTATION**

The Community Grants Program was advertised through local media, on Council's website and Facebook page and emailed directly to community groups. An assessment panel including two Councillors and representatives from across the Shire assessed the grant funding applications, and provided the recommendations contained within this report.

### **CONCLUSION**

The recommendations put forward by the assessment panel support community participation, contribute to the building of healthy and strong communities and represent a diversity of projects from across the Shire.



### **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 Assets
- Manager Economic and Community Development
- Community Development Officer

During the assessment panel review the following officers / members declared conflicts of interest:

Panel members removed themselves from the assessment of relevant Community Grant funding applications and any panel discussions relevant to the applications.

- Director Assets declared a conflict of interest with relation to the Bright Courthouse Committee of Management and Upper Kiewa Valley Community Association.
- Manager Economic and Community Development declared a conflict of interest in relation to the Alpine Cycling Club application.
- Community Development Officer declared a conflict of interest in relation to the application from Alpine Cycling Club; and
- Member of the Bright and District Chamber of Commerce declared a conflict of interest in relation to the following applications: (a) Storage Container for the Christmas tree; (b) Bright Co working Phase 2 Fitout – Access Health & Safety and (c) Light Up Bright.

### **ATTACHMENT(S)**

- Nil

Cr Janas and Cr Keeble re-entered Council Chambers at 7.28p.m.

Cr Janas resumed his position as Chair.



## 8.2.4 Tourism North East Memorandum of Understanding

File Number: 1615.18

### INTRODUCTION

The purpose of this report is to provide background information and to seek Council endorsement for the signing of the Memorandum of Understanding (MoU) with Tourism North East for 1 July 2020- 30 June 2023.

*Cr Nicholas*

*Cr Pearce*

*That the:*

- 1. Memorandum of Understanding (MoU) between Alpine Shire Council, partnering councils and Resort Management Boards to facilitate the operations of Tourism North East be endorsed by Council;*
- 2. Chief Executive Officer be authorised to sign the MoU;*
- 3. Financial commitment detailed in the MoU of \$38,500 per annum with CPI increases in years two and three be allocated in Council's future budgets for its annual membership contribution; and*
- 4. Financial commitment for annual marketing and promotions activity to be undertaken by Tourism North East be allocated in Council's future budgets, for the term of the MoU, with annual expenditure of up to \$200,000.*

*Carried*

### BACKGROUND

Memorandum of Understanding:

In 2011, Tourism North East (TNE) was established to replace the former marketing campaign committee called North East Victoria Tourism Inc. to drive the growth and development of the tourism industry across North East Victoria. The partnering councils and Resort Management Boards formalised the arrangements in a Memorandum of Understanding (MoU) that was signed by all partner Chief Executive Officers (CEOs). The MoU has been in existence since, providing a commitment of recurrent funding to underwrite the core functions of the organisation.

Since its inception, TNE has delivered significant results across a broad range of focus areas and successfully attracted additional financial resources from State and Federal Government as well as substantial 'buy in' from tourism industry operators.

TNE has a focus on the following activities:

- Industry development
- Product development
- Regional marketing
- Strong advocacy and a united voice for the region



- Effective coordination and communication
- Skills training
- Leadership and mentoring
- Networking

TNE has a skilled workforce with specialist skills around marketing, project management, communication and digital marketing which has resulted in ongoing high value outputs and a very engaged tourism industry.

TNE governance is managed through a Board structure, meeting quarterly and composed of stakeholder representatives (CEOs) from the nine participating councils and Resort Management Boards as well as skills-based directors. Parks Victoria has a representative on the Board in a non-voting capacity. The Board has an independent Chairperson.

As a result of the quality of work and the broad range of focus areas of TNE, Alpine Shire Council has been able to achieve efficiency and broad reach in the delivery of destination marketing for the Alpine Shire. The partnership between TNE and Alpine Shire Council continues to strengthen and the Shire's industry operators view TNE as a genuine partner in developing and growing the tourism industry.

TNE is regarded as the leading Regional Tourism Board in Victoria. Its success is evidenced by the significant growth and visitation expenditure \$336m in 2018, up 29% and 27% respectively on the previous two years.

The MoU is a succinct document that defines the roles and responsibilities of both TNE and the partner stakeholders.

#### Annual Marketing and Promotions Plan:

Annually, TNE delivers a number of marketing activities and campaigns on behalf of the participating councils and Resort Management Boards, including the management and hosting of the regional digital platforms and linked websites. There are five websites for Alpine Shire hosted on the regional digital platform. Annually, TNE prepares in consultation with Council Officers a costed schedule of promotional activity, industry development opportunities, and product development projects that it will undertake throughout the financial year that addresses promoting the key product pillars for the region. Costs associated with the regional digital platform sites are incorporated into the annual plan.

#### **ISSUES**

The strength and success of TNE is as a result of the commitment from each of the partner stakeholders. Resourcing of the core functions of TNE is shared equally with the participating stakeholders. Through its commitment to TNE, a small organisation such as the Alpine Shire Council is able to benefit from leveraging off a significantly larger pool of resources and experience than it would be able to support in-house.

This MoU is a continuation of the commitment from all partner stakeholders and is a three year commitment effective from 1 July 2020. This term provides an adequate period of time for TNE to focus on the delivery of a range of multi-year initiatives and to build confidence with State and Federal Governments as TNE regularly takes on



the project management function for regionally significant projects that are funded through State and Federal programs. Buy-in activity is for one year only and is reviewed annually through the budgeting process.

The annual marketing and promotional plan is prepared by TNE in consultation with Council and costs for delivery are incorporated into preparation of Council's annual budget.

### **Annual Review**

The Board of TNE undertakes annual reviews of the organisation including the performance of the Board, the strategic direction of the organisation and the performance of the CEO and staff.

### **Board Directorship**

The CEO is Council's nominated Director on the TNE Board, this director role is unpaid.

### **POLICY IMPLICATIONS**

The recommendations in this report are consistent with the following Strategic Objective of the Council Plan 2017-2021:

- A thriving and connected community.

### **FINANCIAL AND RESOURCE IMPLICATIONS**

The MoU will commit Council to three years of core funding of \$38,500 per annum with CPI increases in years two and three. The annual marketing and promotions activity plan costs of up to \$200,000 will be incorporated into Council's annual budget with an offset (of approximately \$25,000) by fees paid by tourism operators when listing their product on the regional digital platform websites.

### **CONSULTATION**

Consultation with council and tourism industry operators and tourism partner organisations is an ongoing process. TNE has significantly improved the level of integration with industry, council and other stakeholders since the organisations inception.

**CONCLUSION**

Council's involvement in TNE since its inception has been of great benefit to the Shire and the tourism industry. It is recommended that this commitment be continued for another three years.

**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 Assets
- Manager Economic and Community Development

**ATTACHMENT(S)**

- Nil



## 8.3 DIRECTOR CORPORATE – NATHALIE COOKE

### 8.3.1 Insurance Portfolio 2019/20

File Number: SU0655

#### INTRODUCTION

This report outlines Council's insurance portfolio for 2019/20 and seeks Council approval for the purchase of the recommended insurance policies.

*Cr Keeble*

*Cr Roper*

*That Council:*

1. *Procure its 2019/20 WorkCover insurance from Xchanging to the maximum value of \$183,000 including GST; and*
2. *Procure its 2019/20 Community Public Liability, Councillors and Officers Liability, Motor Vehicle, Airport Owners and Operators Liability, Personal Accident, Corporate Travel, JMAPP (Assets) insurance and brokerage service from Jardine Lloyd Thompson Pty Ltd to the total value of \$252,032.82 including GST.*

*Carried*

#### REPORT

##### WorkCover Insurance

WorkCover insurance is regulated under the *Workplace Injury Rehabilitation and Compensation Act 2013*.

The Act requires:

- Council to register with WorkSafe as an employer;
- WorkSafe to provide Council with statutory insurance to cover Council for the cost of workplace injuries suffered by its workers;
- Council to pay the WorkCover insurance premium (s430)

WorkSafe appoints a panel of agents to provide its WorkCover insurance through a tender process and then allocates Council to an agent from the panel.

Council's WorkCover registration is allocated to Xchanging Integrated Services Victoria Pty Ltd.

The primary factors taken into account in the calculation of Council's WorkCover insurance premium are:

- Remuneration - the wages, salaries, superannuation and other benefits Council pays its workers.
- Industry classification rate - the claims experience for local government and other Council activities.



- Performance rating - Council's claims cost experience for the previous three years compared to the industry average.

Council's 2019/20 WorkCover insurance premium taking into account various adjustments and a 5% early payment option is \$173,825.36 including GST.

### **Other classes of Insurance**

Jardine Lloyd Thompson Pty Ltd (JLT) has been Council's insurance broker since the inception of the Council and provide continuity of a quality service. Council's brokerage service was last market tested prior to 2017/18 financial year.

JLT, on behalf of Council, undertake market testing of all insurance policies generally on a three year rolling basis.

#### Asset Insurance

JLT also administer the Victorian councils owned mutual, Municipal Asset Protection Plan Discretionary Trust Arrangement, otherwise known as JMAPP. JMAPP is essentially a fund for property damage claims combining conventional property damage/business interruption insurance with a discretionary trust element that enables the trustees to make discretionary payments that would not have been otherwise covered under traditional insurance policies.

In anticipation of the premium for the JMAPP policy exceeding \$150,000 in 2019/20, Council appointed JLT to undertake a public tender for this class of insurance in conformity with Section 186 of the *Local Government Act 1986*.

In addition to advertising the tender, all major insurers for each class of insurance were contacted to submit a tender to ensure the most competitive terms and conditions were achieved. Two insurers responded to the initial expression of interest and were able to comply with the conditions however only one tender was submitted.

#### Procurement policy and cumulative spend

JLT source a total of seven insurance policies on behalf of Council and while the policies are placed with various underwriters, JLT invoice Council for each policy with a cumulative spend in excess of \$250,000 requiring Council approval as it is above the \$150,000 threshold in Council's Procurement Policy and the *Local Government Act 1986*.

The recommended insurers and premiums, including GST, for 2019/20 are:

<b>Class of Insurance</b>	<b>Insurer</b>	<b>Premium</b>
Community Public Liability	QBE Insurance (Aust) Ltd (through Key Underwriting)	\$2,699.26
Councillors and Officers Liability	XL Insurance Company	\$11,067.77
Motor Vehicle	AAI Ltd T/As Vero Insurance	\$58,038.78
Airport Owners and Operators Liability	QBE Aviation	\$3,961.63
Personal Accident	Chubb Insurance Australia Ltd (through Key Underwriting)	\$1,462.87



<b>Class of Insurance</b>	<b>Insurer</b>	<b>Premium</b>
Corporate Travel	Chubb Insurance Australia Ltd (through Key Underwriting)	\$149.60
JMAPP (Assets)	Municipal Asset Protection Plan Discretionary Trust Arrangement	\$151,897.18
Broker Fee	JLT	\$22,755.70
<b>Total Cost</b>		<b>\$252,032.82</b>

### **POLICY IMPLICATIONS**

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

- A responsible and sustainable organisation.

### **FINANCIAL AND RESOURCE IMPLICATIONS**

Council has allocated funds in its 2019/20 budget to cover its insurance premiums.

### **CONCLUSION**

It is recommended that Council place its 2019/20 WorkCover Insurance with Xchanging and a suite of other insurances including motor vehicle and asset insurance through JLT.

### **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
- Health Safety Risk Officer

### **ATTACHMENT(S)**

- Nil



### 8.3.2 Community Satisfaction Survey 2019

File Number: 800.03

#### **INTRODUCTION**

The annual Community Satisfaction Survey coordinated by Local Government Victoria provides a benchmark for the majority of Councils across Victoria. Alpine Shire Council's 2019 overall performance survey results are slightly lower than 2018 survey results. Customer Service remains Council's highest performing area.

*Cr Roper*

*Cr Nicholas*

*That Council note Alpine Shire Council's results for the 2019 Community Satisfaction Survey.*

*Carried*

#### **BACKGROUND**

The annual Community Satisfaction Survey is coordinated by Local Government Victoria (LGV). While each Council has the ability to 'opt in' to the survey, the introduction of the Local Government Performance Reporting Framework (LGPRF) from 1 July 2014 has tied three of the results in the framework to questions within the Community Satisfaction Survey. The survey consists of a group of 'core' questions that are asked by every council that participates, plus a suite of 'optional' questions. Council elected to ask only the core questions, providing a basis to both provide good comparative data across councils, and also satisfy the needs of the LGPRF.

The survey (conducted by JWS Research on behalf of LGV) consists of a phone interview with 400 residents - survey sampling was matched to the demographic profile of the Alpine Shire according to the most recently available Australian Bureau of Statistics population estimates. Up to 40% of the surveys were undertaken on mobile phone numbers. Surveys were conducted during February and March 2019.

In 2019, 63 of the 79 councils across Victoria participated in the survey. Of these, 18 were in the "Small Rural Councils" grouping, to which Alpine Shire Council is allocated. Results for the survey are shown relative to the Small Rural Councils grouping and the wider State-wide results in 2019 and against Council's own result in 2018.

Results are summarised through an 'Index Score' which is a weighted average of how many respondents responded against each possible survey response to each question, including 'very good', 'good', 'average', 'poor' and 'very poor'. Survey responses of 'can't say' were excluded from the Index Score. A higher index score indicates a more positive weighted response.

**RESULTS**

Performance Measures –

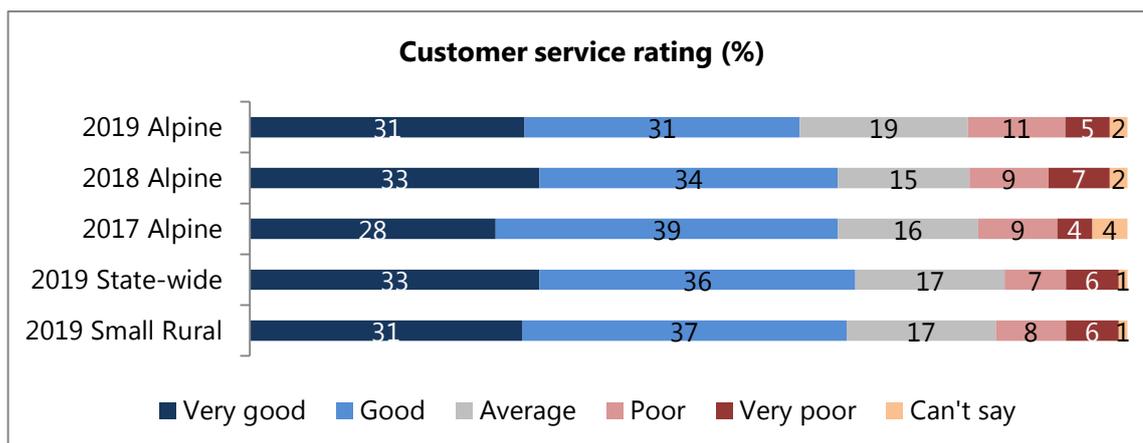
<b>Index Scores</b>	<b>Alpine 2019</b>	<b>Alpine 2018</b>	<b>Alpine 2017</b>	<b>Small Rural 2019</b>	<b>State- wide 2019</b>
<b>OVERALL PERFORMANCE</b>	<b>60</b>	62	61	58	60
<b>COMMUNITY CONSULTATION</b> (Community consultation and engagement)	<b>56<sup>^</sup></b>	62	56	56	56
<b>ADVOCACY</b> (Lobbying on behalf of the community)	<b>56</b>	57	56	55	54
<b>MAKING COMMUNITY DECISIONS</b> (Decisions made in the interest of the community)	<b>59+*</b>	60	57	55	55
<b>SEALED LOCAL ROADS</b> (Condition of sealed local roads)	<b>64+*#</b>	60	57	53	56
<b>CUSTOMER SERVICE</b>	<b>69</b>	70	71	70	71
<b>% respondents having contact with Council</b>	<b>59%</b>	63%	56%	64%	62%
<b>OVERALL COUNCIL DIRECTION</b>	<b>54<sup>^</sup></b>	59	58	53	53

+ Alpine's result is significantly higher than State-wide Average

\* Alpine's result is significantly higher than Small Rural Average

# Alpine's 2019 result is significantly higher than Alpine's 2018 result

<sup>^</sup>Alpine's 2019 result is significantly lower than Alpine's 2018 result



## RESULTS

- Council performs as well or significantly higher than the State-wide and Small Rural council averages on all service areas.
- The two areas showing decline on 2018 figures are Overall Council Direction, and Community Consultation - although the Community Consultation result has returned to the same level as in 2017. In both cases, Alpine's 2019 result is in line with both State-wide and Small Rural Council results.
- Making Community Decisions and Sealed Local Roads continue to be areas where Alpine performs well above the State-wide and Small Rural Council results.
- The report recommends a focus on service areas where current performance levels have seen declines in the past year, namely Community Consultation.

### Customer Service

- Respondents that had contact with Council in 2019 fell slightly compared to 2018. Contact includes: in person, in writing, by telephone conversation, by text message, by email or via Council's website or social media such as Facebook.
- 62% of residents rate Alpine's customer service as 'very good' or 'good', compared to 68% for Small Rural Councils and 69% State-wide.
- 19% rate Alpine's customer service as average, compared to 17% for both Small Rural Councils and State-wide.

### Full report

- Council's full report and more in-depth analysis of results can be found in Attachment 8.3.2. State-wide comparative results can be found at: <https://www.localgovernment.vic.gov.au/our-programs/council-community-satisfaction-survey>

## POLICY IMPLICATIONS

While undertaking the Community Satisfaction Survey is not mandatory, the linkage between results for "Community Consultation", "Making Community Decisions" and "Sealed Local Roads" with the Local Government Performance Reporting Framework (LGPRF) has meant that undertaking it not only gives Council an insight as to how the



community thinks it is performing, but means that Council is able to meet its annual reporting requirements.

### **FINANCIAL AND RESOURCE IMPLICATIONS**

The annual cost to Council for the 'core' questions in the Community Satisfaction Survey was \$8,700 including GST. This is a slight increase compared to the previous year.

### **CONSULTATION**

400 residents were surveyed by JWS Research (on behalf of Local Government Victoria and Alpine Shire Council) to gather the data for this survey. All interviews were conducted by phone.

### **CONCLUSION**

Council performs as well or significantly higher than the State-wide and Small Rural council averages on all service areas. Council's performance has declined slightly compared to the previous year, but in some cases the decline is a return to similar trends from 2017.

### **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
- Governance Officer

### **ATTACHMENT(S)**

- 8.2.3- 2019 Community Satisfaction Survey results - Alpine Shire Council
- State-wide results for 2019 Community Satisfaction Survey results are available at: <https://www.localgovernment.vic.gov.au/our-programs/council-community-satisfaction-survey>



### **8.3.3 Provision of Labour Hire and Accompanying Technology Solutions for Council's Seasonal Outdoor Swimming Pools and River Pools**

File Number: CT19043

#### **INTRODUCTION**

This purpose of this report is to award a three year contract for the provision of labour hire services for seasonal swimming pools and river pools. Council's approval is required due to the Chief Executive Officer's threshold of \$150,000 being exceeded for this contract.

*Cr Forsyth*

*Cr Keeble*

*That Council Award Contract No. CT19043 to MomentumOne Shared Services Pty Ltd for the provision of labour hire and accompanying technology solutions for an initial period of three (3) years (plus and option of one further term of 3 years) according to a comprehensive schedule of rates. The cost of contract for the first year (based upon current planned pool seasons and operating hours) is estimated to be \$179,000 (plus GST).*

*Carried*

#### **BACKGROUND**

In September 2016 Council awarded a contract for the provision of labour hire and accompanying technology solutions for employee classifications associated with aquatic and recreational facilities and cleaning. This contract ends in September 2019.

The Bright Sports Centre (including the Bright Indoor Pool) is operated under direct Council management and an assessment of management options had also been planned to be undertaken within the 2018/19.

In May 2019, Council entered into a joint tender with Indigo Shire Council for the Provision of Pool Management Services. The purpose of the tender was to explore market options for the management of Council's seasonal swimming pools and the Bright Sports Centre. The tender called for proposals for either management models or labour hire solutions as separable parts, and separate parts for the seasonal swimming pools and Bright Sports Centre.

The tender also enabled Indigo Shire Council and Alpine Shire Council to make separate determinations as to which, if any, of the tendered options to recommend.

The tender submission closing date was 4 June 2019, with three tender submissions received. The three tender submissions were for the management of Council's seasonal pools and Bright Sports Centre; management of the Bright Sports Centre only; and for the provision of labour hire and accompanying technology solutions for the seasonal pools and Bright Sports Centre.



## **EVALUATION**

Submissions were evaluated according to the key selection criteria listed in the Invitation to Tender, these being:

- Price
- Qualifications and previous performance
- Safety
- Alignment to Council values, policies and strategies
- Program, operating systems management
- Ability to recruit, retain and manage staff

Following an assessment process it has been determined that the tender from MomentumOne Shared Services Pty Ltd best met the selection criteria for the tender for Council's Seasonal Pools.

## **ISSUES**

### **Submissions**

The submissions were very different in nature. The submission proposing a management model for all sites proposed that the full responsibility for day to day management of the facilities would be the responsibility of the tenderer. The tenderer would pay all operating costs (including staff costs), other than agreed capital works or major repairs/maintenance, and recover these costs from Council, and charge Council an additional management fee.

The Labour Hire Model proposed the provision of staff and technology for the operation of the facilities under Council management. Council would pay all operating costs and labour hire costs as charged by the tenderer.

The Bright Sports Centre only submission proposed that the full responsibility for the day to day management of the centre would be the responsibility of the tenderer. They would pay all costs associated with the operation of the centre (including staff costs), other than agreed capital works and major repairs/maintenance, and Council would pay a set annual management fee.

### **Probity**

To address the following issues:

- MomentumOne is a joint venture between Alpine Shire Council and Towong Shire Council
- Alpine and Towong Shire Councils are 50/50 shareholders in MomentumOne
- The Chief Executive Officers (CEOs) of Alpine and Towong Shire Councils are the Directors of MomentumOne

Council excluded the CEO from all stages of development of tender documents and the subsequent review, evaluation and recommendations resulting from the tender. Council's Audit Committee Chairperson was an independent member of the tender evaluation panel.



The Alpine Shire Council CEO is the nominated Director / Council Representative on the MomentumOne Board, this director role is unpaid.

### **Evaluation**

The evaluation included a reference comparison based upon Council operating the facilities under its direct management and staffing. In evaluation the labour hire model offered the most cost effective model and scored highest in the weighted evaluation for the operation of Councils seasonal pools.

At this stage Council has not finalised its evaluation of the submissions for the Bright Sports Centre though the contract proposed with MomentumOne would provide for provision of labour for the pool component of this facility if required.

### **POLICY IMPLICATIONS**

The Tender was advertised and evaluated in accordance with Council's Procurement Policy.

This recommendation is consistent with the following Strategic Objective of the Council Plan 2017-2021:

- Highly utilised and well managed community facilities.

### **FINANCIAL AND RESOURCE IMPLICATIONS**

Services under this contract are estimated to cost in excess of \$179,000 (plus GST) per annum with the exact contract amount varying due to actual staff hours engaged throughout the outdoor pool season. This estimate is based upon total billed staff hours for the 2018/19 season at the quoted schedule of rates submitted in the tender from MomentumOne Shared Services Pty Ltd.

The financial impact of awarding this contract is to maintain service provision at current levels but adjusted to cater for future movements in CPI. The budget for 2019/2020 has been prepared on the basis of these services being provided and will be adjusted annually in accordance with the relevant clause in the contract.

### **CONSULTATION**

All tenders were reviewed and discussed with the submitting tenderers including detailed discussions regarding the management model submitted. Though the tender was run as a joint tender with Indigo Shire Council each Council has conducted its own assessment and the recommended contract would be between Alpine Shire Council and MomentumOne Shared Services Pty Ltd.

### **CONCLUSION**

Following a comprehensive assessment the tender from MomentumOne Shared Services is deemed to present the best value and services for Council in delivering its seasonal pool services.



**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 Facilities

**ATTACHMENT(S)**

- Nil



## 9 ASSEMBLY OF COUNCILLORS

### INTRODUCTION

Section 80A of the *Local Government Act 1989* requires a written record of Assemblies of Councillors to be reported at an ordinary meeting of the Council and to be incorporated in the minutes of the Council meeting.

*Cr Pearce*

*Cr Nicholas*

*That the summary of the Assemblies of Councillor for June / July 2019 be received.*

*Carried*

### BACKGROUND

The written records of the assemblies held during the previous month are summarised below. Detailed assembly records can be found in Attachment 9.0 to this report.

<b>Date</b>	<b>Meeting</b>
25 June	Briefing Session
2 July	Briefing Session
23 July	Briefing Session

### ATTACHMENT(S)

- 9.0 Assemblies of Councillors – June / July 2019



## **10 GENERAL BUSINESS**

Refer to Alpine Shire Council's website [www.alpineshire.vic.gov.au](http://www.alpineshire.vic.gov.au); for its YouTube live-streaming recording for responses to questions.

## **11 MOTIONS FOR WHICH NOTICE HAS PREVIOUSLY BEEN GIVEN**

Refer to Alpine Shire Council's website [www.alpineshire.vic.gov.au](http://www.alpineshire.vic.gov.au); for its YouTube live-streaming recording for responses to questions.

## **12 RECEPTION AND READING OF PETITIONS**

Refer to Alpine Shire Council's website [www.alpineshire.vic.gov.au](http://www.alpineshire.vic.gov.au); for its YouTube live-streaming recording for responses to questions.



**13 DOCUMENTS FOR SEALING**

*Cr Forsyth*

*Cr Pearce*

*That the following documents be signed and sealed.*

**1. Section 173 Agreement – Maureen Veronica Finch**

*Lot 1 on Lodged Plan 125201 Volume 9379 Folio 796.*

*Condition 10 of Planning Permit 2018.112.1 for Four Lot Subdivision at 25A Hawthorn Lane, Bright. The Agreement provides for Bushfire Protection Measures and a minimum garden area requirement.*

**2. Section 173 Agreement – Sharon Marie Kneale**

*Lot 1 on Plan of Subdivision 538215D. Volume 12004 Folio 836.*

*Conditions 12 and 32 of Planning Permit 2017.144.1 for a three lot subdivision at 60 Coronation Avenue, Bright. The Agreement provides for garden size area requirement and covers the adjoining forest plantation for dust, truck movements and loss of visual amenity. The Agreement also provides for Bushfire Management Plan requirements.*

*Carried*

There being no further business the Chairperson declared the meeting closed at 7:53p.m

.....

Chairperson



**ANNUAL FINANCIAL REPORT**  
**For the year ended 30 June 2019**

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## Certification of the Financial Report

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

**Victoria Schmidt**  
**PRINCIPAL ACCOUNTING OFFICER**

Date:

In our opinion, the accompanying financial statements present fairly the financial transactions of Alpine Shire Council for the year ended 30 June 2019 and the financial position of the Council as at that date.

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

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

**COUNCILLOR**

Date:

**COUNCILLOR**

Date:

**Charlie Bird**  
**CHIEF EXECUTIVE OFFICER**

Date:

## **Victorian Auditor-General's Office Report**

## Comprehensive Income Statement

For the year ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
<b>Income</b>			
Rates and charges	3.1	17,949	17,772
Statutory fees and fines	3.2	579	654
User fees	3.3	1,127	1,621
Grants - operating	3.4	5,403	5,114
Grants - capital	3.4	3,904	3,885
Contributions - monetary	3.5	1,002	647
Contributions - non monetary	3.5	582	553
Other income	3.6	1,036	1,217
<b>Total income</b>		<b>31,582</b>	<b>31,463</b>
<b>Expenses</b>			
Employee costs	4.1	(7,417)	(7,485)
Materials and services	4.2	(12,218)	(10,511)
Depreciation	4.3	(4,405)	(4,621)
Bad and doubtful debts	4.4	(6)	-
Other expenses	4.5	(760)	(667)
Landfill rehabilitation expense	5.4	(959)	41
Assets written-off / impaired	6.2	(89)	(371)
Net loss on disposal of property, infrastructure, plant and equipment	6.2	(3,339)	(808)
Share of net profits/(losses) of associates	6.3	-	22
<b>Total expenses</b>		<b>(29,193)</b>	<b>(24,400)</b>
<b>Surplus for the year</b>		<b>2,389</b>	<b>7,063</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to surplus or deficit in future periods</b>			
Net asset revaluation (decrement)/increment	9.1	3,433	(1,261)
<b>Total comprehensive result</b>		<b>5,822</b>	<b>5,802</b>

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

## Balance Sheet

As at 30 June 2019

	Note	2019 \$'000	2018 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5.1	1,699	1,585
Other financial assets	5.1	15,000	14,500
Trade and other receivables	5.1	2,328	2,011
Inventories	5.2	64	54
Other assets	5.2	227	282
Non-current assets classified as held for sale	6.1	515	591
<b>Total current assets</b>		<b>19,833</b>	<b>19,023</b>
<b>Non-current assets</b>			
Inventories	5.2	105	117
Property, infrastructure, plant and equipment	6.2	219,043	211,939
Investments in associates	6.3	57	57
Investment property	6.4	3,260	3,260
<b>Total non-current assets</b>		<b>222,465</b>	<b>215,373</b>
<b>Total assets</b>		<b>242,298</b>	<b>234,396</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	5.3	2,871	1,839
Trust funds and deposits	5.3	471	366
Provisions	5.4	2,307	2,225
Income received in advance	5.4	36	70
<b>Total current liabilities</b>		<b>5,685</b>	<b>4,500</b>
<b>Non-current liabilities</b>			
Provisions	5.4	3,842	3,053
Income received in advance	5.4	494	388
<b>Total non-current liabilities</b>		<b>4,336</b>	<b>3,441</b>
<b>Total liabilities</b>		<b>10,021</b>	<b>7,941</b>
<b>Net assets</b>		<b>232,277</b>	<b>226,455</b>
<b>Equity</b>			
Accumulated surplus		108,101	107,255
Reserves	9.1	124,176	119,200
<b>Total equity</b>		<b>232,277</b>	<b>226,455</b>

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

## Statement of Changes in Equity

For the year ended 30 June 2019

		Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
<b>2019</b>					
Balance at the beginning of the financial year		226,455	107,255	117,242	1,958
Surplus for the year		2,389	2,389	-	-
Net asset revaluation increment	6.2	3,433	-	3,433	-
Transfers to other reserves	9.1	-	(1,868)	-	1,868
Transfers from other reserves	9.1	-	325	-	(325)
<b>Balance at the end of the financial year</b>		<b>232,277</b>	<b>108,101</b>	<b>120,675</b>	<b>3,501</b>

		Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
<b>2018</b>					
Balance at the beginning of the financial year		220,653	99,585	118,503	2,565
Surplus for the year		7,063	7,063	-	-
Net asset revaluation decrement	6.2	(1,261)	-	(1,261)	-
Transfers to other reserves	9.1	-	(17)	-	17
Transfers from other reserves	8.1	-	624	-	(624)
<b>Balance at the end of the financial year</b>		<b>226,455</b>	<b>107,255</b>	<b>117,242</b>	<b>1,958</b>

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

The prior period adjustment is as a result a change in accounting policy at the request of the Department of Environment, Land, Water and Planning of for all land under roads to be recognised at fair value.

## Statement of Cash Flows

For the year ended 30 June 2019

	Notes	2019 Inflows/ (Outflows) \$'000	2018 Inflows/ (Outflows) \$'000
<b>Cash flows from operating activities</b>			
Rates and charges		18,043	17,531
Statutory fees and fines		579	654
User fees		1,161	1,658
Grants - operating		5,403	5,134
Grants - capital		3,641	3,374
Contributions - monetary		1,090	609
Interest received		387	291
Rent received		589	519
Trust funds and deposits taken		2,982	2,910
Other receipts		319	-
Net GST refund		1,772	1,609
Materials and services		(13,214)	(12,589)
Employee costs		(7,453)	(7,530)
Trust funds and deposits repaid		(2,867)	(3,098)
Other payments		(831)	(667)
<b>Net cash provided by operating activities</b>	9	<b>11,601</b>	<b>10,405</b>
<b>Cash flows from investing activities</b>			
Payments for investments		(500)	(4,493)
Payments for property, infrastructure, plant and equipment		(11,096)	(6,958)
Proceeds from sale of property, infrastructure, plant and equipment	4.6	109	103
<b>Net cash used in investing activities</b>		<b>(11,487)</b>	<b>(11,348)</b>
Net decrease in cash and cash equivalents		114	(943)
Cash and cash equivalents at the beginning of the financial year		1,585	2,528
<b>Cash and cash equivalents at the end of the financial year</b>	5.1	<b>1,699</b>	<b>1,585</b>
Financing arrangements	5.5		
Restrictions on cash assets	5.1		

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

## Statement of Capital Works

For the year ended 30 June 2019

Note	2019 \$'000	2018 \$'000
<b>Property</b>		
Buildings	5,083	1,344
<b>Total property</b>	<b>5,083</b>	<b>1,344</b>
<b>Plant and equipment</b>		
Plant, machinery and equipment	678	1,080
Fixtures, fittings and furniture	85	75
Computers and telecommunications	39	124
Library Books	70	73
<b>Total plant and equipment</b>	<b>872</b>	<b>1,352</b>
<b>Infrastructure</b>		
Roads	2,582	2,372
Bridges	371	554
Footpaths and cycleways	1,468	774
Drainage	349	410
Recreational, leisure and community facilities	78	837
Parks, open space and streetscapes	211	756
Waste	82	62
<b>Total infrastructure</b>	<b>5,141</b>	<b>5,765</b>
<b>Total capital works expenditure</b>	<b>11,096</b>	<b>8,461</b>
<b>Represented by:</b>		
New asset expenditure	353	613
Asset renewal expenditure	4,064	3,400
Asset upgrade expenditure	6,679	4,448
<b>Total capital works expenditure</b>	<b>11,096</b>	<b>8,461</b>

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

# Notes to the Financial Statements

For the year ended 30 June 2019

## Overview

### Introduction

The Alpine Shire Council (Council) was established by an Order of the Governor in Council on 18 November 1994 and is a body corporate. The Council's main office is located at 2 Churchill Avenue, Bright Victoria 3741.

### Statement of compliance

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

### Significant accounting policies

#### Basis of accounting

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 5.2);
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 5.2);
- the determination of employee provisions (refer to Note 4.5);
- the determination of landfill provisions (refer to Note 4.5).

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

## Notes to the Financial Statements

For the year ended 30 June 2019

### Note 1: Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2014* require explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or \$100,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures detailed below are those adopted by Council on 27 June 2017. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council set guidelines and parameters for income and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

#### 1.1 Income and expenditure

	Budget 2019 \$'000	Actual 2019 \$'000	Variance 2019 \$'000	Variance 2019 %	Ref
<b>Income</b>					
Rates and charges	18,050	17,949	(101)	(1)	1
Statutory fees and fines	571	579	8	1	
User fees	1,043	1,127	84	8	
Grants - Operating	3,074	5,403	2,329	76	2
Grants - Capital	3,475	3,904	429	12	3
Contributions - monetary	772	1,002	230	30	4
Contributions - non monetary	205	582	377	184	5
Other income	852	1,036	184	22	6
<b>Total income</b>	<b>28,042</b>	<b>31,582</b>	<b>3,540</b>	<b>8</b>	
<b>Expenses</b>					
Employee costs	(8,151)	(7,417)	734	(9)	7
Materials and services	(10,390)	(12,218)	(1,828)	18	8
Depreciation	(4,719)	(4,405)	314	(7)	9
Landfill rehabilitation expense	(185)	(959)	(774)	418	10
Other expenses	(754)	(760)	(6)	1	
Share of net profits of associates	-	-	-		
Net loss on disposal of property, infrastructure, plant and equipment	(100)	(3,339)	(3,239)	3,239	11
<b>Total expenses</b>	<b>(24,299)</b>	<b>(29,193)</b>	<b>(4,894)</b>	<b>5</b>	
<b>Surplus for the year</b>	<b>3,743</b>	<b>2,389</b>	<b>(1,354)</b>		

# Notes to the Financial Statements

For the year ended 30 June 2019

## 1.1 Income and expenditure (continued)

Ref	Item	Explanation
1	Rates and charges	Rates and charges were \$0.1m unfavourable to budget due to an unexpected 25% discount applicable to AGL Rates In Lieu for FY17/18 and FY18/19 \$0.25m this reduction was partially offset by supplementary development in the Shire.
2	Grants – Operating	Operating grants were \$2.3m favourable to budget primarily due to early receipt of half (\$1.9m) of the 2019/20 Victorian Grants Commission grant. Also additional rates valuation grants were received relating to the centralisation of valuations and 17/18 valuations.
3	Grants - Capital	Capital grants were \$0.4m favourable to budget primarily due to the receipt of fixing country roads grant of \$0.8m. This was partially offset by a grant for \$0.5m for the Alpine Better Places Myrtle Street project which had been budgeted for 2018/19 but which was received late in 2017/18.
4	Contributions - monetary	Monetary contributions were \$0.2m favourable to budget primarily due to higher than expected developer contributions.
5	Contributions - non monetary	Non-monetary contributions were \$0.2m favourable to budget due to higher than expected development activity in the Alpine Shire.
6	Other Income	Other income was \$0.2m favourable to budget due to higher than expected interest earned on investments as a result of higher than budgeted cash balance.
7	Employee costs	Employee costs were lower than budgeted by \$0.7m due to the ongoing impact of vacant positions, the majority of which are now filled.
8	Materials and services	Materials and services were \$1.8m higher than budgeted. Influencing this result was \$2.3m of project expenditure identified as operating expenditure, and expensed to materials and services instead of capitalised, including: <ol style="list-style-type: none"> <li>Storm damage - \$0.3m of works to restore damaged assets</li> <li>Alpine Better Places Myrtleford - \$1.0m of works that related to outdoor furniture and landscaping, which are not capitalised under Council's capitalisation policy</li> <li>Alpine events Park - \$0.3m of works that related to outdoor furniture and landscaping and demolition works, which are not capitalised under Council's capitalisation policy.</li> <li>Myrtleford Library Upgrade and McNamara Reserve Netball and Tennis Facilities- \$0.2m of works that related to outdoor furniture and landscaping, which are not capitalised under Council's capitalisation policy.</li> </ol>
9	Depreciation	Depreciation was \$0.3m favourable to budget.
10	Landfill rehabilitation expense	Landfill rehabilitation expense was \$0.8m unfavourable to budget due to an expected increase in the costs for rehabilitation and monitoring of Porepunkah and Myrtleford landfill sites as well as changes to assumptions to inflation and discount factors.

# Notes to the Financial Statements

For the year ended 30 June 2019

## 1.1 Income and expenditure (continued)

Ref	Item	Explanation
11	Net loss on disposal of property, infrastructure, plant and equipment	A loss on disposal of \$3.2 in assets was recognised following a detailed review of the valuation for open spaces and waste assets as well as write off of assets that were demolished prior to their renewal.

# Notes to the Financial Statements

For the year ended 30 June 2019

## 1.2 Capital works

	Budget 2019 \$'000	Actual 2019 \$'000	Variance 2019 \$'000	Variance 2019 %	Ref
<b>Property</b>					
Buildings	4,679	5,083	404	9	1
<b>Total buildings</b>	<b>4,679</b>	<b>5,083</b>	<b>404</b>	<b>9</b>	
<b>Total property</b>	<b>4,679</b>	<b>5,083</b>	<b>404</b>	<b>9</b>	
<b>Plant and equipment</b>					
Plant, machinery and equipment	731	678	(53)	(7)	
Fixtures, fittings and furniture	105	85	(20)	(19)	
Computers and telecommunications	-	39	39	-	
Library Books	76	70	(6)	(8)	
<b>Total plant and equipment</b>	<b>912</b>	<b>872</b>	<b>(40)</b>	<b>(4)</b>	
<b>Infrastructure</b>					
Roads	3,877	2,582	(1,295)	(33)	2
Bridges	457	371	(86)	(19)	
Footpaths and cycleways	590	1,468	878	149	3
Drainage	210	349	139	66	4
Recreational, leisure and community facilities	533	78	(455)	(85)	5
Parks, open space and streetscapes	172	211	39	23	
Waste management	-	82	82	-	
<b>Total infrastructure</b>	<b>5,839</b>	<b>5,141</b>	<b>(698)</b>	<b>(12)</b>	
<b>Total capital works expenditure</b>	<b>11,430</b>	<b>11,096</b>	<b>(334)</b>	<b>(3)</b>	
<b>Represented by:</b>					
New asset expenditure	70	353	283	404	
Asset renewal expenditure	4,996	4,064	(932)	(19)	
Asset upgrade expenditure	6,364	6,679	315	5	
<b>Total capital works expenditure</b>	<b>11,430</b>	<b>11,096</b>	<b>334</b>	<b>3</b>	

Expenditure on uncompleted works has been included in their asset classification refer Note 5.2 Summary of work in progress - additions.

# Notes to the Financial Statements

For the year ended 30 June 2019

## 1.2: Capital works (continued)

Ref	Item	Explanation
1	Buildings	<p>Capital works pertaining to buildings was \$0.4m higher than budgeted due to \$0.5m of the Alpine Better Places Myrtleford Stage 2 project being spent on Building works which was classified as 'Roads' in the budget for the purpose of the Financial Statements. Also the Alpine Event Centre building works were \$0.3m over budget.</p> <p>This was partially offset by the Myrtleford Indoor Sports Stadium Expansion works being under budget \$0.3m for this financial year as works are not completed.</p>
2	Roads	<p>Capital works pertaining to roads were \$1.3m less than budgeted. This was primarily due to most of the Alpine Better Places Myrtle Street project expenditure being reclassified from Roads to</p> <ol style="list-style-type: none"> <li>Operating expenditure \$1.0m as it was not capitalised under Council's capitalisation policy.</li> <li>Buildings, Footpaths and cycleways, and other assets \$1.2m</li> </ol> <p>This was partially offset by additional road works being under taken for road reconstruction and station street upgrade \$1.0m as additional grant funding for these projects was obtained.</p>
3	Footpaths and cycleways	<p>Capital works pertaining to footpaths and cycleways was \$0.8m over budget due to:</p> <ol style="list-style-type: none"> <li>\$0.6m of the budget for Alpine Better Places Myrtle Street being reclassified from 'roads' to 'footpaths and cycleways', and</li> <li>\$0.2m of additional works for Station Street Upgrade undertaken as additional grant funding for this project was obtained.</li> </ol>
4	Drainage	<p>Capital works pertaining to Drainage was \$0.14m over budget due to:</p> <ol style="list-style-type: none"> <li>\$0.07m of the budget for Alpine Better Places Myrtle Street being reclassified from 'roads' to 'Drainages', and</li> <li>\$0.06m of additional works for Station Street Upgrade undertaken as additional grant funding for this project was obtained.</li> </ol>
5	Recreational, leisure and community facilities	<p>Capital works pertaining to recreational, leisure and community facilities was \$0.5 favourable to budget due to</p> <ol style="list-style-type: none"> <li>\$0.3m budgeted Mount Beauty Pool Upgrade project being reclassified as 'Buildings'.</li> <li>\$0.2m budgeted Dinner Plain Mountain Bike Trails project being reclassified as 'Footpaths and Cycleways'</li> </ol>

# Notes to the Financial Statements

For the year ended 30 June 2019

## 2.1 Analysis of Council results by program

Analysis of Council results by program

Summary of revenues, expenses, assets and capital expenses by program

	Income	Expenses	Surplus/(Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2019</b>					
Asset Development	4,087	2,175	1,912	4,062	-
Asset Maintenance	760	10,508	- 9,748	108	221,431
Corporate Services	20,058	2,043	18,015	4,152	20,746
Councillors and Executive	29	7,935	- 7,906	3	57
Economic and Community Development	1,068	1,726	- 658	958	-
Facilities	4,581	4,618	- 37	19	64
Planning Services	494	106	388	-	-
Building and Amenity	505	82	423	5	-
	<b>31,582</b>	<b>29,193</b>	<b>2,389</b>	<b>9,307</b>	<b>242,298</b>

	Income	Expenses	Surplus/(Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2018</b>					
Asset Development	4,421	1,040	3,381	4,421	-
Asset Maintenance	769	8,601	- 7,832	110	214,452
Corporate Services	19,759	1,797	17,962	3,814	19,832
Councillors and Executive	10	8,056	- 8,046	10	57
Economic and Community Development	597	1,233	- 636	585	-
Facilities	5,033	3,502	1,531	44	55
Planning Services	340	119	221	-	-
Building and Amenity	534	52	482	15	-
	<b>31,463</b>	<b>24,400</b>	<b>7,063</b>	<b>8,999</b>	<b>234,396</b>

# Notes to the Financial Statements

For the year ended 30 June 2019

## 2.1 Analysis of Council results by program (continued)

### Asset Development

This area delivers the critical projects to renew and upgrade our community assets, and to develop new assets.

### Asset Maintenance

Asset Maintenance is responsible for maintaining existing infrastructure across a very diverse range of assets that underpin the wellbeing of the community. The functions include engineering services, open spaces, local roads and bridges, emergency management and municipal resources.

### Corporate Services

Corporate manages the supporting functions to help Council to deliver services in an efficient, effective and safe manner. This includes financial control and planning, revenue collection, information technology, customer service, governance, and risk management.

### Councillors and Executive

Includes all human resources support, marketing and communications activities, and advocacy activities. This area also includes remuneration for the Council workforce, the Mayor and the Councillors.

### Economic and Community Development

Economic and Community Development supports a thriving, connected community and encouraging enterprise, events and tourism.

### Facilities

Facilities operate Council facilities and services for the community. These include waste facilities, swimming pools, community centres, recreation facilities and visitor information centres.

### Planning Services

The planning services area includes the assessment of developments and planning strategy.

### Building and Amenity

Building and Amenity area includes building regulation, environmental health and local laws.

# Notes to the Financial Statements

For the year ended 30 June 2019

## Note 3: Funding for the delivery of our services

### 3.1 Rates and charges

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
General rates	14,056	13,547
Waste charges	3,160	3,203
Dinner Plain special rate	172	294
Supplementary rates and rate adjustments	196	120
Interest on rates and charges	88	84
Revenue in lieu of rates	277	524
<b>Total rates and charges</b>	<b>17,949</b>	<b>17,772</b>

Council uses capital improved value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is the total market value of the land plus buildings and other improvements.

The valuation base used to calculate general rates for 2018/2019 was \$3,199 million (\$2,726 million in 2017/2018). The 2018/2019 rate in the dollar was 0.004424 for residential, 0.003230 for farm and 0.006326 for commercial/industrial (2017/18 0.4994 for residential, 0.0033646 for farm and 0.007141 for commercial/industrial).

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

Annual rates and charges are recognised as revenues when Council issues annual rates notices.

Supplementary rates are recognised when a valuation and reassessment is completed and a supplementary rates notice issued.

### 3.2 Statutory fees and fines

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Town planning fees	279	322
Health services	132	137
Permits	124	133
Infringements and costs	29	29
Land information certificates	14	19
Election Fines	1	14
<b>Total statutory fees and fines</b>	<b>579</b>	<b>654</b>

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

# Notes to the Financial Statements

For the year ended 30 June 2019

## 3.3 User fees

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Building services	244	249
Waste management services	375	400
Engineering works	20	57
Leisure centre and recreation	209	211
Community centres	26	32
Legal costs recovered	32	19
Caravan park	-	439
Visitor information centres	209	202
Library income	8	10
Other fees and charges	4	2
<b>Total user fees</b>	<b>1,127</b>	<b>1,621</b>

User fees are recognised as revenue when the service has been provided or the payment is received, whichever first occurs.

# Notes to the Financial Statements

For the year ended 30 June 2019

## 3.4 Funding from other levels of government

Grants were received in respect of the following:

### Summary of grants

	2019 \$'000	2018 \$'000
Commonwealth funded grants	4,241	6,439
State funded grants	5,066	3,102
<b>Total</b>	<b>9,307</b>	<b>8,999</b>

### (a) Operating recurrent grants

#### Commonwealth Government

Financial assistance grant	3,792	3,730
Fuel rebate	29	26

#### State Government

School crossing supervisors	36	27
Maternal and child health	282	192
Rates administration	184	(89)
Youth services	74	74
Senior citizen centres	45	46
Library services	176	173
Immunisation funding	7	9
Weed management	20	20
Tobacco activity	5	6

<b>Total recurrent operating grants</b>	<b>4,650</b>	<b>4,214</b>
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### Operating non-recurrent grants

#### State Government

Learning and Development	3	10
Municipal emergency resourcing program	60	64
Economic development and tourism	226	120
Cycle Safety Strategy	20	-
Flood/storm incident and recovery	138	535
Community development	324	153
Recycling services	(18)	18

<b>Total non-recurrent operating grants</b>	<b>753</b>	<b>900</b>
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<b>Total operating grants</b>	<b>5,403</b>	<b>5,114</b>
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# Notes to the Financial Statements

For the year ended 30 June 2019

## 3.4 Funding from other levels of government (continued)

	2019 \$'000	2018 \$'000
<b>(b) Capital grants</b>		
<b>Capital recurrent grants</b>		
<i>Commonwealth Government</i>		
Roads to recovery	449	1,059
<b>Total recurrent capital grants</b>	<b>449</b>	<b>1,059</b>
<b>Capital non-recurrent grants</b>		
<i>State Government</i>		
Capital projects		
Roads	1,358	1,333
Bridges	93	-
Recreational, leisure	629	16
Pathways	40	-
Buildings	1,335	1,477
<b>Total non-recurrent capital grants</b>	<b>3,455</b>	<b>2,826</b>
<b>Total capital grants</b>	<b>3,904</b>	<b>3,885</b>
<b>Unspent grants received on condition that they be spent in a specific manner</b>		
Balance at start of year	455	871
Received during the financial year and remained unspent at balance date	520	85
Received in prior years and spent during the financial year	(455)	(501)
<b>Balance at year end</b>	<b>520</b>	<b>455</b>

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

## 3.5 Contributions

	2019 \$'000	2018 \$'000
Monetary	1,002	647
Non-monetary	582	553
<b>Total contributions</b>	<b>1,584</b>	<b>1,200</b>
Contributions of non-monetary assets were received in relation to the following services:		
Land	17	-
Roads	372	393
Other infrastructure	193	160
<b>Total non-monetary contributions</b>	<b>582</b>	<b>553</b>

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

# Notes to the Financial Statements

For the year ended 30 June 2019

## 3.6 Other income

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Insurance claim reimbursement	28	-
Interest on investments	424	315
Rent	584	501
Fair value adjustments for investment property	-	401
<b>Total other income</b>	<b>1,036</b>	<b>1,217</b>

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

# Notes to the Financial Statements

For the year ended 30 June 2019

## Note 4 The cost of delivering services

### 4.1 Employee costs

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>a) Employee costs</b>		
Wages and salaries - permanent	5,416	5,421
Workcover	153	116
Wages and salaries - casual	594	661
Annual leave and long service leave	589	617
Superannuation	645	650
Fringe benefits tax	20	20
<b>Total employee costs</b>	<b>7,417</b>	<b>7,485</b>
<b>b) Superannuation</b>		
Council has made contributions to the following funds:		
<b>Defined benefit fund</b>		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	26	28
<b>Accumulated funds</b>		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	324	346
Employer contributions - other funds	295	276
<b>Total accumulated funds</b>	<b>619</b>	<b>622</b>
Employer contributions payable at reporting date	28	29

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

### 4.2 Materials and services

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Administration	1,753	1,646
Operational	5,882	5,029
Asset maintenance	2,296	2,680
Non recurrent	2,287	1,156
<b>Total materials and services</b>	<b>12,218</b>	<b>10,511</b>

# Notes to the Financial Statements

For the year ended 30 June 2019

## 4.3 Depreciation

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Property	1,220	1,268
Plant and equipment	449	605
Infrastructure	2,736	2,748
<b>Total Depreciation</b>	<b>4,405</b>	<b>4,621</b>

Refer to note 5.2 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.

## 4.4 Bad and doubtful debts

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Other debtors	6	-
<b>Total bad and doubtful debts</b>	<b>6</b>	<b>-</b>

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

## 4.5 Other expenses

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Auditors remuneration - VAGO - audit of financial statements, performance statement and grant acquittals	37	37
Auditors remuneration - Internal	25	3
Councillors allowances	205	207
Council grants and contributions	488	415
Refund of rates	5	5
<b>Total other expenses</b>	<b>760</b>	<b>667</b>

## 4.6 Net loss on disposal of property, infrastructure, plant and equipment

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Proceeds of sale	(109)	(103)
Written down value of assets disposed	3,448	911
<b>Total net loss on disposal of property, infrastructure, plant and equipment</b>	<b>3,339</b>	<b>808</b>

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

# Notes to the Financial Statements

For the year ended 30 June 2019

## Note 5 Our financial position

### 5.1 Financial assets

	2019 \$'000	2018 \$'000
<b>(a) Cash and cash equivalents</b>		
Cash on hand	2	3
Cash at bank	1,697	1,582
<b>Total cash and cash equivalents</b>	<b>1,699</b>	<b>1,585</b>
<b>(b) Other financial assets</b>		
Term deposits	15,000	14,500
<b>Total other financial assets</b>	<b>15,000</b>	<b>14,500</b>
Council's cash and cash equivalents are subject to restrictions that limit amounts available for discretionary use. These include:		
Trust funds and deposits Note 4.3(b)	471	366
<b>Total unrestricted cash, cash equivalents and other financial assets</b>	<b>16,228</b>	<b>15,719</b>
<b>Intended allocations</b>		
Although not externally restricted the following amounts have been allocated for specific future purposes by Council:		
Cash held to fund carried forward capital works	778	660
Current Liabilities	5,685	4,500
Dinner Plain reserve	727	1,025
Landfill rehabilitation reserve	2,597	865
Other reserves	-	27
<b>Total funds subject to intended allocations</b>	<b>9,787</b>	<b>7,077</b>

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

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

	2019 \$'000	2018 \$'000
<b>(c) Trade and other receivables</b>		
<b>Current</b>		
Rates debtors (statutory)	821	915
Other debtors ( non-statutory)	1,193	918
Provision for doubtful debts - other debtors	(13)	(12)
Net GST receivable	327	190
<b>Total current trade and other receivables</b>	<b>2,328</b>	<b>2,011</b>

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

# Notes to the Financial Statements

For the year ended 30 June 2019

## 5.1 Financial assets (continued)

### (d) Ageing of Receivables

At balance date other debtors representing financial assets were past due but not impaired. The ageing of the Council's trade and other receivables (excluding statutory receivables) was:

	2019 \$'000	2018 \$'000
Current (not yet due)	1,107	719
Past due by up to 30 days	47	32
Past due between 31 and 180 days	17	146
Past due between 181 and 365 days	-	-
Past due more than 1 year	22	21
<b>Total trade and other receivables</b>	<b>1,193</b>	<b>918</b>

### (e) Ageing of individually impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of \$12,000 (2017: \$17,000) were impaired. The amount of the provision raised against these debtors was \$12,000 (2017: \$17,000). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

## 5.2 Non-financial assets

	2019 \$'000	2018 \$'000
<b>(a) Inventories</b>		
<b>Current</b>		
Merchandise	64	54
	<b>64</b>	<b>54</b>
<b>Non-current</b>		
Stores and materials	105	117
	<b>105</b>	<b>117</b>
<b>Total inventories</b>	<b>169</b>	<b>171</b>

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

	2019 \$'000	2018 \$'000
<b>(b) Other assets</b>		
Prepayments	105	197
Accrued income	122	85
<b>Total other assets</b>	<b>227</b>	<b>282</b>

# Notes to the Financial Statements

For the year ended 30 June 2019

## 5.3 Payables

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>(a) Trade and other payables</b>		
Trade payables	2,474	1,349
Accrued expenses	388	486
Other creditors	9	4
<b>Total trade and other payables</b>	<b>2,871</b>	<b>1,839</b>
<b>(b) Trust funds and deposits</b>		
Fire services levy	83	98
Retention amounts	236	146
Subdivision works	150	107
Other deposits	2	15
<b>Total trust funds and deposits</b>	<b>471</b>	<b>366</b>

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

### **Purpose and nature of items**

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

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

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

**Subdivision works** - Council receives deposits as a form of surety from property developers until certain works are completed. Once the works are completed the amounts are refunded.

# Notes to the Financial Statements

For the year ended 30 June 2019

## 5.4 Provisions

	<b>Employee provisions \$'000</b>	<b>Landfill restoration \$'000</b>	<b>Total \$'000</b>
<b>2019</b>			
Balance at beginning of the financial year	1,967	3,311	5,278
Additional provisions	760	670	1,430
Amounts used	(858)	(52)	(910)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	62	289	351
<b>Balance at the end of the financial year</b>	<b>1,931</b>	<b>4,218</b>	<b>6,149</b>
<b>2018</b>			
Balance at beginning of the financial year	2,012	3,428	5,440
Additional provisions	617	1	618
Amounts used	(667)	(76)	(743)
Increase/(decrease) in the discounted amount arising because of time and the effect of any change in the discount rate	5	(42)	(37)
<b>Balance at the end of the financial year</b>	<b>1,967</b>	<b>3,311</b>	<b>5,278</b>
		<b>2019 \$'000</b>	<b>2018 \$'000</b>
<b>a) Employee provisions</b>			
<b>Current provisions expected to be wholly settled within 12 months</b>			
Annual leave		583	509
Long service leave		122	160
Other leave		138	55
		<b>843</b>	<b>724</b>
<b>Current provisions expected to be wholly settled after 12 months</b>			
Annual leave		100	233
Long service leave		757	803
		<b>857</b>	<b>1,036</b>
<b>Total current provisions</b>		<b>1,700</b>	<b>1,760</b>
<b>Non-current</b>			
Long service leave		231	207
		<b>231</b>	<b>207</b>
<b>Total aggregate carrying amount of employee provisions</b>		<b>1,931</b>	<b>1,967</b>
		<b>2019</b>	<b>2018</b>
The following assumptions were adopted in measuring the present value of employee benefits:			
Weighted average increase in employee costs		2.80%	3.00%
Weighted average discount rates		1.32%	2.65%
Weighted average settlement period		2 years	2 years

# Notes to the Financial Statements

For the year ended 30 June 2019

## 5.4 Provisions (continued)

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

### Wages and salaries and annual leave

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

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

### Long service leave

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

### b) Landfill restoration

Current

Non-current

#### Total landfill restoration

The following assumptions were adopted in measuring the present value of landfill restoration:

Weighted average increase in restoration costs

Weighted average discount rates

Weighted average settlement period

### (c) Lease income received in advance

This represents income received for the Bright and Myrtleford Caravan Park leases to be recognised over the life of the leases (21 years).

Current

Non-current

#### Total lease income received in advance

### Other income received in advance

Current

#### Total income received in advance

Current

Non-current

#### Total income received in advance

	2019 \$'000	2018 \$'000
Current	607	465
Non-current	3,611	2,846
<b>Total landfill restoration</b>	<b>4,218</b>	<b>3,311</b>
	<b>2019</b>	<b>2018</b>
Weighted average increase in restoration costs	2.48%	2.50%
Weighted average discount rates	1.32%	2.65%
Weighted average settlement period	3 Years	4 years
	<b>2019 \$'000</b>	<b>2018 \$'000</b>
Current	36	30
Non-current	494	388
<b>Total lease income received in advance</b>	<b>530</b>	<b>418</b>
Current	-	40
<b>Total income received in advance</b>		
Current	36	70
Non-current	494	388
<b>Total income received in advance</b>	<b>530</b>	<b>458</b>

Council is obligated to restore former landfill sites at Myrtleford and Porepunkah to a particular standard. The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken, which has been estimated based on current understanding of work required to reinstate the sites to this standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

# Notes to the Financial Statements

For the year ended 30 June 2019

## 5.5 Finance arrangements

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Bank overdraft	250	250
Credit cards	50	50
Bank guarantees	15	15
<b>Total facilities</b>	<b>315</b>	<b>315</b>
Used facilities	65	65
Unused facilities	<b>250</b>	<b>250</b>

# Notes to the Financial Statements

For the year ended 30 June 2019

## 5.6 Commitments

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

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2019</b>					
<b>Operating</b>					
Waste management	1,540	1,518	2,127	777	5,962
Electricity	680	680	-	-	1,360
Dinner Plain Bus	168	42	42	-	252
Cleaning	225	42	11	-	278
Consultancy	81	-	-	-	81
Other	66	-	-	-	66
<b>Total</b>	<b>2,760</b>	<b>2,282</b>	<b>2,180</b>	<b>777</b>	<b>7,999</b>
<b>Capital</b>					
Buildings	494	-	-	-	494
Bridges	106	-	-	-	106
Other	21	-	-	-	21
<b>Total</b>	<b>621</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>621</b>
	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2018</b>					
<b>Operating</b>					
Waste management	1,553	1,332	3,334	777	6,996
Dinner Plain Bus	168	168	42	-	378
Cleaning	225	225	43	-	493
Consultancy	369	-	-	-	369
Other	754	680	680	-	2,114
<b>Total</b>	<b>3,069</b>	<b>2,405</b>	<b>4,099</b>	<b>777</b>	<b>10,350</b>
<b>Capital</b>					
Buildings	315	-	-	-	315
Roads	54	-	-	-	54
Recreational, leisure and community facilities	84	-	-	-	84
Other	60	-	-	-	60
<b>Total</b>	<b>513</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>513</b>

# Notes to the Financial Statements

For the year ended 30 June 2019

## 5.6 Commitments ( continued)

### a) Operating lease commitments

At the reporting date, Council had no obligations under non-cancellable operating leases.

### b) Operating lease receivables

The Council has entered into commercial property leases on some properties, consisting caravan parks, a community centre, fitness centre and a cafe. These properties held under operating leases have remained non-cancellable lease terms between 1 and 20 years. All leases include a CPI based revision of the rental charge annually.

Future minimum rentals receivable under non-cancellable operating leases are as follows:

Not later than one year

Later than one year and not later than five years

Later than five years

### Total operating lease receivables

	<b>2019 \$'000</b>	<b>2018 \$'000</b>
Not later than one year	449	410
Later than one year and not later than five years	1,596	1,284
Later than five years	3,338	2,815
<b>Total operating lease receivables</b>	<b>5,383</b>	<b>4,509</b>

Lease payments for operating leases are required by the accounting standard to be recognised on a straight line basis, rather than expensed in the years in which they are incurred.

# Notes to the Financial Statements

For the year ended 30 June 2019

## Note 6: Assets we manage

### 6.1: Non current assets classified as held for sale

	2019 \$'000	2018 \$'000
Cost of acquisition	515	591
<b>Total non-current assets classified as held for sale</b>	<b>515</b>	<b>591</b>

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

## Notes to the Financial Statements

For the year ended 30 June 2019

### 6.2: Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment	At written down fair value 30 June 2017 \$'000	Acquisitions \$'000	Contributions \$'000	Revaluation \$'000	Depreciation \$'000	Reclassification \$'000	Disposal \$'000	Impairment losses \$'000	Transfers \$'000	At written down fair value 30 June 2018 \$'000
Land	27,634	-	17	4,366	-	-	-	-	-	32,017
Buildings	28,035	2,856	-	(1,024)	(1,220)	(60)	(497)	(60)	2,834	30,864
Plant and equipment	2,883	872	-	91	(449)	-	(34)	-	23	3,386
Infrastructure	150,328	4,898	565	-	(2,736)	(5)	(2,876)	(29)	(36)	150,109
Work in progress	3,059	2,470	-	-	-	-	(41)	-	(2,821)	2,667
<b>Total</b>	<b>211,939</b>	<b>11,096</b>	<b>582</b>	<b>3,433</b>	<b>(4,405)</b>	<b>(65)</b>	<b>(3,448)</b>	<b>(89)</b>	<b>-</b>	<b>219,043</b>

Summary of work in progress	Opening WIP	Additions	Transfers	Write Offs	Closing WIP
Buildings	2,845	2,227	(2,783)	-	2,289
Plant and equipment	23	-	(23)	-	-
Infrastructure	191	243	(15)	(41)	378
<b>Total</b>	<b>3,059</b>	<b>2,470</b>	<b>(2,821)</b>	<b>(41)</b>	<b>2,667</b>

**For the year ended 30 June 2019**

**6.2 Property infrastructure plant and equipment (continued)**

a) Property	Land - specialised \$'000	Land under roads \$'000	Total land \$'000	Buildings - specialised \$'000	Total buildings \$'000	Work in progress \$'000	Total property \$'000
At fair value 1 July 2018	20,632	7,002	27,634	55,920	55,920	2,845	86,399
Accumulated depreciation at 30 June 2018	-	-	-	(27,885)	(27,885)	-	(27,885)
	<b>20,632</b>	<b>7,002</b>	<b>27,634</b>	<b>28,035</b>	<b>28,035</b>	<b>2,845</b>	<b>58,514</b>
<b>Movements in fair value</b>							
Acquisition of assets at fair value	-	-	-	2,856	2,856	2,227	5,083
Contributed assets	-	17	17	-	-	-	17
Revaluation increments/(decrements)	3,792	574	4,366	13,614	13,614	-	17,980
Fair value of assets disposed	-	-	-	(2,020)	(2,020)	-	(2,020)
Transfers	-	-	-	2,837	2,837	(2,783)	54
Assets reclassified as non-current assets held for sale	-	-	-	(164)	(164)	-	(164)
	<b>3,792</b>	<b>591</b>	<b>4,383</b>	<b>17,123</b>	<b>17,123</b>	<b>(556)</b>	<b>20,950</b>
<b>Movements in accumulated depreciation</b>							
Depreciation and amortisation	-	-	-	(1,220)	(1,220)	-	(1,220)
Revaluation increments/(decrements)	-	-	-	(14,638)	(14,638)	-	(14,638)
Accumulated depreciation of disposals	-	-	-	1,523	<b>1,523</b>	-	<b>1,523</b>
Impairment losses recognised in operating result	-	-	-	(60)	(60)	-	(60)
Transfers	-	-	-	(3)	(3)	-	(3)
Assets reclassified as non-current assets held for sale	-	-	-	104	104	-	104
	<b>-</b>	<b>-</b>	<b>-</b>	<b>(14,294)</b>	<b>(14,294)</b>	<b>-</b>	<b>(14,294)</b>
At fair value 30 June 2019	24,424	7,593	32,017	73,043	73,043	2,289	107,349
Accumulated depreciation at 30 June 2019	-	-	-	(42,179)	(42,179)	-	(42,179)
	<b>24,424</b>	<b>7,593</b>	<b>32,017</b>	<b>30,864</b>	<b>30,864</b>	<b>2,289</b>	<b>65,170</b>

A prior period adjustment has been made as a result a change in accounting policy at the request of the Department of Environment, Land, Water and Planning of for all land under roads to be recognised at fair value.

## Notes to the Financial Statements

For the year ended 30 June 2019

### 6.2 Property infrastructure plant and equipment (continued)

	Plant, machinery and equipment	Fixtures, fittings and furniture	Computers and telecomms	Library Books	Work in progress	Total plant and equipment
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>b) Plant and equipment</b>						
At fair value 30 June 2017	5,137	395	714	658	23	6,927
Accumulated depreciation at 30 June 2017	(2,866)	(255)	(509)	(391)	-	(4,021)
	<b>2,271</b>	<b>140</b>	<b>205</b>	<b>267</b>	<b>23</b>	<b>2,906</b>
<b>Movements in fair value</b>						
Acquisition of assets at fair value	678	85	39	70	-	872
Revaluation increments/(decrements)	-	-	-	88	-	88
Fair value of assets disposed	(314)	(59)	(293)	-	-	(666)
Transfers	-	23	-	-	(23)	-
	<b>364</b>	<b>49</b>	<b>(254)</b>	<b>158</b>	<b>(23)</b>	<b>294</b>
<b>Movements in accumulated depreciation</b>						
Depreciation and amortisation	(270)	(26)	(84)	(69)	-	(449)
Revaluation increments/(decrements)	-	-	-	3	-	3
Accumulated depreciation of disposals	281	58	293	-	-	632
	<b>11</b>	<b>32</b>	<b>209</b>	<b>(66)</b>	<b>-</b>	<b>186</b>
At fair value 30 June 2019	5,501	444	460	816	-	7,221
Accumulated depreciation at 30 June 2019	(2,855)	(223)	(300)	(457)	-	(3,835)
	<b>2,646</b>	<b>221</b>	<b>160</b>	<b>359</b>	<b>-</b>	<b>3,386</b>

## Notes to the Financial Statements

For the year ended 30 June 2019

## 6.2: Property, infrastructure, plant and equipment (continued)

	Roads	Bridges	Footpaths and cycleways	Drainage	Waste	Recreational, leisure and community facilities	Parks, open spaces and streetscapes	Work in progress	Total infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>c) Infrastructure</b>									
At fair value 30 June 2017	130,760	27,675	9,060	21,551	2,136	4,536	5,029	191	200,938
Accumulated depreciation at 30 June 2017	(28,401)	(7,520)	(3,228)	(6,881)	(1,134)	(1,448)	(1,807)	-	(50,419)
	<b>102,359</b>	<b>20,155</b>	<b>5,832</b>	<b>14,670</b>	<b>1,002</b>	<b>3,088</b>	<b>3,222</b>	<b>191</b>	<b>150,519</b>
<b>Movements in fair value</b>									
Acquisition of assets at fair value	2,582	151	1,468	326	82	78	211	243	5,141
Contributed assets	372	-	39	154	-	-	-	-	565
Fair value of assets disposed/written off	(372)	-	-	-	(1,343)	-	(3,038)	(41)	(4,794)
Assets reclassified as non current assets held for sale	-	-	-	-	(85)	-	-	-	(85)
Transfers	-	-	15	-	13	-	(67)	(15)	(54)
	<b>2,582</b>	<b>151</b>	<b>1,522</b>	<b>480</b>	<b>(1,333)</b>	<b>78</b>	<b>(2,894)</b>	<b>187</b>	<b>773</b>
<b>Movements in accumulated depreciation</b>									
Depreciation and amortisation	(1,731)	(276)	(145)	(217)	(63)	(154)	(150)	-	(2,736)
Accumulated depreciation of disposals	244	-	-	-	679	-	954	-	1,877
Assets reclassified as non current assets held for sale	-	-	-	-	80	-	-	-	80
Impairment losses recognised in operating result	-	-	-	-	(29)	-	-	-	(29)
Transfers	-	-	-	-	(26)	-	29	-	3
	<b>(1,487)</b>	<b>(276)</b>	<b>(145)</b>	<b>(217)</b>	<b>641</b>	<b>(154)</b>	<b>833</b>	<b>-</b>	<b>(805)</b>
At fair value 30 June 2019	133,342	27,826	10,582	22,031	803	4,614	2,135	378	201,711
Accumulated depreciation at 30 June 2019	(29,888)	(7,796)	(3,373)	(7,098)	(493)	(1,602)	(974)	-	(51,224)
	<b>103,454</b>	<b>20,030</b>	<b>7,209</b>	<b>14,933</b>	<b>310</b>	<b>3,012</b>	<b>1,161</b>	<b>378</b>	<b>150,487</b>

# Notes to the Financial Statements

For the year ended 30 June 2019

## 6.2: Property, infrastructure, plant and equipment (continued)

### Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date.

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

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

### Asset recognition thresholds and depreciation periods

	Depreciation Period	Threshold Limit \$'000
Class of asset		
Land	-	-
Land under roads	-	5
Buildings	15 to 100 years	5
Roads	5 to 100 years	5
Bridges	70 years	5
Drainage	50 to 100 years	5
Footpaths and cycleways	22 to 97 years	5
Recreational, leisure and community facilities	15 to 50 years	5
Parks, open space and streetscapes	7 to 100 years	5
Waste management	30 to 70 years	5
Plant, machinery and equipment	5 to 20 years	2
Fixtures, fittings and furniture	5 to 20 years	2
Computers and telecommunications	3 to 10 years	2

### Land under roads

Council recognises land under roads it controls at fair value.

An indexed based revaluation was conducted in the current year for land under roads; this valuation was based on the change in the capital improved value for properties in the Alpine Shire which is used by Council to calculate land rate charges.

### Depreciation and amortisation

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

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

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

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

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

### Finance leases

Leases of assets where substantially all the risks and rewards incidental to ownership of the asset are transferred to the Council are classified as finance leases. Finance leases are capitalised, recording an asset and a liability at the lower of the fair value of the asset and the present value of the minimum lease payments, including any guaranteed residual value. Lease payments are allocated between the reduction of the lease liability and the interest expense. Leased assets are depreciated on a straight line basis over their estimated useful lives to the Council where it is likely that the Council will obtain ownership of the asset or over the term of the lease, whichever is the shorter.

# Notes to the Financial Statements

For the year ended 30 June 2019

## 6.2: Property, infrastructure, plant and equipment (continued)

### Repairs and maintenance

Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

### Leasehold improvements

Leasehold improvements are recognised at cost and are amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter.

### Valuation of land

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

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

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

The date of the current valuation is detailed in the following table.

Details of the Council's land and information about the fair value hierarchy as at 30 June 2019 are detailed on the following page.

### Valuation of buildings

Valuation of Council's building assets was performed by Council's Engineering Coordinator. The date of the current valuation is detailed in the following table.

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

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of valuation
Land - specialised	-	24,424	-	Jun-2019
Land under roads	-	-	7,593	Jun-2019
Buildings - specialised	-	9,541	21,323	Jun-2019
<b>Total</b>	-	<b>33,965</b>	<b>28,916</b>	

# Notes to the Financial Statements

For the year ended 30 June 2019

## 6.2: Property, infrastructure, plant and equipment (continued)

### Valuation of infrastructure

Valuation of Council's infrastructure assets was performed by Council's Engineering Coordinator. The date of the current valuation is detailed in the following table.

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

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2019 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of valuation
Roads	-	-	103,454	Jun-2017
Bridges	-	-	20,030	Jun-2018
Footpaths and cycleways	-	-	7,209	Jun-2017
Drainage	-	-	14,933	Jun-2017
Waste management	-	-	310	
Recreational, leisure and community facilities	-	-	3,012	Jun-2018
Parks, open space and streetscapes	-	-	1,161	
<b>Total</b>	-	-	<b>150,109</b>	

### Valuation of waste and Parks and open spaces and streetscapes.

The revaluation of these assets will be undertaken in 2018/19 by Council's Engineering Coordinator once a suitable valuation methodology has been determined.

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

**Specialised land and land under roads** is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 40% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$1.25 and \$425 per square metre.

**Specialised buildings** are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement

cost is calculated on a square metre basis and ranges from \$200 to \$4000 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 25 years to 80 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

**Infrastructure assets** are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 5 years to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

### Reconciliation of specialised land

Land under roads		
Parks and reserves		
Facilities		
Office/depots		
<b>Total specialised land</b>		

	2019 \$'000	2018 \$'000
	7,593	7,002
	9,691	9,617
	11,097	8,041
	3,636	2,974
	<b>32,017</b>	<b>27,634</b>

# Notes to the Financial Statements

For the year ended 30 June 2019

## 6.3 Investments in associates, joint arrangements and subsidiaries

Investment in associates accounted for by the equity method are:

### MomentumOne Shared Services Pty Ltd

A 50% Interest is held in the MomentumOne Shared Services Pty Ltd.

### Fair value of Council's investment in MomentumOne Shared Services Pty Ltd.

#### Council's share of accumulated surplus

Council's share of accumulated surplus at start of year

Reported profit/(deficit) for year

#### Council's share of accumulated surplus at end of year

#### Movement in carrying value of investment in associates

Carrying value of investment at start of year

Distributions for the year

Share of profit/(deficit) for year

#### Carrying value of investment at end of year

#### Council's share of expenditure commitments

Operating commitments

Capital commitments

#### Council's share of expenditure commitments

	2019 \$'000	2018 \$'000
<b>Fair value of Council's investment in MomentumOne Shared Services Pty Ltd.</b>	<b>57</b>	<b>57</b>
<b>Council's share of accumulated surplus</b>		
Council's share of accumulated surplus at start of year	57	35
Reported profit/(deficit) for year		22
<b>Council's share of accumulated surplus at end of year</b>	<b>57</b>	<b>57</b>
<b>Movement in carrying value of investment in associates</b>		
Carrying value of investment at start of year	57	252
Distributions for the year		(217)
Share of profit/(deficit) for year	-	22
<b>Carrying value of investment at end of year</b>	<b>57</b>	<b>57</b>
<b>Council's share of expenditure commitments</b>		
Operating commitments	-	-
Capital commitments	-	-
<b>Council's share of expenditure commitments</b>	<b>-</b>	<b>-</b>

(i) High Country Library Corporate was wound up on the 9<sup>th</sup> November 2017 and the assets returned to its contributing members.

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

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

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

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

#### Committees of management

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

# Notes to the Financial Statements

For the year ended 30 June 2019

## 6.4 Investment property

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Balance at beginning of financial year	3,260	-
Transferred from property infrastructure plant and equipment	-	2,859
Fair value adjustments	-	401
<b>Balance at end of financial year</b>	<b>3,260</b>	<b>3,260</b>

Investment property is held to generate long-term rental yields. Investment property is measured initially at cost, including transaction costs. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefit in excess of the originally assessed performance of the asset will flow to the Council. Subsequent to initial recognition at cost, investment property is carried at fair value, determined annually by independent valuers. Changes to fair value are recorded in the comprehensive income statement in the period that they arise.

### **Valuation of investment property**

Valuation of investment property has been determined in accordance with an independent valuation by a qualified independent valuer LG Valuation Services Pty Ltd (API Registration no. 62901) who has recent experience in the location and category of the property being valued. The valuation is at fair value, based on the current market value for the property.

# Notes to the Financial Statements

For the year ended 30 June 2019

## Note 7: People and relationships

### 7.1: Council and key management remuneration

#### a) Related Parties

##### *Parent entity*

Alpine Shire Council is the parent entity.

##### *Subsidiaries and associates*

Interests in subsidiaries and associates are detailed in Note 6.3.

#### b) Key management personnel

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

##### **Councillors**

Ron Janas - Mayor

Sarah Nicholas – Deputy Mayor

Peter Roper

Daryl Pearce

Tony Keeble

John Forsyth

Kitty Knapstein

##### **Chief executive officer and other key management personnel**

Charlie Bird- Chief Executive Officer

Nathalie Cooke - Director

William Jeremy - Director

	<b>2019</b>	<b>2018</b>
	<b>No.</b>	<b>No.</b>
Total Number of Councillors	7	7
Chief Executive Officer and other Key Management Personnel	3	3
<b>Total Key Management Personnel</b>	<b>10</b>	<b>10</b>

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

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Total remuneration of key management personnel was as follows:		
Short-term benefits	715	704
Long-term benefits	12	12
Termination benefits	-	-
Post-employment benefits	47	47
<b>Total</b>	<b>774</b>	<b>763</b>

# Notes to the Financial Statements

For the year ended 30 June 2019

## 7.1 Council and key management remuneration (continued)

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

\$20,000 - \$29,999  
 \$60,000 - \$69,999  
 \$170,000 - \$179,999  
 \$220,000 - \$229,999

	<b>2019</b>	<b>2018</b>
	<b>No.</b>	<b>No.</b>
	6	6
	1	1
	2	2
	1	1
	<b>10</b>	<b>10</b>

# Notes to the Financial Statements

For the year ended 30 June 2019

## 7.2 Related party disclosure

### (a) Transactions with related parties

Council provides a library hub service to Rural City of Wangaratta, in addition to a various other transactions.

Paid to Rural City of Wangaratta

11

55

Received from Rural City of Wangaratta

388

352

Momentumone provides a labour hire services mainly for the operating of Council's swimming pool facilities.

Paid to MomentumOne Shared Services Pty Ltd

302

251

Transactions with Alpine Community Plantations have been predominately related to the maintenance of a mountain bike trails.

Paid to Alpine Community Plantations

25

13

Tourism North East provides marketing and advertising services for Council.

Paid To Tourism North East

202

177

Received from Tourism North East

30

-

Bright Autumn Festival provides receives grant funding from Council.

Paid To Bright Autumn Festival

10

2

Transactions with Alpine Children's Services are for minor expenditure refunds and grants.

Paid to Alpine Children's Services

-

3

Council employed partners of key management personnel. This is a normal Council employee/contractor relationship.

18

77

### (b) Outstanding balances with related parties

The outstanding balances owing to related parties is to

MomentumOne Shared Services Pty Ltd

4

-

Rural City of Wangaratta

1

-

The outstanding balances owing with related parties is to

Tourism North East

30

-

Rural City of Wangaratta

-

94

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

There were no loans either to or from related parties.

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

Council has contracted with MomentumOne to provide labour hire services for 2017/18 and 2018/19. While there is no specific amount committed to by Council, it expects expenditure to be relatively stable year-on-year.

# Notes to the Financial Statements

For the year ended 30 June 2019

## Note 8 Managing uncertainties

### 8.1 Contingent assets and liabilities

#### (b) Contingent liabilities

##### Landfill

Council is responsible for three small landfill sites that have been closed more than twenty years at Myrtleford, Mount Beauty and Harrietville. These sites are being monitored by Council and it may be required to perform rehabilitation works in the future. It is estimated that the works if required are likely to cost \$800,000.

##### Superannuation

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

Contingent assets and contingent liabilities are not recognised in the Balance Sheet, but are disclosed and if

quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable, respectively.

contributions to the scheme in respect of any insurance year in which it was a participant to the extent of its participant's share of any shortfall in the provision set aside in respect of that insurance year, and such liability will continue whether or not the participant remains a participant in future insurance years.

##### Liability Mutual Insurance

Council is a participant of the MAV Liability Mutual Insurance (LMI) Scheme. The LMI scheme provides public liability and professional indemnity insurance cover. The LMI scheme states that each participant will remain liable to make further

### 8.2 Change in accounting standards

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

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

This Standard requires entities to provide disclosures in their financial statements that enable users to evaluate:

- (a) the significance of financial instruments for the entity's financial position and performance; and
- (b) the nature and extent of risks arising from financial instruments to which the entity is exposed.

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

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

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

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

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

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

# Notes to the Financial Statements

For the year ended 30 June 2019

## 8.2 Change in accounting standards (Continued)

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

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

As council has no leased assets this change in accounting standard is unlikely to have a material impact.

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

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

Council's Visitor Information Centres utilises volunteers to assist in providing its services. The change in this accounting standard is likely to require an estimate of the fair value of these services to be included in the employee costs.

## 8.3 Financial instruments

### **(a) Objectives and policies**

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

### **(b) Market risk**

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

#### **Interest rate risk**

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will

fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

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

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

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

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

### **(c) Credit risk**

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

- Council has a policy for establishing credit limits for the entities Council deal with;
- Council may require collateral where appropriate; and

## Notes to the Financial Statements

### For the year ended 30 June 2019

- Council only invests surplus funds with financial institutions which have a recognised credit rating

specified in council's investment policy.

#### 8.3 Financial instruments (continued)

- 

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

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

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when council provide a guarantee for another party. Details of our contingent liabilities are disclosed in Note 8.1(b).

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

# Notes to the Financial Statements

For the year ended 30 June 2019

## 8.3 Financial instruments (continued)

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

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

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

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

### (d) Liquidity risk

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

To help reduce these risks Council:

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

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

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

All financial liabilities are expected to be settled within normal terms of trade. .

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

### (e) Sensitivity disclosure analysis

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

A parallel shift of 1% and -1% in market interest rates (AUD) from year end rates of 1.9%.

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

# Notes to the Financial Statements

For the year ended 30 June 2019

## 8.4 Fair value measurement

### *Fair value hierarchy*

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

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

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

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

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

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

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

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

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

### *Revaluation*

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 2 to 4 years. The valuation is performed either by experienced council officers or independent experts.

Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation reserve except to the extent that an increment reverses a prior year decrement for that class of asset that had been recognised as an expense in which case the increment is recognised as revenue up to the amount of the expense. Revaluation decrements are recognised as an expense except where prior increments are included in the asset revaluation reserve for that class of asset in which case the decrement is taken to the reserve to the extent of the remaining increments. Within the same class of assets, revaluation increments and decrements within the year are offset.

### *Impairment of assets*

At each reporting date, the Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the comprehensive income statement, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

## 8.5 Events occurring after the balance date

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

# Notes to the Financial Statements

For the year ended 30 June 2019

## Note 9 Other matters

### 9.1 Reserves

	Balance at beginning of reporting period	Increment / (decrement)	Balance at end of reporting period
	\$'000	\$'000	\$'000
<b>a) Asset revaluation reserve</b>			
<b>2019</b>			
<b>Property</b>			
Land	17,193	4,366	21,559
Buildings	19,002	(1,024)	17,978
	<b>36,195</b>	<b>3,342</b>	<b>39,537</b>
<b>Plant, machinery and equipment</b>			
Books	-	91	91
<b>Infrastructure</b>			
Roads	55,214	-	55,214
Bridges	15,642	-	15,642
Footpaths and cycleways	1,239	-	1,239
Drainage	8,793	-	8,793
Recreational, leisure and community	159	-	159
	<b>81,047</b>	<b>-</b>	<b>81,047</b>
<b>Total asset revaluation reserve</b>	<b>117,242</b>	<b>3,433</b>	<b>120,675</b>
<b>2018</b>			
<b>Property</b>			
Land	17,118	75	17,193
Buildings	19,002	-	19,002
	<b>36,120</b>	<b>75</b>	<b>36,195</b>
<b>Infrastructure</b>			
Roads	55,214	-	55,214
Bridges	17,137	(1,495)	15,642
Footpaths and cycleways	1,239	-	1,239
Drainage	8,793	-	8,793
Recreational, leisure and community	-	159	159
	<b>82,383</b>	<b>(1,336)</b>	<b>81,047</b>
<b>Total asset revaluation reserve</b>	<b>118,503</b>	<b>(1,261)</b>	<b>117,242</b>

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

# Notes to the Financial Statements

For the year ended 30 June 2019

## 9.1 Reserves (continued)

	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
	\$'000	\$'000	\$'000	\$'000
<b>b) Other reserves</b>				
<b>2019</b>				
Dinner Plain	1,025	-	(298)	727
Gravel pit restoration	27	-	(27)	-
Waste Reserve	865	1,732	-	2,597
Subdivision recreation reserve	41	136	-	177
<b>Total other reserves</b>	<b>1,958</b>	<b>1,868</b>	<b>(325)</b>	<b>3,501</b>
<b>2018</b>				
Dinner Plain	1,169	-	(144)	1,025
Gravel pit restoration	27	-	-	27
Waste Reserve	1,008	-	(143)	865
Subdivision recreation reserve	361	17	(337)	41
<b>Total other reserves</b>	<b>2,565</b>	<b>17</b>	<b>(624)</b>	<b>1,958</b>

The **Dinner Plain reserve** is maintained to ensure all rates raised from Dinner Plain properties are quarantined and invested back into Dinner Plain.

The **gravel pit restoration reserve** is maintained to fund restoration of the Harrietteville quarry.

The **waste reserve** is maintained to fund landfill rehabilitation works. Where budgeted rehabilitation projects are not carried out in the financial year, funds are allocated to the reserve to fund future rehabilitation work.

The **subdivision recreation reserve** is maintained to account for contributions received under the *Subdivision Act 1988*. This reserve funds future recreational projects which meet the definition of the Act.

# Notes to the Financial Statements

For the year ended 30 June 2019

## 9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Surplus for the year	2,389	7,063
Depreciation	4,405	4,621
Net loss on disposal of property, infrastructure, plant and equipment	3,339	808
Contributions - non monetary assets	(582)	(553)
Fair value adjustments for investment property	-	(401)
Proceeds from the sale of Non current assets classified as held for sale	141	-
Landfill rehabilitation expense	959	(41)
Assets written-off / impaired	89	371
<b>Change in assets and liabilities:</b>		
(Increase)/decrease in trade and other receivables	(317)	(639)
(Increase)/decrease in prepayments	92	(16)
(Increase)/decrease in accrued income	(37)	9
(Increase)/decrease in inventories	2	14
(Increase)/decrease in investment in associates	-	(22)
Increase/(decrease) in trade and other payables	1,032	(464)
Increase/(decrease) in trust funds and other deposits	105	(171)
Increase/(decrease) in employee provisions	(36)	(45)
Increase/(decrease) in income in advance	72	(53)
Increase/(decrease) in landfill restoration provision	(52)	(76)
<b>Net cash provided by operating activities</b>	<b>11,601</b>	<b>10,405</b>

# Notes to the Financial Statements

For the year ended 30 June 2019

## 9.3 Superannuation

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

### Accumulation

The Fund's accumulation categories, Vision MySuper / Vision Super Saver, receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2019, this was 9.5% as required under Superannuation Guarantee legislation).

### Defined Benefit

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

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

### Funding arrangements

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

As at 30 June 2018, a full triennial actuarial investigation was completed. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 106.0%. To determine the VBI, the Fund Actuary used the following long-term assumptions:

- Net investment returns 6.0% pa
- Salary information 3.5% pa
- Price inflation (CPI) 2.0% pa.

Vision Super has advised that the estimated VBI at 30 June 2019 was 107.10%.

The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2018 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

### Employer contributions

#### Regular contributions

On the basis of the results of the 2017 triennial actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2019, this rate was 9.5% of members' salaries (9.5% in 2017/2018). This rate will increase in line with any increases in the SG contribution rate. In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

#### Funding calls

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

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

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

# Notes to the Financial Statements

For the year ended 30 June 2019

## 9.3 Superannuation (continued)

### 2018 triennial actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which Council is a contributing employer. Generally, a full actuarial investigation conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2018 and a full actuarial investigation was conducted as at 30 June 2017.

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

	<b>2018</b>	<b>2017</b>
	<b>\$m</b>	<b>\$m</b>
A VBI surplus of \$131.9 million	131.9	69.8
A total service liability surplus of \$218.3 million.	218.3	193.5
A discounted accrued benefits surplus of \$249.1 million.	249.1	228.8

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2018. Council was notified of the 30 June 2018 VBI during August 2018.

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

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

### 2019 interim actuarial investigation

An interim actuarial investigation will be conducted for the Fund's position as at 30 June 2019. It is anticipated that this actuarial investigation will be completed in October 2019.



# ALPINE

SHIRE COUNCIL

## **Alpine Shire Council**

## **Performance Statement**

For the year ended 30 June 2019

## Performance Statement

For the year ended 30 June 2019

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### Description of municipality

The Alpine Shire Council is situated in north-east Victoria, approximately 300km from the Victorian state capital Melbourne, and 70km south of Albury-Wodonga. The area of the Alpine Shire is 4,790 square kilometres consisting of 92% public land.

The Shire extends from mountain ranges to the valley floor, where residents choose to live predominantly around the three main towns of Bright, Myrtleford and Mount Beauty. Other members of the populace live in the smaller towns, villages and surrounding farming communities that are spread throughout the Shire.

The region offers a diverse lifestyle with a mix of culture, history and experience. The region is a well-known destination for tourists with festivals, markets, exhibitions, sporting and recreational activities held throughout the Alpine Shire; together with a range of cafes, restaurants and wineries.

The estimated resident population of the Shire is 12,730, a number which significantly increases with the seasonal influx of tourists. Population demographics show a lower population of 20-39 year olds, but a much higher population of persons aged 55 and over as compared to the Victorian averages.

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## Sustainable Capacity Indicators

For the year ended 30 June 2019

<i>Indicator / measure</i>	Results				Material Variations
	2016	2017	2018	2019	
<b>Population</b>					
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$2,211	\$1,969	\$1,951	\$2,293	The 2019 year includes \$4.3 million of asset write off and other non-current expenditure, hence the apparent increase in expenses per head of municipal population.
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$14,965	\$15,021	\$14,727	\$17,207	A number of larger building and roads projects have been completed as a result of receiving additional funding for these projects, increasing the value of infrastructure per head of municipal population.
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	21	22	22	22	

## Sustainable Capacity Indicators (continued)

For the year ended 30 June 2019

<i>Indicator / measure</i>	Results				Material Variations
	2016	2017	2018	2019	
<b>Own-source revenue</b> <i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,677	\$1,584	\$1,701	\$1,625	Own-source revenue per head of municipal population decreased slightly in 2019 which is comparable with the years prior to 2018.
<b>Recurrent grants</b> <i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$366	\$573	\$421	\$401	
<b>Disadvantage</b> <i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic Disadvantage by decile]	5	5	5	5	

## Sustainable Capacity Indicators (continued)

For the year ended 30 June 2019

### Definitions

"adjusted underlying revenue" means total income other than—

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

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

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

"population" means the resident population estimated by council

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

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

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

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

## Service Performance Indicators

For the year ended 30 June 2019

Service / indicator / measure	Results				Material Variations
	2016	2017	2018	2019	
<b>Aquatic facilities</b> <b>Utilisation</b> <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	4.0	3.2	3.1	2.4	The seasonal opening of the Mount Beauty pool was delayed by four weeks due to a delay in the delivery of tiles for completion of upgrade works to the facility. The delayed opening impacted on total visitation (6,600 fewer visitors to outdoor pools compared to previous year).
<b>Animal management</b> <b>Health and safety</b> <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	1	0	0	0	No animal management prosecutions were undertaken during 2018/19.
<b>Food safety</b> <b>Health and safety</b> <i>Critical and major non-compliance notifications</i> [Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100	46%	45%	33%	83%	Council's Environmental Health unit focused on quality of inspections and follow-ups of non-compliance during the 2018 calendar year.

## Service Performance Indicators (continued)

For the year ended 30 June 2019

Service/indicator /measure	Results				Material Variations
	2016	2017	2018	2019	
<b>Governance</b> <b>Satisfaction</b> <i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	60	57	60	59	Satisfaction with Council decisions has fallen slightly from the previous year, however continues to be better than Small Rural and State-wide council averages.
<b>Home and community care</b> <b>Participation</b> <i>Participation in HACC service</i> [Number of people that received a HACC service / Municipal target population for HACC services] x100	27%	Reporting ceased 1 July 2016	Reporting ceased 1 July 2016	Reporting ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Australian Government's NDIS and CHSP programs.
<b>Participation</b> <i>Participation in HACC service by CALD people</i> [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100	29%	Reporting ceased 1 July 2016	Reporting ceased 1 July 2016	Reporting ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Australian Government's NDIS and CHSP programs.

## Service Performance Indicators (continued)

For the year ended 30 June 2019

Service/indicator /measure	Results				Material Variations
	2016	2017	2018	2019	
<b>Libraries</b> <b>Participation</b> <i>Active library members</i> [Number of active library members / Municipal population] x100	23%	21%	20%	19%	<p>A slight reduction in active users matches a slight reduction in visitation compared to the previous year. As with other trends, this may be attributed to the relocation of the Myrtleford library to allow for renovations. The library was open to the public but in a different venue for this period.</p> <p>It should be noted that the number of active library members is measured by the activity of library card holders only. However there are significantly higher numbers of patrons who do not hold library cards but regularly utilise a wide variety of library services such as accessing the public computers or free Wi-Fi, or participating in children's group sessions, adult learning sessions and community group activities. If the total number of real users of library services were captured, this participation % would rise significantly.</p>

## Service Performance Indicators (continued)

For the year ended 30 June 2019

Service/indicator /measure	Results				Material Variations
	2016	2017	2018	2019	
<b>Maternal and child health</b> <b>Participation</b> <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	86%	89%	87%	85%	Difficulty in recruiting MCH Nurses, and slightly fewer birth notifications recorded compared to the previous year, impacted on the participation in the MCH service.
<b>Participation</b> <i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	88%	85%	96%	79%	Difficulty in recruiting MCH Nurses, and slightly fewer birth notifications recorded compared to the previous year, impacted on the participation in the MCH service.
<b>Roads</b> <b>Satisfaction</b> <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	60	57	60	64	Satisfaction with sealed local roads continues to improve, and is now well above Small Rural and State-wide council averages.

## Service Performance Indicators (continued)

For the year ended 30 June 2019

Service/indicator /measure	Results				Material Variations
	2016	2017	2018	2019	
<b>Statutory Planning</b> <b>Decision making</b> <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	0%	0%	0%	100%	One Council decision was referred to VCAT during the year, which was affirmed.
<b>Waste Collection</b> <b>Waste diversion</b> <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	49%	50%	46%	39%	Waste diversion from landfill has reduced compared to the previous year, primarily due to an improvement in data methodology. Tonnage is now provided directly by the contractor, rather than previously having to convert volume to tonnage.

## Service Performance Indicators (continued)

For the year ended 30 June 2019

### Definitions

"Aboriginal child" means a child who is an Aboriginal person

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

"active library member" means a member of a library who has borrowed a book from the library

"annual report" means an annual report prepared by a council under sections 131, 132 and 133 of the Act

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

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

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

"Community Care Common Standards" means the Community Care Common Standards for the delivery of HACC services, published from time to time by the Commonwealth to control the standards of HACC service provision.

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

"food premises" has the same meaning as in the *Food Act 1984*

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

"HACC service" means home help, personal care or community respite provided under the HACC program

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

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

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

"population" means the resident population estimated by council

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

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

## Financial Performance Indicators

For the year ended 30 June 2019

Dimension / indicator / measure	Results				Forecasts				Material Variations
	2016	2017	2018	2019	2020	2021	2022	2023	
<b>Efficiency</b>									
<b>Revenue level</b>									
<i>Average residential rate per residential property assessment</i> [Residential rate revenue / Number of residential property assessments]	\$1,696	\$1,710	\$1,717	\$1,753	\$1,802	\$1,843	\$1,888	\$1,934	Based on projections of the Victorian fair go rates system, growth in local residences and supplementary development.
<b>Expenditure level</b>									
<i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$3,026	\$2,875	\$2,803	\$3,351	\$2,860	\$2,921	\$2,969	\$3,032	The 2019 year includes \$4.3 million of asset write off and other non-current expenditure, causing an apparent increase in expenses per property assessment. If this was excluded, the result would be \$2,857, which is in line with previous and projected year results.
<b>Workforce turnover</b>									
<i>Resignations and terminations compared to average staff</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	6%	31%	7%	14.4%	15%	15%	15%	15%	Staff resignations and terminations (turnover) returned to a more expected level in 2019 following a peak in 2017 due to the Home and Community Care service being recommissioned to another provider, and a low level of turnover the following year. Forecast turnover has been projected to 15%.

## Financial Performance Indicators (continued)

For the year ended 30 June 2019

Dimension / indicator / measure	Results					Forecasts			Material Variations
	2016	2017	2018	2019	2020	2021	2022	2023	
<b>Liquidity</b>									
<b>Working capital</b>									
<i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	231%	285%	423%	349%	355%	348%	387%	354%	Current assets compared to current liabilities in the current year has reduced to more closely align to recent historical and future results.
<b>Unrestricted cash</b>									
<i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	152%	33%	1%	5%	30%	32%	34%	45%	Future year projections (2020-2023) do not include unspent grant funding and carried forward capital works, hence the apparent rise compared to 2018 and 2019 results.
<b>Obligations</b>									
<b>Asset renewal</b>									
<i>Asset renewal compared to depreciation</i> [Asset renewal expenses / Asset depreciation] x100	80%	77%	76%	92%	137%	72%	105%	105%	Asset renewal compared to depreciation is expected to trend upwards in 2020 compared to recent results which have been 70-80%. The 2021 result is forecast to reduce as a result of additional renewal works being completed in 2020.

## Financial Performance Indicators (continued)

For the year ended 30 June 2019

Dimension / indicator / measure	Results					Forecasts			Material Variations
	2016	2017	2018	2019	2020	2021	2022	2023	
<b>Obligations (continued)</b>									
<b>Loans and borrowings</b>									
<i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x100	0%	0%	0%	0%	0%	0%	0%	0%	Council paid out all borrowings in full in July 2015.
<i>Loans and borrowings repayments</i> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	6%	0%	0%	0%	0%	0%	0%	0%	Council paid out all borrowings in full in July 2015.
<b>Indebtedness</b>									
<i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	23%	19%	16%	21%	12%	10%	9%	7%	Council ceased to borrow in the 2016 year reducing non-current liabilities. At the same time own source revenue was favourable to budget in 2019 primarily due to property development in the Shire boosting rates, charges, fees and fines.
<b>Operating position</b>									
<b>Adjusted underlying result</b>									
<i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	-5%	12%	13%	-6%	8%	0%	7%	7%	The 2019 year includes \$4.3 million of asset write off and other non-current expenditure. The result would be 9% if adjusted for the above amount which is in line with other years.

## Financial Performance Indicators (continued)

For the year ended 30 June 2019

Dimension / indicator / measure	Results				Forecasts				Material Variations
	2016	2017	2018	2019	2020	2021	2022	2023	
<b>Stability</b>									
<b>Rates concentration</b>									
<i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	65%	59%	62%	65%	68%	74%	69%	69%	The 2019 result is in line with other years. The 2021 result is higher as financial assistant grant funding is anticipated to be lower to adjust for payments in advance.
<b>Rates effort</b>									
<i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.6%	0.6%	0.6%	0.5%	0.5%	0.5%	0.5%	0.6%	Rates compared to property values is reducing as a result of rates revenue increasing at a slower than the property values. Most of the rates revenue is controlled by the fair go rates system while property values are market based.

## Financial Performance Indicators (continued)

For the year ended 30 June 2019

### Definitions

"adjusted underlying revenue" means total income other than—

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

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

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

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

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

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

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

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

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

"population" means the resident population estimated by council

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

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

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

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

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

## Other Information

For the year ended 30 June 2019

### 1. Basis of preparation

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

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

The Performance Statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by Council's Strategic Resource Plan. The *Local Government (Planning and Reporting) Regulations 2014* require explanation of any material variations in the results contained in the Performance Statement. Council has utilised materiality thresholds as described in the "Local Government Better Practice Guide 2018-19 - Performance Statement" relevant to each indicator and measure. Where Council's year on year result varies by more than 10% of the State-wide average (2017/18), Council has reported a material variance. Explanations have not been provided for variations below these materiality thresholds unless the variance is considered to be material because of its nature.

The forecast figures included in the Performance Statement are those adopted by Council in its Strategic Resource Plan on 18 June 2019 and which forms part of the Council Plan. The Strategic Resource Plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The Strategic Resource Plan can be obtained by contacting Council.

## Certification of the Performance Statement

For the year ended 30 June 2019

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

---

**Victoria Schmidt**  
**Principal Accounting Officer**

**Dated:**

In our opinion, the accompanying Performance Statement of the Alpine Shire Council for the year ended 30 June 2019 presents fairly the results of Council's performance in accordance with the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

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

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

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

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Cr \_\_\_\_\_

**Councillor**

**Dated:**

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Cr \_\_\_\_\_

**Councillor**

**Dated:**

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**Charlie Bird**  
**Chief Executive Officer**

**Dated:**

# COUNCIL POLICY

# Election Period Policy

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DOCUMENT UNCONTROLLED WHEN PRINTED

## DOCUMENT CONTROL

<b>Policy number</b> 87	<b>Status</b> Draft	<b>Approved by</b> Council
<b>Date approved</b> Pending	<b>Next review date</b> September 2023	
<b>Directorate</b> Corporate	<b>Department</b> Corporate	<b>Internal / External</b> External

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#### REVISION RECORD

Date	Version	Revision description
04/09/2012	1.0	Adoption by Council
01/03/2016	2.0	Incorporation of new legislative requirements in accordance with the <i>Local Government Act 1989</i> . Adoption by Council
10/09/2019	3.0	Review in accordance with Local Government Act 1989. Dates updated for relevance to 2020 elections. No other changes made. Adoption by Council

## 1. Purpose

The purpose of this policy is to ensure that Alpine Shire Council:

- Demonstrates compliance with the election period provisions of the *Local Government Act 1989* (the Act);
- Demonstrates that public resources are not used for election campaigning;
- Is aware of what can and cannot be done during the election period; and
- Continues to provide high standards of service to the community.

## 2. Scope

This policy defines the practices and behaviours of Councillors, members of special committees, and Council staff during the election period.

Councillors must comply with this policy, regardless of whether they intend to nominate, or have already nominated, as candidates for the election.

In accordance with section 29(3) of the Act, Council staff members who are candidates for election must comply with this policy and in addition:

- a. Take leave from their duties for the duration of the election period;
- b. Return any council equipment, including vehicles, telephones and computers in the case of staff; and documents or information which is not available to the public for the duration of the election period; and
- c. Immediately resign from their position upon election.

Other candidates for election are expected to comply with the obligations of this policy where they apply.

## 3. Policy details

### 3.1 Election period

The 'election period' is defined by the Act as starting on the last day of nominations and ending at 6pm on the election day. The last day for nominations is the day that is 32 days before the election day.

Council's election period will commence at Tuesday 22 September 2020, and conclude at 6:00pm on Saturday 24 October 2020.

The Chief Executive officer will ensure that all employees are informed of and understand the requirements of this policy.

### 3.2 Misuse of position

Section 76D of the Act prohibits persons that are, or have been, a Councillor or a member of a special committee from using their position to gain advantage for themselves or another person, or to cause detriment to Council or another person.

*Significant penalty units apply to this provision.*

For the purposes of section 76D and this policy, misuse of position includes the following circumstances:

- a. Making improper use of information acquired as a result of the position he or she held or holds; or
- b. Disclosing information that is confidential information within the meaning of section 77(2) of the Act; or
- c. Directing or improperly influencing, or seeking to directly or improperly influence, a member of Council staff in contravention of section 76E of the Act; or
- d. Exercising or performing, or purporting to exercise or perform, a power, duty or function that he or she is not authorised to exercise or perform; or
- e. Using public funds or resources in a manner that is improper or unauthorised; or
- f. Failing to disclose a conflict of interest as required by the Act.

Section 76E further specifies that a Councillor must not improperly direct or improperly influence, or seek to improperly direct or improperly influence, a member of Council staff in the exercise of any power or in the performance of any duty or function.

### 3.3 Decision making

It is an established democratic principle that elected bodies should not unnecessarily bind an incoming government during an election period. Council therefore commits to this principle in that it will make every endeavour to avoid making decisions that inappropriately bind the incoming Council.

This includes a commitment to not only comply with the requirements of section 93A of the Local Government Act 1989 (the Act), pertaining to 'major policy decisions', but also relating to 'inappropriate decisions' as specified in section 93B of the Act, and 'significant decisions' as defined within this policy.

Council may hold an Ordinary Council meeting during the election period, however no decisions as specified in this policy may be made.

Scope exists for Council to hold a Special Council Meeting but only in the most urgent or extraordinary circumstances or for any statutory processes that may arise.

#### 3.3.1 Major Policy Decisions

Section 93A of the Act prohibits the making of 'Major Policy Decisions' during the election period.

In the context of this policy, a 'major policy' decision as defined in section 93A (6) of the Act means any decision:

- a. Relating to the employment or remuneration of a Chief Executive Officer under section 94, other than a decision to appoint an acting Chief Executive Officer;
- b. To terminate the appointment of a Chief Executive Officer under section 94;
- c. To enter into a contract the total value of which exceeds whichever is the greater of:
  - \$150,000 as defined by the Order in Council issued under section 186(1) of the Act on 7 August 2008, noting that the CEO has delegation to approve contracts up to the value of \$150,000 including GST; or
  - 1% of the Council's revenue from rates and charges levied under section 158 in the preceding financial year and
- d. To exercise any power under section 193 – entrepreneurial powers – if the sum assessed in respect of the proposal exceeds whichever is the greater of \$100,000 or 1% of the Councils revenue from rates in the preceding financial year.

#### 3.3.2 Extraordinary Circumstances

If council considers that there are extraordinary circumstances where Alpine Shire's community would be significantly disadvantaged by the Council not making a particular major policy decision, the Council will, by resolution, request an exemption from the Minister for Local Government in accordance with section 93A(2) of the Act..

### 3.3.3 Significant Decisions

Over and above the decisions specified in section 93A of the Act, the Council will avoid making other decisions during the election period that are of a significant nature and which would unnecessarily bind an incoming Council.

'Significant decisions' include:

- a. Irrevocable decisions that commit the Council to substantial expenditure or major actions; and
- b. Irrevocable decisions that will have a major impact on the municipality or the community.

Examples of significant decision are:

- Approval of contracts that require significant funding in future financial years or are regarded as politically sensitive;
- Decisions that have significant impacts on Council's income or expenditure that relate to expenditure on politically sensitive matters;
- Awarding of community grants funded by Council;
- Decisions of a politically sensitive nature;
- Policy or strategy decisions; and
- Planning scheme amendments.

### 3.3.4 Inappropriate Decisions

Section 93B of the Act requires councils to adopt an election period policy preventing it from making 'inappropriate decisions' or using resources inappropriately during the election period before a general election.

'Inappropriate decisions' include:

- a. Decisions that would affect voting in an election; and
- b. Decisions that could reasonably be made after the election.

### 3.4 Council and Committee Meetings

Council will hold its ordinary meeting scheduled for October 2020. The meeting will be live-streamed on Council's website, as per Council's current practice.

All items for consideration must be scrutinised for compliance with this policy, and be approved by the Chief Executive Officer before being included in the agenda. Each agenda item must include the electoral period statement from item 3.4.4 below.

Councillors must limit their discussion during debate to the topic under consideration and avoid raising electoral matters.

#### 3.4.1 Question time at Council meeting

Due to the possibility of 'question time' at this meeting being used by any candidates for electioneering purposes, question time at the October 2020 meeting will be managed as follows:

Questions must be in writing and submitted prior to the meeting. Only those that relate to the day-to-day business of Council will be answered. Responses will be provided by the Chief Executive Officer and Directors only. Councillors will not be permitted to respond to question time.

#### 3.4.2 Notices of Motion, General Business and Reports by Delegates

Notices of Motion, General Business and Reports by Delegates will not be presented during the October 2020 meeting.

#### 3.4.3 Section 86 committee meetings

Section 86 committees operate under an Instrument of Delegation from Council. Committee members are bound by the same provisions as Councillors in relation to section 76D – misuse of position (see item 3.2).

Where possible section 86 committee meetings will not be scheduled during the election period.

#### 3.4.4 Election Period Statement – Council Meeting Reports

In order to facilitate compliance with its commitment to ensuring appropriate decision making during elections, the Chief Executive Officer will ensure that an 'Election Period Statement' is included in every report submitted to a Council meeting for a decision.

The 'Election Period Statement' will specify:

- a. "The recommended decision is not a 'Major Policy Decision', as defined in section 93A of the *Local Government Act 1989*, an 'Inappropriate Decision' as defined by section 93B of the Act, or a 'Significant Decision' with the meaning of the Election Period policy."

During the election period, the Council will not make a decision on any matter or report that does not include the Election Statement.

## **3.5 Council Resources**

It is an established democratic principle that public resources must not be used in a manner that would influence the way people vote in elections. Council therefore commits that it will ensure Council resources are not used inappropriately during a Council election.

### **3.5.1 Council resources including staff**

Council resources, including offices, staff, hospitality services, vehicles, IT equipment (phones and computers) and stationery will be used exclusively for normal Council business during the election period, and shall not be used in connection with any election campaign activity.

The Chief Executive Officer or any staff must not be asked to undertake any tasks connected directly or indirectly with an election campaign.

Council will ensure other Alpine Shire Council resources are not used inappropriately in ways that may influence voting in an election or provide an undue advantage for a candidate. This includes financial, human and material resources:

- a. Council staff will not undertake an activity that may affect voting in the election;
- b. Council staff will not authorise, use or allocate a Council resource for any purpose that may influence voting in the election; and

Any staff member who considers that a particular use of Council resources may influence voting in an election or provide an undue advantage for a candidate shall advise both their Manager and Director before authorising, using or allocating the resource. The Manager and Director seek advice from the Manager Corporate to determine if the use of Council resources is appropriate or not – see item 3.11.1.

### **3.5.2 Council branding and stationery**

No Council events, logos, letterheads or other Alpine Shire Council branding should be used for, or linked in any way to, a candidate's election campaign.

Photos or images taken by or provided by Council are not to be used by Councillors for the purposes of electioneering or in support of their election campaign. This applies equally to images on Council websites that may be able to be copied.

### **3.5.3 Councillor support**

Councillors will not request staff to undertake any tasks connected directly or indirectly with an election campaign.

Information and briefing material prepared by staff for Councillors during the election period will relate only to factual matters or to existing Council services to assist Councillors in conducting normal day-to-day activities – see item 3.11.2.

### **3.5.4 Councillor expenses**

Reimbursements of Councillors out of pocket expenses during the election period will only apply to costs that have been incurred in the performance of normal Council duties, and not for expenses that could be perceived as supporting or being connected with a candidate's election campaign.

### **3.5.5 Councillor resources**

Equipment and facilities provided to Councillors for the purpose for conducting normal Council business should not be used for election campaign purposes.

Where Councillors have Council funded services, such as mobile phones, tablets / computers and internet connections, and where it is impractical for Councillors to discontinue their use of these during the election, Councillors will reimburse the Council for excess usage of those services during the election period. Standard allowances for communication equipment are defined in Council Policy No. 76 – Councillor Reimbursement of Expenses.

Councillors who are standing as candidates must not use council email addresses as part of their election campaign.

### **3.6 Council Events**

Public events run by Council will only be organised and run if it is totally unavoidable to conduct such events during the election period and then only with the express permission of the Chief Executive Officer.

However, Councillors may attend community meetings, events and functions during the election period which are relevant to Council and the community.

When attending events as part of their official Council duties, Councillors must not use the event to promote their individual election campaign.

Speeches for Councillors will only be prepared by Council staff in relation to events that are part of the normal services or operation of the Council and such speeches will not be circulated or available for publication. Official speaking engagements will be limited to a brief welcome, and will not contain any electoral matters or references to the election. Councillors who are not standing as candidates in the election or the Chief Executive Officer will be given preference to speaking at public events – refer to item 3.8.3.

No election material or active campaigning is to be conducted at a Council sponsored event or be displayed in any Council building. This does not apply to Victorian Electoral Commission material.

Speeches will be subject to the publication certification process as outlined in item 3.9.3.

### **3.7 Public Consultation**

Section 93B of the Act requires Council to limit public consultation and scheduling of Council events during the election period.

Public consultation means a process that involves inviting individuals, groups or organisations or the community general to comment on an issue or proposed action or proposed policy, and which includes discussion of that matter with the public.

Public consultations include inviting the community to express opinions through social media.

If public consultation is required, the representative / spokesperson will be the Chief Executive Officer and not a Councillor.

Public consultations are best avoided during the election period where possible.

### **3.7.1 Statutory process consultations**

The public consultation required under the Planning and Environment Act 1987, or matters subject to section 223 of the Act are not subject to the restrictions of this policy. These consultations may be undertaken during the election period to facilitate the day-to-day business of Council, to ensure matters continue to be proactively managed. Consultations will avoid any express or implied links to the election.

Consultations under statutory provisions shall only proceed after express agreement of the Chief Executive Officer and only if they relate solely to the normal day-to-day business of the Council.

Where at all possible, statutory process consultations should conclude before the election period commences, or be delayed until after the general election has been held. Any outcomes of the consultation should be delayed until after the election, where possible.

## **3.8 Media and Communications**

Council's communications and media will not be used in any way that might influence the outcome of a Council election.

Media outlets and the community will be advised that during the election period, communications will be restricted according to the following principles.

### **3.8.1 Media requests**

Council contact with local media (newspapers, television, radio) will be restricted to the communication of normal Council activities and responding to questions not involving the election or possible election outcomes.

In response to media inquiries the response will be provided by the Chief Executive Officer or Directors only, and such information should relate to current services and operations.

### **3.8.2 Media releases / statements**

During the election period, Council initiated communications shall be restricted to the communication of normal Council activities.

In the election period no media releases will be issued quoting or featuring any Councillor.

Publicity of Council events (if any during the election period) will be restricted to the communication of factual material and will not mention or quote any Councillor.

During the election period, no employee will initiate any public statement that relates to an election issue. Public statements are not only formal press releases but also verbal comments at meetings, functions and events where attending as part of their role.

Issuing of written media releases / statements will be subject to the publication approval processes outlined in item 3.9.3.

### 3.8.3 Councillors

No media advice or assistance will be provided to Councillors in relation to election campaign matters.

No publicity will be provided that involves specific Councillors.

Councillors must not use their position as an elected representative of their access to Council staff and other Council resources or information in support of an elections campaign. This includes photos or images provided by Council for past Council activities.

Councillor participation at Council sponsored events (if any during the election period) should not be used to gain attention of an election campaign. Council sponsored events includes launches, events and any other public forum outside of the normal Council meeting cycle. Where events are held during the election period – whether hosted by Council, or as invited guests – Council's spokesperson will in accordance with directions in item 3.6.

### 3.8.4 Social media

Social media is a key means of Council communicating and interacting with its community.

The nature of social media means that Councils should be monitoring and moderating the content on any pages that Council has ownership / control over.

Any publication on social media sites that are under the auspices of Council will also require certification by the Chief Executive Officer, as per the procedure developed under item 3.9.3.

Social media communications will be restricted in the same manner as restrictions on communications / media in this policy.

In addition, the following processes will be implemented on Council's social media pages during the election period:

- Any social media pages maintained by Council will be routinely monitored (including periodically during the weekend) during the election period.
- Posts by others on the page will be moderated by Council, and any electioneering, offensive or inappropriate matter will be removed by Council.
- At the completion of each day, Council will ensure that a copy of the page is taken for records of the Council.
- Before any posts may be removed or moderated by Council, a snapshot of the page must be recorded.

The above processes will be communicated on Council's social media pages prior to the election period commencing.

### 3.9 Council Publications

Section 55D of the Act places limitations on Council from printing, publishing or distributing publications during the election period. This is to ensure that Council does not utilise public funds that may influence or be seen to influence people's voting intentions.

Council must not print, publish or distribute a publication during the election period unless it has been certified in writing by the Chief Executive Officer.

#### 3.9.1 What is 'electoral matter'?

Electoral matter is any matter that is intended or likely to affect voting in an election. Material is definitely electoral matter if it:

- Publicises the strength or weaknesses of a candidate
- Advocates the policies of the Council or of a candidate
- Responds to claims made by a candidate
- Publicises the achievements of the elected Council
- Publicises matters that have already been the subject of public debate
- About matters that are known to be contentious in the community and likely to be the subject of election debate
- Dealing with Election Candidates statements
- Referring to Councillors or candidates by name or by implicit reference

#### 3.9.2 What is considered a 'publication'?

The interpretation of section 55D is extremely broad. Even though section 55D refers specifically to 'an advertisement, handbill, pamphlet or notice' it has been interpreted to refer to documents produced for the purpose of communicating with the community, including but not limited to:

- Council newsletters
- Advertisements and notices (eg job advertisements, public notices of contracts etc.)
- Media releases
- Leaflets and brochures
- Mailouts (including emails) to multiple addresses
- Internet-based sources including Council's website and social media pages.

All the publication types listed above require certification by the Chief Executive Officer. The process is outlined in item 3.9.3.

The recommended practice – in line with State and Federal Governments – is where possible to avoid all publication activity during the election period except where it is essential for the conduct of Council operations.

### 3.9.3 Certification of documents by CEO

All documents fitting the descriptions in item 3.9.2 must be presented to the Chief Executive Officer prior to publication or distribution during the election period.

The Chief Executive Officer must not certify a publication that contains electoral matter, unless that material is only about the election process. It is an offence for the Chief Executive Officer to contravene this requirement.

The certification by the Chief Executive Officer must be in writing and cannot be delegated.

Council must develop a procedure for approval and monitoring of publications within the organisation to support this policy.

### 3.9.4 Council's website

Section 55D of the Act also applies to the publication of material on Council's website. This applies to all websites under the auspices of Council.

New pages or new material on the website will require certification and approval by the Chief Executive Officer in line with the process outlined in item 3.9.3.

#### *Councillor details*

Profiles and photographs of current Mayor and Councillors will be removed from Council's website during the election period but retain their contact details for their day to day role as Councillor (eg names and mobile numbers).

#### *Recordings of Council meetings*

The October 2020 council meeting will be live-streamed on the internet, as per Council's current practice. Audio-visual recordings of Council meetings will remain on Council's website for the duration of the election period.

#### *New material on website*

Any new material published on Council's website during the election period that may be considered to be an advertisement, handbill, pamphlet or notice must also be subject to the certification process in item 3.9.3.

Council agendas, minutes and the annual report are considered exempt from certification.

### 3.9.5 Annual Report

The annual report adopted during the election period will not contain any material that could be regarded as overt electioneering or that inappropriately promotes individual Councillors but will fulfil its statutory obligations on reporting matters.

### **3.10 Assistance to Candidates**

The Council affirms that all candidates for the Council election will be treated equally.

Any assistance and advice to be provided to candidates as part of the conduct of the Council election will be provided equally to all candidates.

All election-related enquiries from candidates, whether sitting Councillors or not, will be directed to the Returning Officer or, where the matter is outside the responsibilities of the Returning Officer, to the Chief Executive Officer or the election period contact officer designated in item 3.11.1.

### **3.11 Access to Information by Candidates**

The Council recognises that all election candidates have rights to information from the Council administration.

Neither Councillors nor candidates will receive information or advice from Council staff that might be perceived to support election campaigns, and there shall be complete transparency in the provision of all information and advice during the election period, in line with item 3.11.3 below.

#### **3.11.1 Election Period point of contact**

The Manager Corporate will be the point of contact for both candidates and Councillors seeking information from Council during the election period.

All questions relating to the conduct of the election will be referred to the Victorian Electoral Commission's Returning Officer.

#### **3.11.2 Information provided to Councillors**

Information and briefing material prepared by staff for Councillors during the election period will relate only to factual matters or to existing Council services to assist Councillors in conducting their elected roles.

#### **3.11.3 Information request register**

The Manager Corporate will be assigned as the point of reference for all candidate enquiries.

The Manager Corporate will maintain an Information Request Register commencing from the opening of nominations. This register will be available for inspection, and will record all requests relating to electoral matters and non-routine requests for information by Councillors and candidates, and the responses given to those requests.

Responses to candidate requests will be provided by Managers, Directors or the Chief Executive Officer. Managers will be required to discuss the request and the proposed response with their Director and the Manager Corporate (as the election period contact) prior to the response being issued. Only information that can be reasonably accessed will be released.

All candidates will be referred to the VEC Returning Officer for any election process enquiries.

### **3.11.4 Improper use of position**

Section 76D of the Act prescribes serious penalties for any Councillor or member of a special committee who inappropriately makes use of the position or information obtained in their role. Refer to item 3.2.

### **3.11.5 Freedom of Information**

Any Freedom of Information (FoI) applications lodged during the election period regarding potential 'electoral matters' will be dealt with where possible outside of the election period. Section 21 of the Freedom of Information Act 1982 requires a notice of decision to be supplied to the applicant within a 45 day period.

## 4. Roles and responsibilities

Responsibility	Role / Position
Implementation	Chief Executive Officer All staff Councillors Candidates Members of special committees
Compliance	Manager Corporate
Development / Review	Governance Officer / Manager Corporate
Interpretation / Advice	Manager Corporate

## 5. Breaches

This policy is issued with the authority of Council. Compliance with this policy is mandatory. Any breach of or failure to comply with this policy should be immediately reported to the Chief Executive Officer.

## 6. Human Rights Charter compatibility

This policy has been assessed as being compatible with the *Charter of Human Rights and Responsibilities Act 2006 [Vic]*.

## 7. Supporting documents

This policy should be read in conjunction with all other relevant, Council policies and procedures, as well as relevant legislative requirements.

### Related Legislation

- *Local Government Act 1989 [Vic]*

### Related Guidelines, Operational Directives or Policies

- Nil

### Related Procedures

- Nil

## 8. Definitions and abbreviations

Term	Meaning		
Act	<i>Local Government Act 1989</i>		
Council staff	Includes full time, part-time, casual and temporary council employees		
Election day	Section 31(1) of the <i>Local Government Act 1989</i>	.... Fourth Saturday in October 2012 and thereafter on the fourth Saturday in October in the fourth year after the last general election of Councillors for all Councils was held.	Saturday 24 October 2020
Election period	Section 3 of the <i>Local Government Act 1989</i>	Starts on the last day on which nominations for that election can be received; and ends at 6pm on election day.	<i>Commences:</i> Tuesday 22 September 2020  <i>Concludes:</i> Saturday 24 October 2020
Electoral advertisement, handbill, pamphlet or notice	Means an advertisement, handbill, pamphlet or notice that contains electoral matter, but does not include an advertisement in a newspaper announcing the holding of a meeting.		
Electoral matter	Means matter which is intended or likely to affect voting in an election if it contains an express or implicit reference to, or comment on: <ol style="list-style-type: none"> <li>a. The election; or</li> <li>b. A candidate in the election; or</li> <li>c. An issue submitted to, or otherwise before the voters in connection with the election.</li> </ol> But does not include any electoral material produced by or on behalf of the Returning Officer for the purposes of conducting an election.		
Nomination day	Schedule 2, clause 3(2) of the <i>Local Government Act 1989</i>	Nominations ... Ending at 12 noon on the 32 <sup>nd</sup> day before election day	Tuesday 22 September 2020

Term	Meaning
Public notice	Means a notice published in a newspaper generally circulating in the municipal district of the Council chosen for the purpose by the Council.
Publish	Means publish by any means including by publication on the internet.

## 9. Approval

THE COMMON SEAL OF THE ALPINE SHIRE COUNCIL was hereunto affixed this 10<sup>th</sup> day of September 2019 in the presence of:

.....  
COUNCILLOR

.....  
COUNCILLOR

.....  
CHIEF EXECUTIVE OFFICER



## MINUTES

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<b>MEETING:</b>	Audit Committee Meeting No: 2019/20-1
<b>HELD:</b>	Friday 26 July 2019 9.00am Members only session 9.15am Meeting
<b>LOCATION:</b>	Committee Room Bright Office

### IN ATTENDANCE

#### Members:

Sue Lebish, Chair  
Mark Anderson  
Craig Covich  
Gerard Moore  
Cr John Forsyth  
Cr Kitty Knappstein in attendance until 11.01am

#### Officers:

Nathalie Cooke, Director Corporate  
Will Jeremy, Director Assets  
Victoria Schmidt, Manager Corporate  
Kirsten McDonald, Health, Safety and Risk Officer

#### *Vision Statement:*

*The Alpine Shire provides outstanding opportunities  
for its residents and visitors through sustainable growth  
in balance with the natural environment.*

## **AGENDA**

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## **1. ACKNOWLEDGEMENT OF TRADITIONAL CUSTODIANS AND RECOGNITION OF ALL PEOPLE**

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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.

## **2. WELCOME**

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The Alpine Shire Council Audit Committee welcomes new member, Craig Covich, and returning member, Sinead Ryan.

## **3. APOLOGIES**

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Sinead Ryan  
Charlie Bird, Chief Executive Officer

## **4. DECLARATION OF CONFLICT OF INTEREST**

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*The Committee discussed the process for declaration of conflicts of interest and agreed that once a declaration is made it is not required to be made at subsequent meetings unless there is a change to the declaration.*

## **5. NOMINATION AND RECOMMENDATION OF CHAIR 2019/2020**

---

The Alpine Shire Council Audit Committee Charter 2019 sets out the requirements for the appointment of the Chair of the Audit Committee.

Section 3.4 of the Charter stipulates that:

*“The chair of the audit committee must be an independent member.*

*The chair must have suitable qualifications in line with the member knowledge and skills criteria in this Charter and as required by section 139 (2A) of the Local Government Act 1989.*

*The Committee will nominate and recommend a Chair to Council each year.*

*Council will formally appoint the Committee Chair”.*

The Chief Executive Officer will call for nominations for Chair of the Audit Committee 2019/2020.

A vote will be conducted if more than one nomination is received.

*The Director Corporate, in the absence of the Chief Executive Officer, assumed the role of Interim Chair to deal with this item and called for nominations for Chair of the Audit Committee.*

*M Anderson nominated Sue Lebish. There were no further nominations and a vote was not required.*

**RECOMMENDATION**

*That Sue Lebish be recommended to Council for appointment to the role of Chair of the Audit Committee for 2019/2020.*

*Moved: M Anderson*

*Second: G Moore*

**CARRIED**

*The Director Corporate vacated the role of Interim Chair and the Chair Elect assumed the role of Chair*

## **6. MINUTES FROM PREVIOUS MEETING**

### **6.1 Confirmation of previous minutes**

*The Committee requested correction of an error in item 8.1 of the notes of Audit Committee Meeting No: 2018/19-5 held on 31 May 2019 to replace "internal auditors" with "external auditors".*

**RECOMMENDATION**

*That:*

- 1. The Minutes of Audit Committee Meeting No: 2018/19-4 held on 22 March 2019 be confirmed.*
- 2. The Notes of Audit Committee Meeting No: 2018/19-5 held on 31 May 2019 be accepted.*

*Moved: Cr K Knapstein*

*Second: Cr J Forsyth*

*That:*

- 1. The Minutes of Audit Committee Meeting No: 2018/19-4 held on 22 March 2019 be confirmed.*
- 2. The Notes of Audit Committee Meeting No: 2018/19-5 held on 31 May 2019 be accepted subject to correction of the reference to "internal auditors" in item 8.1 to "external auditors".*

**CARRIED**

**ACTION:**

*Update notes of Meeting No: 2018/19-5 held on 31 May 2019.*

### **Attachments**

6.1.1 Minutes of Audit Committee Meeting No: 2018/19-4, 22 March 2019

6.1.2 Notes of Audit Committee Meeting No: 2018/19-5, 31 May 2019

## 6.2 Business arising from previous minutes

### Notes of Audit Committee Meeting No: 2018/19-5 held on 31 May 2019

#### *Business Systems Review, Page 12*

*The Committee requested an update on resourcing for this project.*

*The Manager Corporate advised the Committee that:*

- the Project Manager had been appointed and commenced work and had as a priority established the ICT Steering Committee; and*
- the Business Systems Analyst is yet to be recruited.*

#### *Fire Services Levy, Page 13*

*The Committee requested an update on the progress of the reconciliation of previous years data.*

*The Manager Corporate advised the Committee that there are system alignment issues however the State Revenue Office is satisfied with the reconciliation for FY2013/14 and that Council is progressing through other outstanding annual reconciliations. Although satisfied with FY2013/14 the SRO has not yet paid Council.*

#### **ACTION:**

*Include on Action Sheet to monitor progress.*

## 7. STANDING ITEMS

### 7.1 Progress of action sheet

#### INTRODUCTION

The Audit Committee action sheet is a register of all Audit Committee resolutions and requests that require a subsequent action to be implemented. This report provides an update on the progress and status of the actions.

*The Manager Corporate briefed the Committee on the findings of the internal audit on fraud controls and advised that the recommendations had been included in the action sheet for this meeting rather than provide a separate agenda report. Two of the recommendations relating to reconciliation of credit cards of exiting employees and police checks for contractors in high risk areas have already been implemented.*

#### **RECOMMENDATION**

*That progress of the Action Sheet be noted.*

#### **NOTED**

#### **ACTION:**

*Report the CEO and Mayors credit card expenditure to the Audit Committee on a quarterly basis.*

#### **Attachments**

7.1 Audit Committee Action Sheet

## 8. OFFICER REPORTS

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### 8.1 VAGO Report on Fraud and Corruption Control - Local Government

**Directorate:** Corporate

**Department:** Corporate

**Manager:** Manager Corporate

**Author:** Manager Corporate

#### INTRODUCTION

This report provides an overview of Council's compliance with the recommendations of the Victorian Auditor-General's Office (VAGO) Report on Fraud and Corruption Control - Local Government, tabled in June 2019 (<https://www.audit.vic.gov.au/report/fraud-and-corruption-control-local-government>).

#### **RECOMMENDATION**

*That the report be noted.*

#### **NOTED**

#### **ACTIONS:**

*Include recommendations relating to fuel card policy and controls to action sheet.*

#### REPORT

VAGO examined whether local councils' fraud and corruption controls are well designed and operating as intended. It primarily focused on expenditure and processes involving councillors and senior council staff and reviewed fraud and corruption controls and measures relating to:

- credit card and fuel card use
- reimbursements
- identifying and managing conflicts of interest
- responding to suspected incidents of fraud and corruption.

VAGO audited four councils: one metro council (Wyndham) and three rural/regional councils (Shepparton, Strathbogie and Wellington).

VAGO concluded that:

*" There are gaps in the fraud and corruption controls at the audited councils and in some cases important controls are not working. The failure of these controls can foster a culture in which fraud and corruption can occur and go undetected and result in financial loss or reputational damage to the councils. While we did not find fraud or corruption in the transactions we examined, we identified:*

- *expenditure where it was unclear to us how residents and ratepayers benefited*
- *practices that may not meet public expectations*
- *non-compliance with legislative requirements aimed at ensuring transparency over council practices to their communities and regulators.*

*Some individuals in positions of authority need to take a broader view of their obligations. They must appreciate that they are accountable to ratepayers and residents and consider how their communities may perceive their actions".*

#### FINDINGS

### **Weak controls for approving transactions**

- Councils do not consistently require, and adequately scrutinise, supporting documentation to confirm that expenditure is valid.
- No segregation of duties between the person who incurred the expense and the person who approved the expense.
- Missing claim forms.
- Mileage claims with no evidence of log books or fuel receipts.
- No formalised processes to conduct data analytics over credit and fuel card transactions.

### **Councillor entitlements and expenses**

- Examples where there could be a perception of 'double dipping' or excessive entitlements.

### **Compliance with legislation and council policies**

- Councils did not detail in their 2017-18 annual reports each councillor's expenses in five categories as required by legislation.
- Transactions contrary to council policies such as purchasing alcohol and meals without appropriate approvals or clear business reasons.

### **Recommendations**

VAGO made a total of 12 recommendations, 10 to all councils and two to specific councils audited. In summary VAGO recommended councils:

1. Require councillors to certify that their expense claims are incurred in the context of relevant legislative provisions. Councils must require councillors to provide stronger evidence to support their claims, in particular for mileage reimbursements, including records pertaining to the claim and details of the business reason and who benefited from the expense.
2. Review and update fuel card policy and guidance to clearly outline fraud and corruption controls, and require staff to confirm that they understand the terms of use and consequences for misuse.
3. Review credit card policies and improve controls to ensure only allocated cardholders use their cards and there is appropriate segregation of duties over expenditure approvals
4. Ensure the council's chief financial officer or equivalent, approves chief executive officer expenditure and report all expenditure by, or on behalf of, the chief executive officer to the Audit and Risk Committee and/or the council for periodic review.
5. Document and develop formalised reporting over credit and fuel card use and incorporate, where appropriate, data analytics to identify anomalies.
6. Improve fuel card controls by:
  - assigning each fuel card to a specific vehicle or equipment
  - maintaining accurate motor vehicle and fuel card listings
  - updating cardholder names with fuel suppliers when the council reassigns a vehicle and fuel card to another employee
  - collecting fuel transaction data as accurately as possible, including odometer readings
  - having regular, routine processes to monitor fuel card use
  - conducting data analytics over fuel card transactions
  - conducting periodic internal audits on fuel cards.

7. Review and, as necessary, revise council policies on the purchase and reimbursement of meals and alcohol considering community perceptions, and require, for transaction approval, clear evidence of the community benefit from this expenditure and appropriate supporting documentation.
8. Ensure that annual reports accurately capture expenses relating to senior management remuneration packages including vehicle contribution amounts.
9. Ensure all council staff and councillors receive fraud and corruption awareness training at least every two years.
10. Develop or maintain fraud and corruption incident registers to accurately record suspected incidents of fraud and corruption, their handling, and all relevant supporting documentation.

Council’s level of compliance with VAGO’s recommendations is outlined in attachment 8.1.

KEY IMPLICATIONS

**Legislative Compliance**

Victoria’s *Constitution Act 1975* establishes the Auditor-General as an independent officer of Parliament, whose ongoing role and functions are governed by the *Audit Act 1994*. This includes audits of the annual financial statements and performance of public sector agencies.

Audits are conducted in accordance with Australian Auditing Standards, which are set down by the Auditing and Assurance Standards Board and updated regularly.

COUNCIL PLAN AND KEY STRATEGIC PLAN LINKS

Council Plan 2017-2021	
<i>Strategic Objective 2. A responsible and sustainable organisation</i>	
Strategies	Manage our financial resources sustainably Identify and manage Council’s risk
Audit Committee Charter	
8.7	External Audit

CONCLUSION

The VAGO Report on Fraud and Corruption Control – Local Government has been reviewed by the executive and the findings accepted as there are outstanding matters to address. The executive takes the internal and financial controls of Council very seriously and will continue to action all findings through to closure accordingly.

DECLARATION OF CONFLICT OF INTEREST

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

- Director Corporate
- Manager Corporate

**Attachments**

- 8.1 VAGO Report on Fraud and Corruption Control - Local Government - Compliance Summary

## 8.2 VAGO Report on Local Government Asset Management and Compliance

**Directorate:** Assets

**Department:** Asset Maintenance

**Manager:** Manager Asset Maintenance

**Author:** Director Assets

### INTRODUCTION

This report provides an overview of Council's compliance with the recommendations of the Victorian Auditor-General's Office (VAGO) Report on Local Government Assets: Asset Management and Compliance, tabled in May 2019 (<https://www.audit.vic.gov.au/report/local-government-assets-asset-management-and-compliance>).

#### **RECOMMENDATION**

*That the report be noted.*

**NOTED**

### REPORT

VAGO examined whether local councils' accurately document infrastructure assets in their information systems and use this data in their asset management and planning.

VAGO audited five councils: two metro councils (Darebin and Nillumbik) and three rural/regional councils (Colac-Otway, Hindmarsh and Mildura).

VAGO concluded that:

*"The audited councils do not have enough comprehensive and accurate information to support asset planning, and they do not make enough use of the information that they have. Although they maintain basic data about their assets—such as location and description—councils do not always supplement this with asset maintenance and failure data. This reduces their ability to identify poor performing assets and to justify new asset investments.*

*Councils use some asset information to support asset planning and decision-making, however, this is not consistent across all asset classes and councils. For example, all audited councils have and use better information about their roads than other asset classes, largely due to their obligations under the Road Management Act 2004 .....*

*Complex and unintegrated asset information management systems (AIMS) compound the information gaps, which make it difficult for staff to find the asset information they need to support decision-making. This means asset decisions depend heavily on the experience and judgement of individual staff without the benefit of objective data. "*

### FINDINGS

#### **Availability of asset information**

- Asset information needs are not comprehensively documented.
- Complex and unintegrated asset information management systems.
- Information registers are separate making it difficult for staff to find and update information when needed.

#### **Asset information to support claims**

- Asset information needed for claims under the Disaster Recovery Funding Arrangements not identified.

### **Accuracy and completeness of asset information**

- Incomplete and inaccurate asset information.
- No processes for documenting new assets.
- No adequate asset handover processes.

### **Using asset information for decision making**

- Not effectively documenting and using asset information to support evidence-based decision making.
- Lack of sufficient documentation on capital planning or operational planning processes.
- Inconsistent use of risk information in decision-making across all asset classes.
- Need to identify who is responsible for using asset information for planning and decision-making.

### **Recommendations**

VAGO made a total of seven recommendations for all councils. In summary VAGO recommended that councils:

1. Revise their governance and policy guidance for asset investment decision-making to ensure that it is evidence based
2. Clearly determine and document the information that they need for effective asset reporting and decision making, including ensuring Disaster Recovery Funding Arrangements needs are met.
3. Establish more consistent and systematic processes for data collection on all asset classes to a level commensurate to the criticality of the asset and implement them to collect the information.
4. Integrate asset management information systems so staff can easily record and access data to enable analysis for planning and decision making.
5. Identify their critical assets, and the potential risks of their failure, to inform investment priorities.
6. Integrate asset management planning into financial planning cycles and processes to ensure councils balance asset investment needs against their objectives and funding constraints.
7. Evaluate their capability, including resources, skills and training to meet their identified asset management needs, potentially using the National Asset Management Assessment Framework.

Council's level of compliance with VAGO's recommendations is outlined in attachment 8.2.

### KEY IMPLICATIONS

#### **Legislative Compliance**

Victoria's *Constitution Act 1975* establishes the Auditor-General as an independent officer of Parliament, whose ongoing role and functions are governed by the *Audit Act 1994*. This includes audits of the annual financial statements and performance of public sector agencies.

Audits are conducted in accordance with Australian Auditing Standards, which are set down by the Auditing and Assurance Standards Board and updated regularly.

COUNCIL PLAN AND KEY STRATEGIC PLAN LINKS

<b>Council Plan 2017-2021</b>	
<i>Strategic Objective 2. A responsible and sustainable organisation</i>	
Strategies	Manage our financial resources sustainably
	Identify and manage Council's risks
<i>Strategic Objective 4. Infrastructure and open space that our community is proud of</i>	
Strategies	Manage and maintain Council infrastructure
	Understand and plan for Council's asset renewal requirements
<b>Audit Committee Charter</b>	
Clause 8.7	External Audit

CONCLUSION

The VAGO Report on Local Government Assets: Asset Management and Compliance has been reviewed by the Assets directorate. Council is confident that it complies with two of the seven recommendations and acknowledges that its ongoing development of asset management plans and the implementation of an asset management system will address a number of the other findings. Resourcing issues in the Asset Maintenance team has also had an impact on Council's ability to progress asset management processes and documentation. Council's take management of its assets very seriously and will continue to action all findings through to closure accordingly.

DECLARATION OF CONFLICT OF INTEREST

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

- Director Assets

**Attachments**

- 8.2 VAGO Report on Local Government Assets: Asset Management and Compliance - Compliance Summary

### 8.3 VAGO Reporting on Local Government Performance report

**Directorate:** Corporate

**Department:** Corporate

**Manager:** Manager Corporate

**Author:** Governance Officer

#### INTRODUCTION

This report provides an overview of Council's compliance with the recommendations of the Victorian Auditor-General's Office (VAGO) Reporting on Local Government Performance report tabled in May 2019, (<https://www.audit.vic.gov.au/report/reporting-local-government-performance>).

#### **RECOMMENDATION**

*That the report be noted.*

**NOTED**

#### REPORT

VAGO's Reporting on Local Government Performance report assessed whether the Local Government Performance Reporting Framework (LGPRF) communicates performance information that is relevant, timely, accurate and easy to understand for councils and the community. It also examined whether councils use the LGPRF to improve their performance. They selected the following three service areas to examine in depth due to either their materiality to council operations, or their significance to the community:

- Maternal child health services
- Statutory planning
- Waste collection.

They also assessed whether audited councils' other performance activities are effective, such as reporting on strategic objectives and benchmarking service performance, and whether councils are using the LGPRF to drive performance improvements.

#### FINDINGS

##### **Insufficient use of data to report performance**

VAGO found that audited councils do not sufficiently use the LGPRF, or other internally generated data, to understand their performance and communicate it to their community or inform their decisions. They found that councils need to shift their perception of performance reporting from a compliance exercise, to embracing it as a principal mechanism through which they will drive service improvement.

##### **Outcome measures**

The report suggests that LGPRF is not yet realising its full potential because it lacks good outcome measures, data is reported inconsistently between councils, and some of the reported data is unreliable. Councils need to do more to lift the quality and use of data to improve their outcomes.

### Reduced reporting burden

The report also found that the LGPRF also has not achieved the aim of reducing the reporting burden on councils. Various state government agencies continue to use their own, separate processes to collect council data. This duplicates effort, for both councils and the state government, and leads to inefficiencies and inconsistencies.

### Recommendations

VAGO made six recommendations for Victorian councils stemming from this report:

1. Develop, monitor and report on performance indicators specific to their own services and community needs.
2. Ensure strategic indicators in their annual reports communicate the outcomes of services for the community.
3. Regularly report performance information to council decision-makers
4. Develop and report against targets for all performance indicators.
5. Improve the accuracy of Local Government Performance Reporting Framework data by implementing effective quality assurance processes.
6. Promote Local Government Performance Reporting Framework results on the Know Your Council website through various methods, including their own council websites.

Council's compliance with those recommendations is outlined in attachment 8.3.

### KEY IMPLICATIONS

#### Legislative Compliance

*Victoria's Constitution Act 1975* establishes the Auditor-General as an independent officer of Parliament, whose ongoing role and functions are governed by the *Audit Act 1994*. This includes audits of the annual financial statements and performance of public sector agencies.

Audits are conducted in accordance with Australian Auditing Standards, which are set down by the Auditing and Assurance Standards Board and updated regularly.

### COUNCIL PLAN AND KEY STRATEGIC PLAN LINKS

<b>Council Plan 2017-2021</b>	
<i>Strategic Objective 2. A responsible and sustainable organisation</i>	
Strategies	Manage our financial resources sustainably.
	Identify and manage Council's risk.
	Balance financial, environmental and community outcomes.
<b>Audit Committee Charter</b>	
Clause 8.7	External Audit
Clause 8.10	Reporting responsibilities

## CONCLUSION

Council is generally compliant with the recommendations stemming from the VAGO report on Local Government Performance. Areas of improvement for the coming year include detailed mapping of data sources, potential to implement targets for each measure, and providing a link to the Know Your Council website on Council's own website.

## DECLARATION OF CONFLICT OF INTEREST

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

- Director Corporate
- Manager Corporate
- Governance Officer

## **Attachments**

8.3 VAGO report: Reporting on Local Government Performance – Compliance Summary

## 8.4 Audit Committee Annual Performance Survey

**Directorate:** Corporate

**Department:** Corporate

**Manager:** Manager Corporate

**Author:** Health, Safety and Risk Officer

### INTRODUCTION

The purpose of this report is to present to the Audit Committee the outcome of the Committee and management surveys on the performance and administration of the Audit Committee.

*The Committee discussed the results of the surveys and noted the level of trust between the Committee and Council. The Committee indicated its preference to receive officer reports but succinctness of agendas and minutes could be improved.*

### **RECOMMENDATION**

*That this report be noted.*

**NOTED**

### BACKGROUND

The Victorian Governments *Audit Committees – A Guide to Good Practice for Local Government* and the current Audit Committee Charter require the Committee to undertake a self-assessment of its performance each year.

An online survey has been made available to Committee members since 2017 and was again provided in this format for the 2018/19 survey. In line with previous years, the Committee member survey comprised ten questions and utilised the rating scale introduced in 2016 for survey responses. The survey also allowed members to provide additional feedback on 9 out of the 10 questions.

In addition to the member survey, the key Council employees, Chief Executive Officer, Director Corporate, Director Assets and Manager Corporate, who are all involved in reporting to, and attending, meetings were also invited to complete a survey on the Council's administration for the Committee and the guidance provided by the Committee. This survey is slightly different to the survey circulated to members.

### REPORT

#### **Committee Member Survey**

The survey was circulated in June 2019 to the six members of the Committee active during 2018/19. There was a 100% return rate of the survey.

The Committee member survey results are detailed in attachment 8.4.1.

All members are satisfied with the overall performance of the Committee and recognise the Committee has matured. The Committee notes there has been an improvement in, information and reporting, and Council's focus on identifying risks and improving internal controls.

While the feedback from the Committee this year has been very positive, and there is an acknowledgement that gaps are being addressed, members have made suggestions for improvements including:

- Sophistication of information needs to evolve (including reduction in volume of information) to enable a focus on high risk areas
- Continued focus on asset management, IT business systems and outstanding audit actions.

**Council Management Survey**

This is the second year that Council management involved in reporting to and attending, meetings have provided feedback on the administration and performance of the Audit Committee.

The survey was circulated to the Chief Executive Officer, Director Corporate, Director Assets and Manager Corporate. There was an 80% return rate.

The Council employee survey results are detailed in attachment 8.4.2.

Overall management are of the view that there is an excellent relationship between Committee members and management resulting in productive discussion and valuable guidance all backed by the skills of Committee members.

Management believe recent administrative changes in the management of audit actions has assisted in the preparation of agendas however there are still opportunities to improve the digital presentation of the agenda for members.

KEY IMPLICATIONS

**Legislative Compliance**

- Section 139 of the *Local Government Act 1989*

COUNCIL PLAN AND KEY STRATEGIC PLAN LINKS

Council Plan 2017-2021	
<i>Strategic Objective 2: A responsible and sustainable organisation</i>	
Strategies	Manage our financial resources sustainably Identify and manage Council’s risk
Audit Committee Charter	
8.11	Other responsibilities – Evaluate the committee’s performance annually

CONCLUSION

The member and management performance assessment surveys of the Audit Committee for 2018/19 are now complete and are submitted to the Committee for review and discussion.

DECLARATION OF CONFLICT OF INTEREST

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

- Director Corporate
- Manager Corporate

**Attachments**

- 8.4.1 2018/19 Annual Performance Survey Results – Committee Members
- 8.4.2 2018/19 Annual Performance Survey Results – Management

## 9. FOR INFORMATION ONLY

### 9.1 2018/19 Quarter 4 Purchasing Audit

Refer Attachment 9.1

*The Manager Corporate advised that in the interests of simplifying the agenda it was proposed not to include the report unless there were non-compliance issues to report.*

*The Committee requested that the audit report still be listed on the agenda and the report supplied but to only brief the Committee by exception.*

### 9.2 Policy Review Status Summary

Refer Attachment 9.2

*The Health, Safety and Risk Officer provided a verbal update on the progress of the policy review noting that 62% of policy reviews had been completed up from 38% at the last report on 31 May 2019.*

### 9.3 VAGO Annual Plan 2019/20

The Victorian Auditor General's Office has tabled its 2019/20 Annual Plan. The Plan is a rolling three-year planning cycle for its performance audit work program.

The Plan identifies the following performance audits for local government:

Year	Audit topic	Objective	Council's
<b>2019/20</b>	Council libraries	To determine whether local councils achieve value for money from their library services	DELWP, one library corporation, MAV and four councils including Alpine
<b>2020/21</b>	Council waste management services	To determine whether councils' waste management services are achieving value for money	2 resource recovery groups and four councils
	Maintaining local roads	To determine whether councils are achieving value for money in maintaining their local roads	DELWP, VicRoads and four councils
<b>2021/22</b>	Parks and open space management	To determine whether councils are effectively and efficiently planning for and managing their parks and open spaces	DELWP and a selection of councils

The full report is available at: <https://www.audit.vic.gov.au/sites/default/files/2019-06/270619-Annual-Plan.pdf>

## 9.4 2019/20 – 2021/22 Internal Audit Plan - DRAFT

Refer Attachment 9.4

*The Committee noted the Audit Plan and discussed the importance of linking audits to high priority risks.*

*The Committee also requested an overview of the risk register review process including how it links to audit plan.*

**ACTIONS:**

*Circulate top ten risks to Committee.*

*Provide Committee with overview of the risk register review process.*

## 9.5 VicRoads Agency Agreement Compliance Audit

Council has an Agency Agreement with VicRoads for the delivery of registration and licensing services. Council provides Agency services at its Bright office and at its library and customer service centre in Myrtleford.

VicRoads undertook a compliance audit of Council's activities at both Agency sites in May 2019 pursuant to clause 21 of the Agreement.

The objective of the audit was to assess Council's compliance with:

- express obligation defined by the Agreement;
- VicRoads' business rules for the provision of agreed services and
- requirements for the handling and remitting of VicRoads' monies.

The audit found that Council staff were, in general, meeting the terms and requirements of the Agency Agreement and that transactions were being dealt with in an accurate and timely manner. The audit did not identify any corrective actions to be addressed by Council.

## 9.6 Legal and Insurance Update

*The Health, Safety and Risk Officer provided a verbal update on the progress of non-payment of rates matters and a public liability claim.*

## 10. GENERAL BUSINESS

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### 10.1 Health and Safety Report

*The Committee noted that there was no Health and Safety Report listed for information. The Manager Corporate advised that in the interests of simplifying the agenda it was proposed not to include the report unless there were exceptions or trends to report.*

*The Committee requested that the Health and Safety Report still be listed on the agenda and the report supplied but to only brief the Committee by exception.*

**ACTION:**

*List Health and Safety Report on future agendas for information only and brief Committee by exception.*

### 10.2 Reconciliation Action Plans

*M Anderson brought to the attention of the Committee and Council Reconciliation Action Plans (RAPs). The RAP program is voluntary and provides a framework to support the national indigenous reconciliation movement including support to develop strong respectful relationships and create meaningful opportunities with indigenous peoples.*

<https://www.reconciliation.org.au/reconciliation-action-plans/>

### 10.3 Member Remuneration

*G Moore raised the issue of member remuneration noting that Indigo Shire Council had just recently advertised an independent member role and the remuneration was greater than Alpine.*

*The Committee requested a review of remuneration.*

**ACTION:**

*Review and benchmark independent Audit Committee member remuneration.*

### 10.4 Fraud Control Review

*M Anderson raised the use of data analytics in the review of fraud and corruption controls and recommended the use of a third party to undertake such a review. The Manager Corporate advised that the current business systems transformation project will provide some data analytic capability and its use will be reviewed post the implementation of the project.*

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## **11. NEXT MEETING**

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10 September 2019 at 9.00am

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## **12. ATTACHMENTS**

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- 6.1.1 Minutes of Audit Committee Meeting No: 2018/19-4, 22 March 2019
- 6.1.2 Notes of Audit Committee Meeting No: 2018/19-5, 31 May 2019
- 7.1 Audit Committee Action Sheet
- 8.1 VAGO Report on Fraud and Corruption Control - Local Government - Compliance Summary
- 8.2 VAGO Report on Local Government Assets: Asset Management and Compliance - Compliance Summary
- 8.3 VAGO report: Reporting on Local Government Performance – Compliance Summary
- 8.4.1 2018/19 Annual Performance Survey Results – Committee Members
- 8.4.2 2018/19 Annual Performance Survey Results – Management
- 9.1 2018/19 Quarter 4 Purchasing Audit
- 9.2 Policy Review Status Summary
- 9.4 2019/20 – 2021/22 Internal Audit Plan - DRAFT

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## **13. MEETING CLOSE**

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The meeting closed at 11.54am



# ALPINE

SHIRE COUNCIL

*Instrument of Delegation – Special Committees*

**Alpine Shire Council**

**Instrument of Delegation**

**to**

**Bright and District Senior Citizens Centre  
Committee of Management**

**10 September 2019**

**Alpine Shire Council  
Instrument of Delegation  
Bright Senior Citizens Centre Committee of Management**

Alpine Shire Council (**Council**) delegates to the special committee established by resolution of Council passed on 10 September 2019 and known as the Bright Senior Citizens Centre Committee of Management (**the Committee**), the powers and functions set out in the Schedule, and declares that:

- 1. this Instrument of Delegation is authorised by a resolution of **Council** passed on 10 September 2019;
- 2. the delegation:
  - 2.1 comes into force immediately the common seal of **Council** is affixed to this Instrument of Delegation;
  - 2.2 remains in force until **31 October 2021** or unless **Council** resolves to vary or revoke it earlier; and
  - 2.3 is to be exercised in accordance with the guidelines or policies which **Council** from time to time adopts; and
- 3. all members of the Committee will have voting rights on the Committee with the exception of ex-officio members

THE COMMON SEAL OF THE  
ALPINE SHIRE COUNCIL was  
hereunto affixed this 10th day of  
September 2019 in the presence of:

.....  
COUNCILLOR

.....  
Name

.....  
COUNCILLOR

.....  
Name

.....  
CHIEF EXECUTIVE OFFICER

.....  
Name

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## SCHEDULE

### 1. Objectives

- 1.1 In carrying out its functions under this Instrument of Delegation, **the Committee** shall have regard to the following objectives:
- 1.1.1 A Centre which appeals to a wide range of community groups and which encourages active and equitable participation by all sections of the community; and,
  - 1.1.2 A Centre that operates in a financially sound way without the need for direct financial support from the **Council**.
  - 1.1.3 The development of commercial uses for the Centre provided that such uses are not in conflict with community use.

### 2. Role of Council

#### 2.1 Ownership

The role of **Council** is primarily as owner of the building and as managing authority of the land.

The ownership of the facility remains vested in **Council** as part of the property and no tenancy, estate or interest in either the property or the facility is created in **the Committee** by the execution of this Instrument of Delegation.

#### 2.2 Other roles

**Council's** other roles are to act in an advocacy and advisory capacity when necessary and to otherwise act in accordance with its Local Government responsibilities.

### 3. Role of the Committee

The role of **the Committee** is to:

- 3.1 Manage, operate and maintain the Bright Senior Citizens Centre for the community in an efficient, effective and practical manner, without involving **Council** in day to day management; and,
- 3.2 Encourage, promote and provide for the use of the Bright Senior Citizens Centre for the purpose described in Clause 1.

#### 4. Principles Governing the Management and Use of the Facility

**Council** has a policy of maximising community use of Council Community Facilities and supporting multi-use of Council Community Facilities by community based organisations.

Therefore the Bright Senior Citizens Centre is to:

- 3.1 Remain affordable and accessible to people of all ages and abilities;
- 3.2 Be developed in a planned and coordinated manner;
- 3.3 Be managed and operated in accordance with industry standards and good governance practice; and,
- 3.4 Appeal to a wide range of community groups and is used in a manner that is fair and equitable.
- 3.5 Enable use of the centre by a range of community groups and organisations.

#### 5. Compliance with Laws

**The Committee** must comply with all laws relating to the property or the use of the property.

The laws which must be complied with include (but are not limited to):

- Council local laws;
- the *Liquor Control Reform Act 1998* and any regulations made pursuant to that Act or any other law relating to the sale or consumption of liquor;
- the *Health Act 1958*;
- the *Occupational Health and Safety Act 2004*;
- the *Property Law Act 1958*;
- the *Associations Incorporation Act 1981*;
- the *Building Act 1993*;

#### 6. Term of Appointment

Appointments will be until **31 October 2021** unless otherwise extended or revoked in writing by **Council**.

## 7. Committee Membership

7.1 Membership of **the Committee** shall consist of:

7.1.1 One **Council** representative nominated by **Council**;

7.1.2 Seven Bright and District Senior Citizens representatives nominated by the Bright and District Senior Citizens; and

7.1.3 Two members of the general public.

**The Committee** representation shall consist of the Executive Committee as duly elected at **the Committee's** Annual General Meetings or such other membership as may be approved in writing by **Council** from time to time

## 8. Ex-Officio Members

Councillors of the Alpine Shire **Council** shall be ex-officio members of **the Committee** with no voting rights.

## 9. Committee Executive

Each body represented on **the Committee** shall prior to 30 June in each year submit in writing to **the Committee** the names of the representative(s) that body has appointed to **the Committee** for the following twelve month period. **The Committee** shall at its Annual General Meeting to be held in August each year, elect from its members a President, Vice President, Secretary and Treasurer.

## 10. Committee Proceedings and Meetings

10.1 Meetings and proceedings of **the Committee** shall be conducted in accordance with the provisions of the *Local Government Act 1989*, and Council's "Local Law No.1 Council Administration", covering meeting procedures as amended from time to time. Without limiting the requirements placed on **the Committee's** proceedings by such legislation and laws **the Committee** shall ensure that:

10.1.1 All meetings of **the Committee** are to be open to members of the public except where **the Committee** is empowered to close the meeting as provided for in the *Local Government Act 1989*.

10.1.2 All records of **the Committee** shall be available and open for inspection by members of the public with the exception of any specific records which may be exempted from public examination by **Council**.

10.1.3 **The Committee** shall meet on at least two occasions in each financial year including in August for the Annual General Meeting.

10.2 Members of **the Committee** who are not Councillors / Senior Officers of Alpine Shire Council are hereby exempted from the requirement to submit an ordinary register of interests return as required by the *Local Government Act 1989*.

## 11. Report and Performance Monitoring Requirements

- 11.1 Within one month of the Annual General Meeting, **the Committee** of Management must provide the **Council** with the following:
- 11.1.1 Copy of minutes of the Annual General Meeting.
  - 11.1.2 A report on the operations of **the Committee** for the previous 12 months.
  - 11.1.3 Annual financial statement of the previous 12 months prepared in accordance with Section 30 of the *Associations Incorporation Act 1981*.
  - 11.1.4 Details of the Office-Bearers for the ensuing year.
  - 11.1.5 Submit a schedule of recommended charges for entrance or use of the Centre.
  - 11.1.6 Completed Public Halls Inspection Check List
- 11.2 Within 3 months of this Agreement being signed **the Committee** must:
- 11.2.1 Submit a two year budget, if turnover exceeds or will exceed \$20,000; and
  - 11.2.2 Where annual turnover is expected to or will exceed \$20,000 **the Committee** must submit by 28 February each year an annual budget together with a schedule of user charges which reflect operating and maintenance requirements for the next annual period commencing 1 July.

## 12. Financial Management and Outgoings

**The Committee** must do all things necessary to ensure prudent and sound financial management of the facility.

**The Committee** is responsible to pay for all services supplied to the property such as water, electricity, gas, sewerage, telephone and any other similar utility charge, rate or cost.

## 13. Council Funding

**The Committee** is not precluded from making separate application to the **Council** for funding support from any Grant Scheme or other funding source offered by the **Council** or any other body from time to time. **The Committee** will be subject to terms and conditions generally applying to any funds allocated from such sources.

## 14. Major Building Works

- 14.1 **Council** is responsible for major works and any structural changes to the property the funding for which will be subject to Council budget and agreement between **the Committee** and **Council**, on a project by project basis. No major infrastructure improvements or changes to the property are to take place without **Council** written approval.
- 14.2 Despite sub-cause 13.1 it is not intended to prevent **the Committee** from suggesting or requesting the undertaking of major works, which subject to **Council** written consent it may do at its own cost.
- 14.3 Any additions or modifications or improvements made to the property during the term of this agreement are to remain the property of **Council**.

## 15. Specific Powers and Responsibilities

In addition to and without limiting the functions of **the Committee** under this Instrument, **the Committee** shall have the power to and be responsible for:

- 15.1 Maintenance of the Centre in accordance with Council's Policy No. 56 "Facility Maintenance Policy" as amended from time to time.
- 15.2 Engagement of contractors to perform **the Committee's** responsibilities under this delegation or Council's responsibilities in an emergency situation occurring outside **Council** hours.
- 15.3 Supervision of Contractors so engaged.
- 15.4 Where a Contractor is engaged to respond to an emergency situation, **Council** shall be notified on the next working day.
- 15.5 Promotion of the Centre.
- 15.6 Allocation of time and floor space to user groups in accordance with **Councils** Bookings Hire – General Conditions Policy, so as to achieve a balanced use of the Centre in accordance with the stated objectives.
- 15.7 The banking of monies received at the Centre within 72 hours of receipt.
- 15.8 All costs incurred by **the Committee** in the performance of its functions.

## 16. Risk Management

**The Committee** is required to undertake risk management procedures involving:

- 16.1 Regular inspection of the Centre and its facilities to identify risk
- 16.2 Promptly reporting any risks identified to **Council**.
- 16.3 Ensuring that all hirers of the Centre or its facilities have appropriate public liability insurance.

## 17. Insurances

17.1 **Council** will be responsible for arranging the following types of insurance:

- Public Liability,
- Professional indemnity,
- Buildings / contents (Industrial Special Risks), and
- Personal Accident cover for voluntary workers.

17.2 **The Committee** is responsible to:

17.2.1 Maintain a WorkCover Policy of insurance, if required by law to do so, for any employee or person engaged who may be classified as an employee.

17.3 **Council** will offer public liability insurance cover to casual hirers of **Council** owned or controlled facilities at a cost of \$35 per hire (or as determined by **Council's** annual budget), subject to the conditions of **Council's** "Hirers of Council Owned or Controlled Facilities" Insurance Policy.

17.4 Ensure that all users hiring the property have valid public liability insurance cover of at least \$10 million. This requirement also applies to casual hirers not eligible to be covered under **Council's** "Hirers of Council Owned or Controlled Facilities" Insurance Policy.

17.5 **The Committee** must not do anything or allow anything to be done on the property which may cause any insurance policy to be invalid or avoided or cause any increase in premiums.

## 18. Powers Excluded

- 18.1 **The Committee** is not by this Instrument of Delegation empowered to do any of the following things:
- 18.1.1 Make amendments to this Instrument of Delegation. **The Committee** may propose amendments to **Council**.
  - 18.1.2 Enter into contracts, the annual value of which exceeds \$5,000, with the exception of staffing and management contracts which shall not exceed an annual value of \$35,000 and only as determined in the agreed annual budget.
- 18.2 Except as otherwise provided herein, **the Committee** does not have the power to:
- 18.2.1 Delegate its functions.
  - 18.2.2 Enter into contracts or leases for or on behalf of **Council**.
  - 18.2.3 Borrow money or obtain advances from or on behalf of **Council**.
- 18.3 **The Committee** is not by this Instrument of Delegation empowered to do any of the following things without the written approval of **Council**:
- 18.3.1 incur any banking overdraft.
  - 18.3.2 Make any alterations or additions to the facility except in accordance with Council's Policy No. 56 "Facility Maintenance Policy".

## 19. Declared Emergencies

During periods of declared emergencies, **Council** reserves the right to designate, manage and operate the facility as an Emergency Relief or Response Centre. In this situation **Council** will furthermore reserve the right to cancel (possibly at little or no notice) any existing casual or regular bookings that conflict with the dates the facility is proposed to be used for emergency relief or response purposes.

Operational and set up costs associated with the use of the facility as an Emergency Relief or Response Centre will be the responsibility of **Council**.

## 20. Application of Funds

All funds received by **the Committee** shall first be applied to the maintenance and operations of the Centre and any other expenses which may be incurred by **the Committee** in its management of the Centre. Any surplus funds in excess of \$20,000 shall be paid to the **Council**; these funds and interest earned thereon shall be held in Reserve to be used solely for major maintenance, renovation or extensions of the Centre

## 21. Revocation

This Instrument of Delegation remains in force until **31 October 2021** unless revoked or amended by **Council**. It may be revoked at any time by **Council**, if in the view of **Council**; **the Committee** is not managing the Bright Senior Citizens Centre in the best interests of user groups, the community and **Council**.

**Council** shall not exercise this power of revocation unless all reasonable attempts at negotiation have been exhausted following consultation between **the Committee** and **Council**.



# ALPINE

SHIRE COUNCIL

*Instrument of Delegation – Special Committees*

**Alpine Shire Council**

**Instrument of Delegation**

**to**

**Mount Beauty Recreation Reserve  
Committee of Management**

**10 September 2019**

**Alpine Shire Council  
Instrument of Delegation  
Mount Beauty Recreation Reserve Committee of Management**

Alpine Shire Council (**Council**) delegates to the special committee established by resolution of Council passed on 10 September 2019 and known as the Mount Beauty Recreation Reserve Committee of Management (**the Committee**), the powers and functions set out in the Schedule, and declares that:

1. this Instrument of Delegation is authorised by a resolution of **Council** passed on 10 September 2019;
2. the delegation:
  - 2.1 comes into force immediately the common seal of **Council** is affixed to this Instrument of Delegation;
  - 2.2 remains in force until **31 October 2021** unless **Council** resolves to vary or revoke it earlier; and
  - 2.3 is to be exercised in accordance with the guidelines or policies which **Council** from time to time adopts; and
3. all members of the Committee will have voting rights on the Committee with the exception of ex-officio members.

THE COMMON SEAL OF THE  
ALPINE SHIRE COUNCIL was  
hereunto affixed this 10th day of  
September 2019 in the presence of:

.....  
COUNCILLOR

.....  
Name

.....  
COUNCILLOR

.....  
Name

.....  
CHIEF EXECUTIVE OFFICER

.....  
Name

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## SCHEDULE

### 1. Objectives

In carrying out its functions under this Instrument of Delegation, **the Committee** shall have regard to the following objectives:

- 1.1.1 A Reserve which appeals to a wide range of community groups and which encourages active participation by all sections of the community; and,
- 1.1.2 A Reserve that operates in a financially sound way with some direct support from **Council**.

### 2. Role of Council

#### 2.1 Ownership

The role of **Council** is primarily as owner of the property and as managing authority.

The ownership of the facility remains vested in **Council** as part of the property and no tenancy, estate or interest in either the property or the facility is created in **the Committee** by the execution of this Instrument of Delegation.

#### 2.2 Other roles

**Council's** other roles are to act in an advocacy and advisory capacity when necessary and to otherwise act in accordance with its Local Government responsibilities.

### 3. Role of the Committee

The role of **the Committee** is to:

- 3.1 Manage, operate and maintain the Mount Beauty Recreation Reserve for the community in an efficient, effective and practical manner, without involving **Council** in day to day management;

### 4. Compliance with Laws

**The Committee** must comply with all laws relating to the property or the use of the property.

The laws which must be complied with include (but are not limited to):

- **Council** local laws;
- the *Liquor Control Reform Act 1998* and any regulations made pursuant to that Act or any other law relating to the sale or consumption of liquor;
- the *Health Act 1958*;
- the *Occupational Health and Safety Act 2004*;
- the *Property Law Act 1958*;
- the *Associations Incorporation Act 1981*;
- the *Building Act 1993*;

## 5. Term of Appointment

Appointment will be until **31 October 2021** unless extended, revoked or amended in writing by Council.

## 6. Committee Membership

Membership of **the Committee** shall be according with the following schedule and shall consist of no more than 9 and no less than 5 representatives:

Organisation	Representation
Alpine Shire Council	1
Dederang/Mount Beauty Football Club	1
Mount Beauty Cricket Club	1
Junior Football Club	1
General Public	1 to 5

Or such other membership as may be approved in writing by **Council** from time to time.

## 7. Ex-Officio Members

Councillors of the Alpine Shire shall be ex-officio members of the Committee with no voting rights.

## 8. Committee Executive

Each body represented on **the Committee** shall prior to 30 June in each year, submit in writing to **the Committee** the names of the representative(s) that body has appointed to **the Committee** for the following twelve month period. **The Committee** shall at its Annual General Meeting to be held in July each year, elect from its members a President, Vice President, Secretary and Treasurer.

## 9. Committee Proceedings and Meetings

- 9.1 Meetings and proceedings of **the Committee** shall be conducted in accordance with the provisions of the *Local Government Act 1989*, and the Council's "Local Law No.1 Council Administration" covering meeting procedure as amended from time to time. Without limiting the requirements placed on **the Committee's** proceedings by such legislation and laws **the Committee** shall ensure that:
- 9.1.1 All meetings of **the Committee** are to be open to members of the public except where **the Committee** is empowered to close the meeting as provided for in the *Local Government Act 1989*.
- 9.1.2 All records of **the Committee** shall be available and open for inspection by members of the public with the exception of any specific records which may be exempted from public examination by **Council**.
- 9.1.3 **The Committee** shall meet on at least two occasions in each financial year including in August for the Annual General Meeting.
- 9.2 Members of **the Committee** who are not Councillors / Senior Officers of Alpine Shire Council are hereby exempted from the requirement to submit an ordinary register of interests return as required by the *Local Government Act 1989*.

## 10. Report and Performance Monitoring Requirements

- 10.1 Within one month of the Annual General Meeting, **the Committee** must provide the **Council** with the following:
- 10.1.1 Copy of minutes of the Annual General Meeting.
- 10.1.2 A report on the operations of **the Committee** for the previous 12 months.
- 10.1.3 Annual financial statement of the previous 12 months prepared in accordance with Section 30 of the *Associations Incorporation Act 1981*.
- 10.1.4 Details of the Office-Bearers for the ensuing year.
- 10.2 Within 3 months of this Agreement being signed **the Committee** must:
- 10.2.1 Submit a two year budget, if turnover exceeds or will exceed \$20,000; and
- 10.2.2 Where annual turnover is expected to or will exceed \$20,000 **the Committee** must submit by 28 February each year an annual budget which reflect operating and maintenance requirements for the next annual period commencing 1 July.

## 11. Financial Management and Outgoings

**The Committee** must do all things necessary to ensure prudent and sound financial management of the facility.

**The Committee** is responsible to pay for all services supplied to the property such as water, electricity, gas, sewerage, telephone and any other similar utility charge, rate or cost.

## 12. Council Funding

**The Committee** is not precluded from making separate application to the **Council** for funding support from any Grant Scheme or other funding source offered by the **Council** or any other body from time to time. **The Committee** will be subject to terms and conditions generally applying to any funds allocated from such sources.

## 13. Specific Powers and Responsibilities

In addition to and without limiting the functions of **the Committee** under this Instrument, **the Committee** shall have the power to and be responsible for:

- 13.1 Maintenance of the Reserve in accordance with Council's Policy No. 56 "Facility Maintenance Policy" as amended from time to time.
- 13.2 Engagement of contractors to perform **the Committee's** responsibilities under this delegation or Council's responsibilities in an emergency situation occurring outside **Council** hours.
- 13.3 Supervision of Contractors so engaged.
- 13.4 Where a Contractor is engaged to respond to an emergency situation, **Council** shall be notified on the next working day.
- 13.5 Allocation of time and floor space to user groups so as to achieve a balanced use of the Reserve in accordance with the stated objectives.
- 13.6 The banking of monies received at the Reserve within 72 hours of receipt.
- 13.7 All costs incurred by **the Committee** in the performance of its functions including payment of rates and charges where applicable
- 13.8 Submission to **Council** recommended charges for entrance to or use of the Reserve by 31 March each year for consideration by **Council** with its annual budget. **Council** will not vary the charges recommended by **the Committee** unless it is of the view that the charges place an unreasonable burden on one or more user groups or will not generate sufficient income to enable **the Committee** to meet the operating costs of the Reserve. Any variation of the recommended charges by **Council** may only occur after adequate consultation with **the Committee**.

## 14. Risk Management

**The Committee** is required to undertake risk management procedures involving:

- 14.1 Regular inspection of the Reserve and its facilities to identify risk
- 14.2 Promptly reporting any risks identified to **Council**.
- 14.3 Ensuring that all hirers of the Reserve or its facilities have appropriate public liability insurance.

## 15. Insurances

15.1 **Council** will be responsible for arranging the following types of insurance:

- Public Liability,
- Professional indemnity,
- Buildings / contents (Industrial Special Risks), and
- Personal Accident cover for voluntary workers.

But may request **the Committee** to reimburse Council for the cost of such insurance.

If **the Committee** believes other types of insurance are necessary these additional insurances are the Committee's responsibility.

15.2 **The Committee** is responsible to:

- 15.2.1 Maintain a WorkCover Policy of insurance, if required by law to do so, for any employee or person engaged who may be classified as an employee.
- 10.3 Ensure that all users hiring the Reserve have valid public liability insurance cover of at least \$10 million. This requirement also applies to casual hirers not eligible to be covered under **Council's** "Hirers of Council Owned or Controlled Facilities" Insurance Policy.
  - 10.4 **The Committee** must not do anything or allow anything to be done on the property which may cause any insurance policy to be invalid or avoided or cause any increase in premiums.

## 16. Powers Excluded

- 16.1 **The Committee** is not by this Instrument of Delegation empowered to do any of the following things:
- 16.1.1 Make amendments to this Instrument of Delegation. **The Committee** may propose amendments to **Council**.
  - 16.1.2 Delegate any of the powers, duties or functions herein delegated to **the Committee**.
  - 16.1.2 Enter into contracts, the annual value of which exceeds \$5,000, with the exception of staffing and management contracts which shall not exceed an annual value of \$35,000 and only as determined in the agreed annual budget.
- 16.2 Except as otherwise provided herein, **the Committee** does not have the power to:
- 16.2.1 Delegate its functions.
  - 16.2.2 Enter into contracts or leases for or on behalf of **Council**.
  - 16.2.3 Borrow money or obtain advances from or on behalf of **Council**.
  - 16.2.4 Set charges for entrance to or use of the Reserve.
- 16.3 **The Committee** is not by this Instrument of Delegation empowered to do any of the following things without the written approval of **Council**:
- 16.3.1 incur any banking overdraft.
  - 16.3.2 Make any alterations or additions to the facility except in accordance with the Building Facility Maintenance Policy.

## 17. Application of Funds

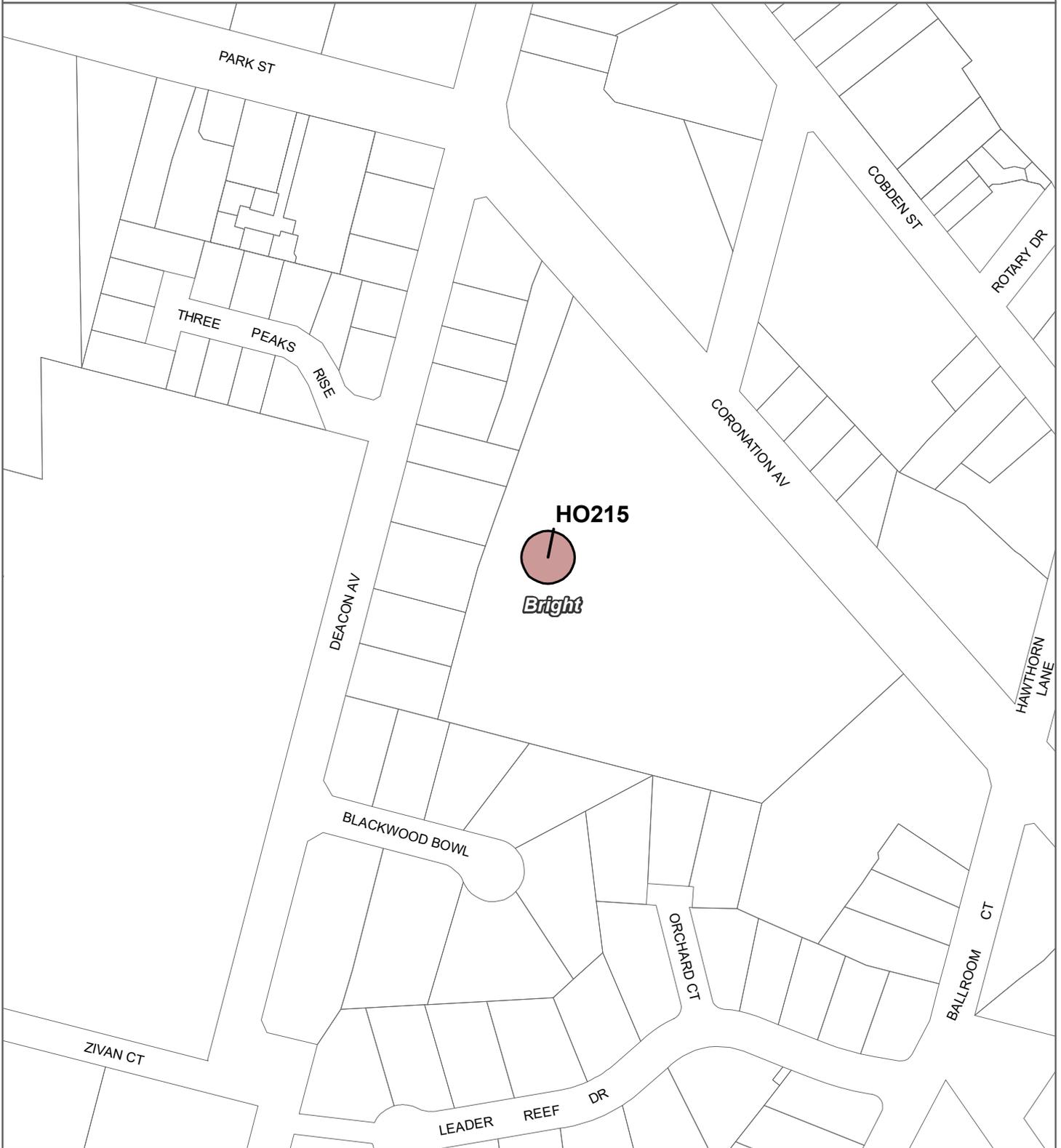
All funds received by **the Committee** shall first be applied to the maintenance and operations of the Reserve and any other expenses which may be incurred by **the Committee** in its management of the Reserve. Any surplus funds in excess of \$20,000 shall be paid to the **Council**; these funds and interest earned thereon shall be held in Reserve to be used solely for major maintenance, renovation or extensions of the Reserve.

## 18. Revocation

This Instrument of Delegation remains in force until 31 October 2021 unless revoked or amended by **Council**. It may be revoked at any time by **Council**, if in the view of **Council**; **the Committee** is not managing the Bright Senior Citizens Centre in the best interests of user groups, the community and **Council**.

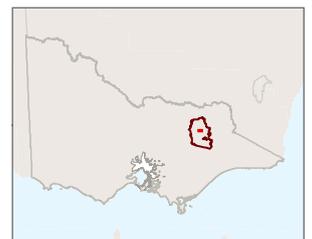
**Council** shall not exercise this power of revocation unless all reasonable attempts at negotiation have been exhausted following consultation between **the Committee** and **Council**.

# ALPINE PLANNING SCHEME - LOCAL PROVISION AMENDMENT C60



**LEGEND**

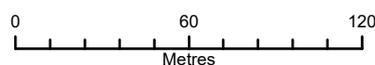
- HO - Heritage Overlay
- Local Government Area



Part of Planning Scheme Map 9HO

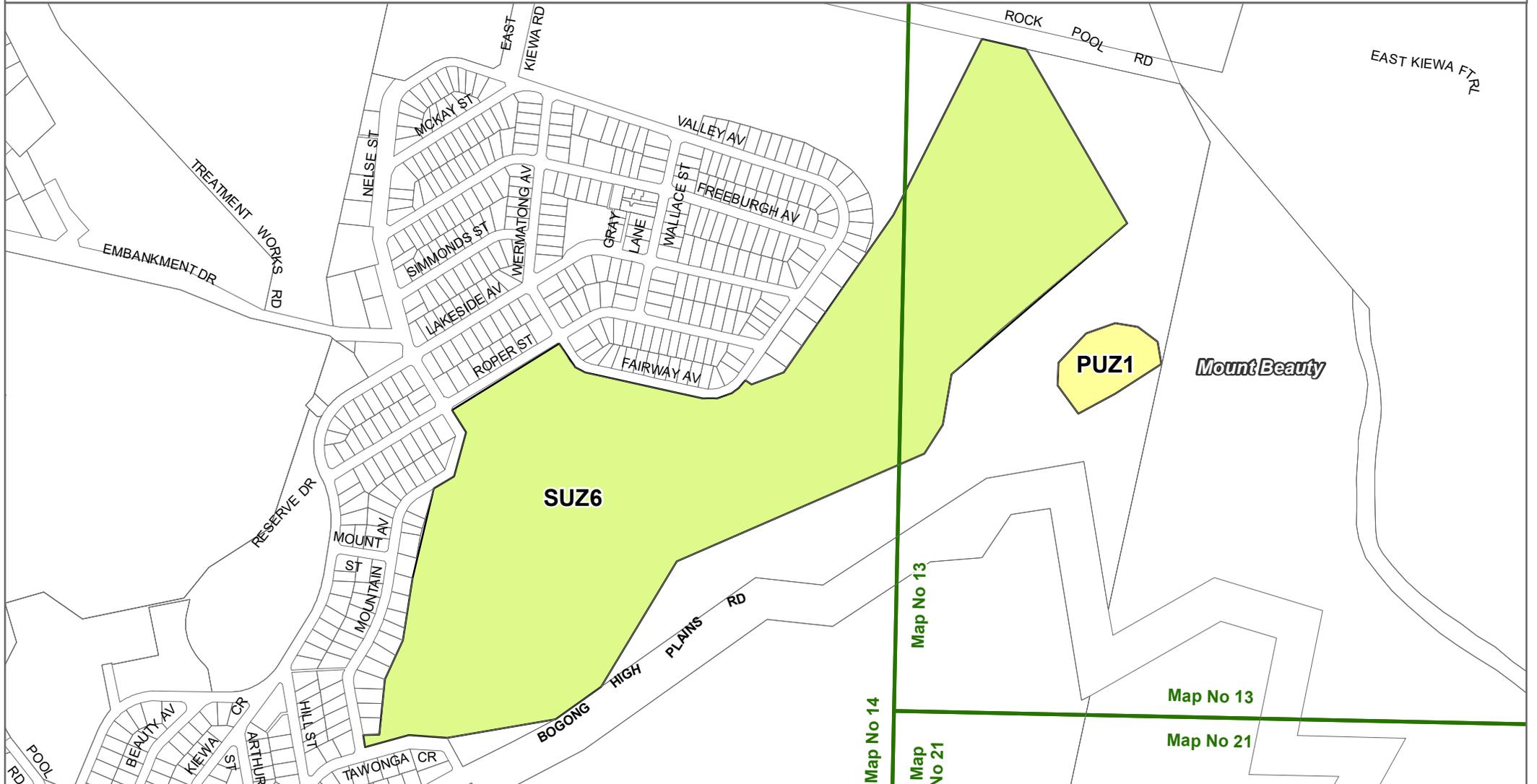
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Environment,  
 Land, Water  
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# ALPINE PLANNING SCHEME - LOCAL PROVISION AMENDMENT C60

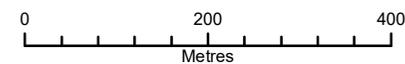


- LEGEND**
- PUZ1 - Public Use Zone-Service and Utility
  - SUZ - Special Use Zone
  - Local Government Area

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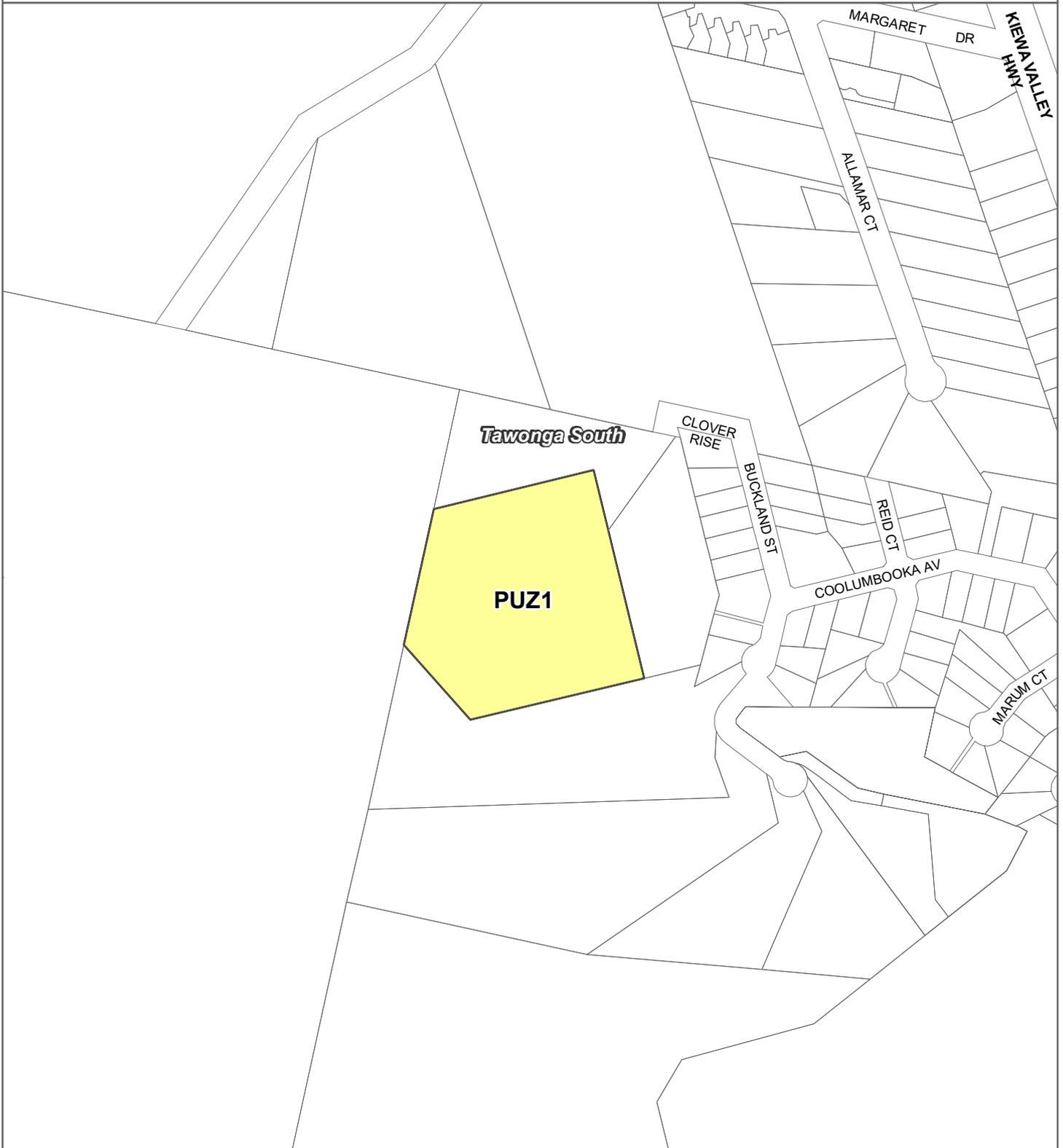


Environment,  
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Part of Planning Scheme Maps 13 & 14



# ALPINE PLANNING SCHEME - LOCAL PROVISION AMENDMENT C60



### LEGEND

-  PUZ1 - Public Use Zone-Service and Utility
-  Local Government Area

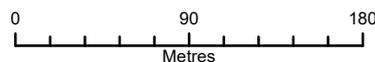


Part of Planning Scheme Map 12

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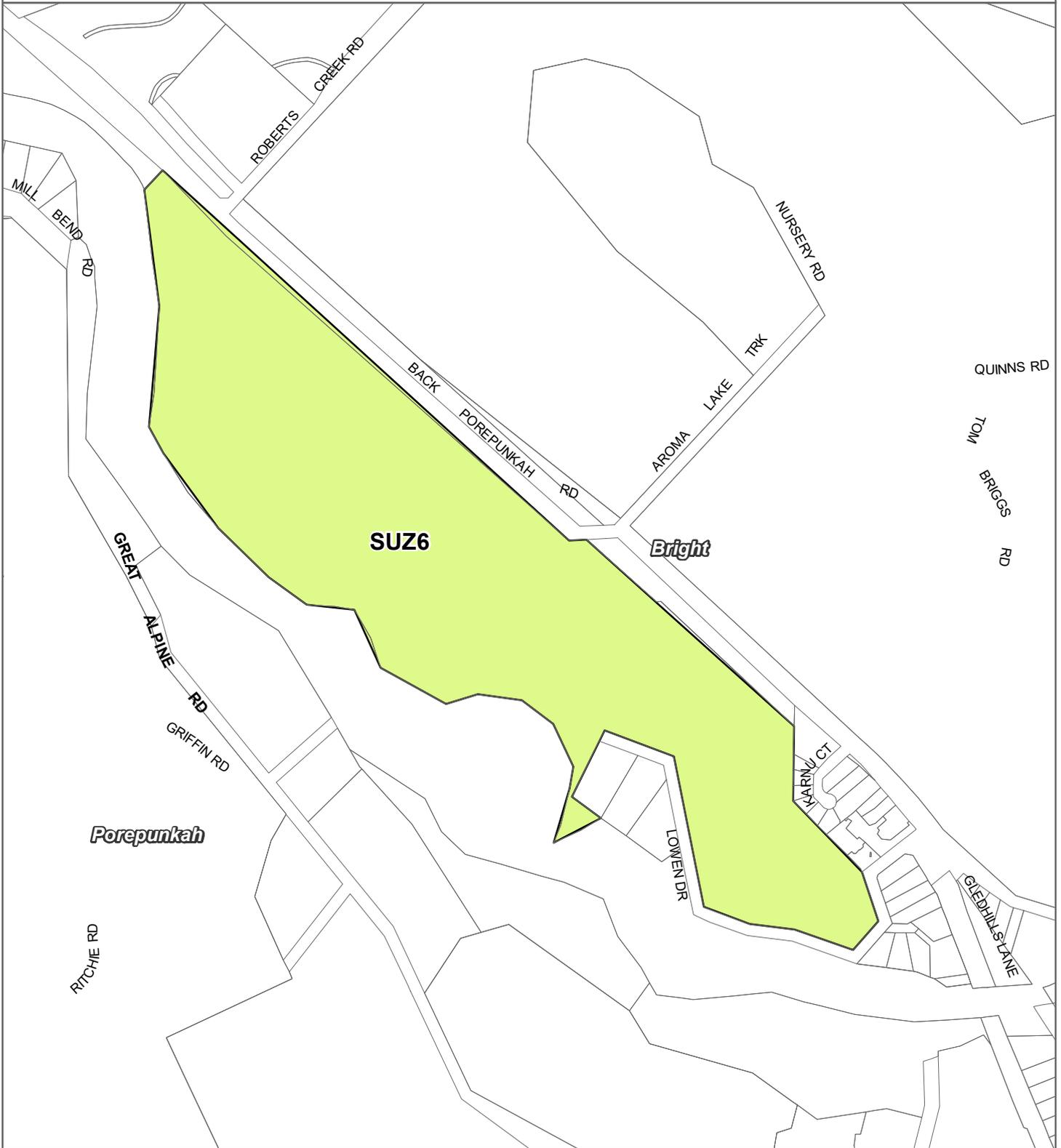
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# ALPINE PLANNING SCHEME - LOCAL PROVISION AMENDMENT C60



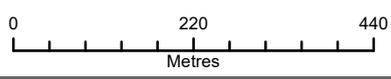
- LEGEND**
- SUZ - Special Use Zone
  - Local Government Area



Part of Planning Scheme Map 7

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 Amendment Version: 1



Environment,  
 Land, Water  
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## 8.2.6 Omnibus Planning Scheme Amendment C60

File Number: 1468.60

### INTRODUCTION

The purpose of this report is to:

1. Propose that Council prepare an amendment to the Alpine Planning Scheme to correct various errors, omissions and anomalies.
2. Recommend that Council seek formal authorisation from the Minister for Planning to prepare an Amendment C60, and when authorised, exhibit the amendment.

*Cr Roper*

*Cr Nicholas*

*That Council:*

1. *Request under Section 8A (2) and (3) of the Planning and Environment Act 1987 that the Minister for Planning authorise Alpine Shire Council to prepare Amendment C60 to the Alpine Planning Scheme;*
2. *Notify the Minister for Planning that when it exhibits Amendment C60, Alpine Shire Council intends to give full notification of the amendment under Section 19 of the Planning and Environment Act 1987 for the minimum statutory exhibition period of one month; and*
3. *When authorised by the Minister for Planning exhibit Amendment C60 to the Alpine Planning Scheme under Section 19 of the Planning and Environment Act 1987.*

*Carried*

### BACKGROUND

It has come to the attention of Council officers that there a number of errors in the planning scheme that warrant correction because of the negative impact that they are having, or could have, on development and land use.

There are three main areas are impacted on by the proposal:

- Instances of freehold land being included in Public Land Zones, in particular the Bright Golf Course is within a Public Park and Recreation Zone (PPRZ) and it is only by virtue of its long term use as a golf course that it can be granted planning permission under existing use rights.
- An instance of a National Trust listed tree (a Himalayan Oak in the Bright Cemetery) being unintentionally omitted from protection under the Heritage Overlay.
- Errors in the ordinance provisions in the Mount Beauty aerodrome Special Use Zone (SUZ5), which:



- unintentionally imposes a blanket building height limit of 6m to all buildings;
- imposes requirements that are unnecessary on applicants;
- introduces requirements that are unclear as to intent; and
- omits important information regarding the *Aircraft Obstacle Limitation Surface Layer* that governs the safe limit to which structures and other obstacles can be safely established.

## **ISSUES**

The errors that have been identified are having an unnecessary and unforeseen impact on land use and development potential and add an unnecessary risk to a heritage asset.

## **POLICY IMPLICATIONS**

The proposal improves the delivery of planning policy through the planning scheme. The recommendation is in accordance with the following Strategic Objective of the Council Plan 2017-2021:

- A well planned and safe community.

## **FINANCIAL AND RESOURCE IMPLICATIONS**

Administration of these changes will be undertaken in house with associated costs contained within the Strategic Planning operational budget.

## **CONSULTATION**

Informal consultation has taken place with officers of Department of Environment, Land, Water and Planning and stakeholders.

## **CONCLUSION**

It is considered appropriate that Council prepare an amendment to correct various errors, omissions and anomalies in the planning scheme as detailed in attachments.

## **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
- Strategic Planner

## **ATTACHMENT(S)**

- 8.2.6(a) Evaluation of identified errors for the Mount Beauty Aerodrome SUZ5
- 8.2.6(b) Aerial photograph identifying Himalayan Oak in Bright Cemetery
- 8.2.6(c) Current zoning plan of the Bright Golf Course

**RECORD OF ASSEMBLY OF COUNCILORS**

**Meeting Title:** Briefing Session  
**Date:** 30 July 2019  
**Location:** Committee Room, Bright Office  
**Start Time:** 3.00pm  
**Chairperson:** Cr Ron Janas, Mayor

**Councillor and staff attendees:**

<b>Name</b>	<b>Position</b>	<b>Name</b>	<b>Position</b>
Cr Ron Janas	Mayor	Charlie Bird	Chief Executive Officer
Cr Sarah Nicholas	Deputy Mayor	Will Jeremy	Director Assets
Cr Tony Keeble	Councillor	Nathalie Cooke	Director Corporate
Cr John Forsyth	Councillor		

**Councillor and staff apologies:**

<b>Name</b>	<b>Position</b>
Cr Daryl Pearce	Councillor
Cr Peter Roper	Councillor
Cr Kitty Knappstein	Councillor

**1. Conflict of interest disclosures**

Nil

**2. Record of Councillors that have disclosed a conflict of interest leaving the assembly**

Nil

**3. Matters considered**

- Councillor only time
- E-Waste management
- FOGO preliminary survey update
- Dinner Plain Event Funding
- Bogong High Plains Road Funding
- Project Pipeline
- Ordinary Council Meeting Agenda review

**RECORD OF ASSEMBLY OF COUNCILLORS**

**Meeting Title:** Briefing Session  
**Date:** 3 August 2019  
**Location:** Committee Room, Bright Office  
**Start Time:** 5.00pm  
**Chairperson:** Cr Ron Janas, Mayor

**Councillor and staff attendees:**

<b>Name</b>	<b>Position</b>	<b>Name</b>	<b>Position</b>
Cr Ron Janas	Mayor	Charlie Bird	Chief Executive Officer
Cr Sarah Nicholas	Deputy Mayor	Will Jeremy	Director Assets
Cr Tony Keeble	Councillor	Nathalie Cooke	Director Corporate
Cr John Forsyth	Councillor		
Cr Kitty Knappstein	Councillor		
Cr Daryl Pearce	Councillor		
Cr Peter Roper	Councillor		

**Councillor and staff apologies:**

<b>Name</b>	<b>Position</b>

**1. Conflict of interest disclosures**

Nil

**2. Record of Councillors that have disclosed a conflict of interest leaving the assembly**

Nil

**3. Matters considered**

- Councillor only time
- Staff Survey
- Smarty Grants Review
- Ordinary Council Meeting Agenda review

**RECORD OF ASSEMBLY OF COUNCILORS**

**Meeting Title:** Briefing Session  
**Date:** 20 August 2019  
**Location:** Committee Room, Bright Office  
**Start Time:** 3.00pm  
**Chairperson:** Cr Ron Janas, Mayor

**Councillor and staff attendees:**

<b>Name</b>	<b>Position</b>	<b>Name</b>	<b>Position</b>
Cr Ron Janas	Mayor	Charlie Bird	Chief Executive Officer
Cr John Forsyth	Councillor	Will Jeremy	Director Assets
Cr Kitty Knappstein	Councillor	Nathalie Cooke	Director Corporate
Cr Daryl Pearce	Councillor		

**Councillor and staff apologies:**

<b>Name</b>	<b>Position</b>
Cr Sarah Nicholas	Deputy Mayor
Cr Tony Keeble	Councillor
Cr Peter Roper	Councillor

**1. Conflict of interest disclosures**

Nil

**2. Record of Councillors that have disclosed a conflict of interest leaving the assembly**

Nil

**3. Matters considered**

- Councillor only time
- CEO matter
- Update on Bright Sports Centre Operating Contract
- S86 Committee Delegation Review
- Tawonga Hall
- E-Waste Tender
- 2018-19 Capital Works – Performance and Customer Feedback
- Rating System Review