

SOUTHERN GRAMPIANS SHIRE COUNCIL

Council Meeting Minutes
Wednesday 25 October 2023

Held in MJ Hynes Auditorium
5 Market Place, Hamilton at 5:30pm



1 Membership

Councillors

Cr David Robertson, Mayor
Cr Helen Henry, Deputy Mayor
Cr Mary-Ann Brown
Cr Albert Calvano
Cr Bruach Colliton
Cr Fran Malone
Cr Katrina Rainsford

Officers

Mr Tony Doyle, Chief Executive Officer
Mr Darren Barber, Director People and Performance
Mr Rory Neeson, Director Wellbeing, Planning and Regulation
Ms Marg Scanlon, Director Infrastructure and Sustainability
Mrs Tania Quinn, Council Support Officer

2 Welcome and Acknowledgement of Country

The Mayor, Cr Robertson read the acknowledgement of country:

“Our meeting is being held on the traditional lands of the Gunditjmara, Tjap Wurrung and Buandig people.

I would like to pay my respects to their Elders, past and present, and the Elders from other communities who may be here today.”

Please note: All Council meetings will be audio recorded, and may be livestreamed to Council’s social media platform, with the exception of matters identified as confidential items in the Agenda.

By participating in open Council meetings, individuals consent to the use and disclosure of the information they share at the meeting (including any personal and/or sensitive information).

Other than an official Council recording, no video or audio recording of proceedings of Council Meetings will be allowed without the permission of Council.

3 Prayer

Cr Calvano led the meeting in a prayer.

"Almighty god, we humbly beseech thee to vouchsafe thy blessing upon this council.

Direct and prosper its deliberations to the advancement of thy glory and the true welfare of the people of the Southern Grampians shire."

4 Apologies

Nil

5 Declaration of Interest

None declared

6 Leave of Absence

There were no requests for a leave of absence.

7 Management Reports

7.1 Audit & Risk Committee Meeting Minutes - 16 October 2023

Directorate: People and Performance
Report Approver: {Darren Barber – Director People & Performance}
Report Author: {Darren Barber} ({Director People & Performance})
Attachment(s): 1. 16-10-2023 - ARC Minutes - Final [7.1.1 - 8 pages]

Executive Summary

The Minutes from the October 16, 2023 meeting as endorsed by the Audit and Risk Committee (ARC) are presented to Council for adoption.

Discussion

Under Section 53 of the *Local Government Act 2020* the Council must establish an Audit and Risk Committee, as an Advisory Committee of the Council. This Committee fulfils both a statutory and consultative function. It provides feedback, advice and direction to Council on both Risk and Financial matters in accordance with the committee charter.

Financial and Resource Implications

Preparation of reports, agenda and minutes of the Audit and Risk Meeting utilises council resources. Council officers and Chief Executive Officer attend the Audit and Risk meeting to present reports and provide information to the committee.

Independent members of the Audit and Risk Committee are paid a sitting fee as members of the committee and internal auditors are engaged to conduct audits in accordance with the endorsed audit schedule throughout the year.

Council Plan, Community Vision, Strategies and Policies

Provide Strong Governance and Leadership

5.1 Transparent and accountable governance

5.1.1 Strengthen the governance role of Councillors by informing, resourcing, skilling and supporting the role.

Provide Strong Governance and Leadership

5.3 Committed and skilled staff

5.3.1 Encourage an organisation that values equality, diversity, workplace health, safety and wellbeing.

Legislation

The Audit and Risk Committee is established in accordance with the *Local Government Act 2020 (Section 53)*.

Gender Equality Act 2020

There are no *Gender Equality Act 2020* implications through the noting of the Audit and Risk Committee minutes.

Risk Management

The Audit and Risk Committee has clear function in review of Councils Risks as per the Committee Charter.

Climate Change, Environmental and Sustainability Considerations

Whilst there is no direct implication in this category associated with the report, it should be noted that Council and the committee are committed to producing documentation and data through systems that have the least impact in the environment. Agendas, reports and minutes are produced electronically and distributed via email. Presenters are encouraged to attend meetings virtually to reduce the need for travel.

Community Engagement, Communication and Consultation

Changes in membership will be communicated to the relevant stakeholders when a change in membership has occurred.

Disclosure of Interests

All Council Officers involved in the development and advice provided in this Report affirm that no general or material interests need to be declared in relation to any matters in this Report.

Darren Barber, Director People and Performance

Nadine Rhook, Executive Assistant to Director People and Performance

RECOMMENDATION

That Council note the Minutes for the Audit and Risk Committee Meeting held on 16 October 2023.

COUNCIL RESOLUTION

MOVED: Cr Henry
SECONDED: Cr Rainsford

That Council note the Minutes for the Audit and Risk Committee Meeting held on 16 October 2023.

CARRIED

7.2 Draft 2022-2023 Financial & Performance Statements

Directorate:	People and Performance
Report Approver:	Darren Barber (Director People and Performance)
Report Author:	Belinda Johnson (Manager Finance)
Attachment(s):	<ol style="list-style-type: none">1. Annual Financial Statements- GPF S-2023 - 20.10.23 [7.2.1 - 61 pages]2. 20231013 Performance Statement 2022-23 V 2 - Draft for Annual Report [7.2.2 - 8 pages]

Executive Summary

The *Local Government Act 2020* (LGA) requires that Council must pass resolutions giving approval in principle to the annual financial and performance statements, and authorise two Councillors to certify the statements in their final form after any changes recommended or agreed to by the Auditor General have been made.

It is recommended that Cr Robertson and Cr Henry, as the councillor members of the Audit & Risk Committee, be authorised to certify the statements.

Discussion

The financial statements form part of Council's Annual Report. The Financial Statements and Performance Statement are each prepared in accordance with the requirements of the LGA and the applicable accounting standards.

They are audited by Crowe Audit Australia on behalf of the Victorian Auditor General's Office and presented to Council's Audit and Risk Committee. When finalised they are formerly certified by the Auditor General. The statements are also signed by the Chief Executive Officer and the Principal Accounting Officer (Manager Finance).

Draft statements have been audited by Crowe Audit Australia and presented to the Audit & Risk Committee on 16 October 2023. However, at the time of completing this report the Victorian Auditor General's Office (VAGO) had not finalised their review.

The Management Letter and Closing report are also only in Draft format.

Through challenging market conditions including raising CPI, rate capping and commodity shortages, councils financial position is strong as demonstrated in the balance sheet.

Our draft deficit position has been driven by one off transactions for accounting purposes as described in the table below.

Council budgeted for a \$1.87m operating deficit in 2022/23. At the current time, pre-audit completion and certification, Council expenses are \$64.60m with revenue of \$54.28m in 2022/23, resulting in a DRAFT operating deficit of \$10.32m.

In effect, the difference between the 2022/23 budgeted operating result and the DRAFT actual operating result is \$8.45m.

The Working Capital Ratio assesses Council's ability to meet current commitments. Council has \$3.11 of cash and other current assets for every \$1.00 of current liabilities.

Unrestricted cash on hand on 30 June 2023 was \$7.84m which is 76.50% of current liabilities. This figure excludes specific purpose cash held for employee entitlements, future works and trust funds.

Borrowings outstanding on 30 June 2023 totaled \$1.828m. Loans and borrowings compared to rates and loans and borrowing repayments compared to rates are 8.10% and 2.78% respectively.

Explanatory commentary on the variations against councils 2022/2023 budget are detailed below.

Item	Impact	Explanation
Capital Grants	\$3.02m	Additional funding from the Local Roads and Community Infrastructure Program
Found Assets	\$2.06m	Recreational Assets and Buildings
Materials and Services	-\$1.15m	Council experienced some difficulties in obtaining contractors to undertake works, however this was offset by additional costs in some services areas. Plant operations also resulted in an internal deficit and some additional equipment purchases were also undertaken.
Depreciation	-\$3.11m	Associated with the revaluation of assets in particular the old reservoir.
Disposal of Assets	-\$10.71m	Driven by a correction on duplicated data in the assets system associated with drainage assets
Fair Value Decrement	-\$2.40m	The Mt Napier Quarry was revalued from \$3.3m to \$0.90m
Adjustment to Land Fill Provision	-\$0.88m	This is based on Council having a decrease in provision last year of \$0.61m versus an increase in provision this year of \$0.27m

Financial and Resource Implications

There are no financial implications in this process. The statements outline financial performance for the year but costs in their production are part of normal operating expenditure.

Council Plan, Community Vision, Strategies and Policies

Provide Strong Governance and Leadership

5.1 Transparent and accountable governance

5.1.2 Ensure flexible and transparent decision making through open and accountable governance.

Legislation

Sections 131 and 132 of the LGA and the Local Government (Planning and Reporting) Regulations 2014 outline the process required to be followed in the certification of the annual statements.

Gender Equality Act 2020

There are no perceived considerations regarding gender equality.

Risk Management

The draft statements have been presented to Council's Audit and Risk Committee on Monday 16 October 2023.

Climate Change, Environmental and Sustainability Considerations

This report has no environmental or sustainability considerations.

Community Engagement, Communication and Consultation

There is no requirement for community engagement however the documents form part of Council's Annual Report which is a publicly available document. When prepared, the availability of the Annual Report is advertised.

Disclosure of Interests

All Council Officers involved in the development and advice provided in this Report affirm that no general or material interests need to be declared in relation to any matters in this Report.

RECOMMENDATION

That Council:

1. Approve in principle the draft 2022/2023 Financial Statements and Performance Statement.
2. Appoint Cr Robertson and Cr Henry, as the councillor members of the Audit & Risk Committee, to certify the statements in their final form after any changes recommended or agreed to by the Victorian Auditor General's Office have been made.

COUNCIL RESOLUTION

MOVED: Cr Brown
SECONDED: Cr Henry

That Council:

1. **Approve in principle the draft 2022/2023 Financial Statements and Performance Statement.**
2. **Appoint Cr Robertson and Cr Henry, as the councillor members of the Audit & Risk Committee, to certify the statements in their final form after any changes recommended or agreed to by the Victorian Auditor General's Office have been made.**

CARRIED

7.3 Annual Report 2022-2023

Directorate: Chief Executive Office
Report Approver: Tony Doyle (Chief Executive Officer)
Report Author: Alison Quade (Manager Community Engagement)
Attachment(s): 1. SGSC ANNUAL REPORT 2023 [7.3.1 - 144 pages]

Executive Summary

In accordance with the *Local Government Act 2020* Council must prepare an annual report in respect of each financial year. For the purposes of section 18(1)(d), the Mayor must report on the implementation of the Council Plan by presenting the Annual Report at a Council meeting open to the public.

Discussion

Council is required to prepare an Annual Report in respect of each financial year containing a report on its operations, audited financial statements, performance statement and any other matters required by the regulations.

It must also contain a statement of progress on implementation of the Council Plan, a statement of progress in relation to major initiatives identified in the budget, prescribed indicators of service performance for services provided by the Council and funded in the budget during the financial year, the prescribed measures relating to those indicators and the results achieved in relation to those performance indicators and measures.

The Mayor must report on the implementation of the Council Plan by presenting the annual report at a Council meeting open to the public. This Council meeting must be held— (a) in the year of a general election, on a day not later than the day before election day; and (b) in any other year, within 4 months of the end of the financial year, being 31 October 2023.

The Annual Report details the performance and achievements of Council and is intended as a point of reference for Council staff, residents and businesses of the Shire, community organisations and government departments.

The Annual Report reports on the five key strategic objectives outlined in the Council Plan 2021-2025 being:

- Support our Community
- Grow our Regional Economy
- Maintain and Renew our Infrastructure
- Protect our Natural Environment
- Provide Strong Governance and Leadership

The Annual Report provides a comprehensive overview of activities of Council for the period 1 July 2022 to 30 June 2023, including social, economic and environmental achievements in

respect of a range of projects, services and assets managed. The Annual Report of Council is an important record of the activities of Council, including its financial performance over the year for which the Auditor-General has provided unqualified audit opinions on the Financial Statements and Performance Statement for the year ended 30 June 2023. The Financial Report includes General Purpose Financial Statements, Standard Statements and the Performance Statement.

Financial and Resource Implications

Annual Reports provide an overview of the Council's financial position.

The approximate cost for officers to collate, produce, design and print the Annual Report is \$15,000.

Council Plan, Community Vision, Strategies and Policies

Provide Strong Governance and Leadership

5.1 Transparent and accountable governance

5.1.1 Strengthen the governance role of Councillors by informing, resourcing, skilling and supporting the role.

5.1.2 Ensure flexible and transparent decision making through open and accountable governance.

5.1.3 Build social policy and strategy to improve equity, inclusion and diversity within the Shire.

Legislation

Council has a statutory responsibility under the *Local Government Act 2020* to prepare an Annual Report in respect of each financial year contain the following—

- (a) a report of operations of the Council;
- (b) an audited performance statement;
- (c) audited financial statements;
- (d) a copy of the auditor's report on the performance statement;
- (e) a copy of the auditor's report on the financial statements under Part 3 of the Audit Act 1994;
- (f) any other matters prescribed by the regulations.

For the purposes of section 18(1)(d), the Mayor must report on the implementation of the Council Plan by presenting the Annual Report at a Council meeting open to the public.

Additional requirements regarding the content of the Annual Report are set out in the *Local Government (Planning and Reporting) Regulations 2020*.

Gender Equality Act 2020

There are no direct implications to the *Gender Equality Act 2020* in preparing the Annual Report.

Risk Management

Not applicable.

Climate Change, Environmental and Sustainability Considerations

Not applicable.

Community Engagement, Communication and Consultation

The Annual Report will be made available on Council's website once it has been presented to Council.

Disclosure of Interests

All Council Officers involved in the development and advice provided in this Report affirm that no general or material interests need to be declared in relation to any matters in this Report.

Beth Gibson, Senior Communications Coordinator
Karly Saunders, Governance Coordinator
Belinda Johnson, Manager Finance

RECOMMENDATION

That Council:

1. Notes the Annual Report 2022-23 for the year ended 30 June 2023, including the progress on implementation of the Council Plan 2021-25; and
2. Authorises the Chief Executive Officer to make amendments to incorporate the final financial and performance statements.

COUNCIL RESOLUTION

MOVED: Cr Robertson
SECONDED: Cr Henry

That Council Notes the Annual Report 2022-23 for the year ended 30 June 2023, including the progress on implementation of the Council Plan 2021-25; and

MOTION

That Council authorises the Chief Executive Officer to make amendments to incorporate the final financial and performance statements.

COUNCIL RESOLUTION

MOVED: Cr Malone
SECONDED: Cr Henry

That Council authorises the Chief Executive Officer to make amendments to incorporate the final financial and performance statements.

CARRIED

The above recommendation was considered in two parts. The Mayor, David Robertson presented the Annual Report and reflected on the major projects and milestones achieved over the past year as well as acknowledging former councillor, Mr Greg McAdam who passed away in August 2023 following his resignation .

8 Confidential Reports

There are no Confidential Matters.

9 Close of Meeting

This concludes the business of the meeting.

Meeting closed at 6:00 pm.

Confirmed by resolution 8 November 2023.

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Chairperson