

# **Corangamite Shire**

## **AGENDA**

# **Ordinary Council Meeting**

*7.00 pm • Wednesday 27 January 2016*

*Killara Centre  
210-212 Manifold Street, Camperdown*

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# Order of Business

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1. PRAYER
2. APOLOGIES
3. DECLARATIONS OF CONFLICT OF INTEREST
4. CONFIRMATION OF MINUTES  
RECOMMENDATION  
That the Minutes of the Corangamite Shire Ordinary Council meeting held on Tuesday 15 December 2015 be confirmed.
5. DEPUTATIONS & PRESENTATIONS
6. MAYOR'S REPORT
7. COMMITTEE REPORTS
8. INFORMATION BULLETIN
9. PLANNING REPORTS
10. OFFICERS' REPORTS
11. OTHER BUSINESS
12. OPEN FORUM
13. CONFIDENTIAL ITEMS

**ANDREW MASON**  
**CHIEF EXECUTIVE OFFICER**

## **DISCLAIMER**

The advice and information contained herein is given by the Council without liability or responsibility for its accuracy. Before placing any reliance on this advice or information, a written enquiry should be made to the Council giving the entire reason or reasons for seeking the advice or information and how it is proposed to be used.

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## 5. DEPUTATIONS & PRESENTATIONS

1. Members of the public may address Council under this section of the Agenda of an Ordinary Meeting of the Council if:
  - a) The person is addressing the Council in respect to a submission on an issue under Section 223 of the *Local Government Act*, or
  - b) The person has requested that they address Council on an issue and the Mayor has agreed that they be heard.
2. Requests to address Council must be received by 5.00 pm on the day prior to the scheduled Ordinary Meeting of the Council.
3. Presentations made to Council in this section of the Agenda may not exceed five minutes in length, although Councillors may ask questions proceeding each presentation. If a presentation exceeds five minutes in length, the Mayor may request that the presenter ceases to address Council immediately.

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## 6. MAYOR'S REPORT

### 6.1 Mayor's Report

**Author:** Jo Beard, Mayor

**File No:** D16/16

**Previous Council Reference:** Nil

#### **Declaration**

Chief Executive Officer – Andrew Mason

In providing this advice to Council as the Chief Executive Officer, I have no interests to disclose in this report.

Author - Jo Beard

In providing this advice to Council as the Mayor, I have no interests to disclose in this report.

#### **Issues**

At this time of year the importance of emergency planning becomes apparent as the threat of severe fire conditions becomes all too real. The Wye River and Separation Creek fires, which destroyed 116 houses over the Christmas period, were devastating and will be life changing for all involved. Fortunately no lives were lost as our emergency response teams fought so tirelessly to protect properties and attempt to contain the fires located in difficult terrain.

Corangamite Shire's collaborative emergency management arrangements with Colac Otway Shire and Surf Coast Shire meant that many of our staff volunteered to work in the Relief Centre located in Apollo Bay, while members of our Emergency Management department worked in the Incident Control Centre. It was wonderful that we were able to help out with staff and a water tanker, after all that's what neighbours do. I wish to thank all staff who made themselves available to assist with the recent fires during one of the busiest times of the year, especially to those who came in to assist on Christmas Day, a time to be spending with families and loved ones. I am very proud of the way our staff responded to the call for assistance and supported those communities affected by the fires.

I wish to also acknowledge the work of our CFA volunteers. My brother and father are both CFA volunteers and I know that when they are needed they drop and run, every time, no matter what. On Christmas Day my Dad was sitting in the local CFA station manning the radios, just like many others across our region. So to all you amazing and inspiring people in our communities who help protect us every day, thank you for doing what you do.

More recently, our year began positively following the announcement by Federal Member for Wannon, Dan Tehan MP, of \$2.6 million for the replacement of the Castle Carey Bridge as part of the Australian Government's Bridges Renewal Programme. I would like to thank the Federal Government for providing such a significant amount of funding towards the replacement of Castle Carey Bridge which is expected to cost \$5.2 million. The bridge, which provides a critical link for farmers and businesses from across the region, is in urgent need

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of repair to ensure the safety of road users. It is sincerely hoped that the State Government will contribute \$1 million to ensure the project can proceed, allowing for an increase in load limitations and improvements to the bridge's approaches. Such improvements would allow for the introduction of B Double and Higher Mass Limits vehicles, important for regional stock and freight movements through our Shire, providing jobs and economic benefits for both our Shire and the adjoining Moyne Shire.

I was very pleased to join my fellow Councillors for an announcement on 11 January that works have commenced for the Terang Gas project. This significant project will see the Terang community finally connected to natural gas, and provide economic benefits to residents and business in the town. A daughter station is being constructed on Peterborough Road, with gas being trucked in from a mother station in Bendigo. It is expected that the laying of the pipeline will start in March and I encourage any Terang residents or businesses interested in being connected to the new gas network, to register their interest with Brookfield before the end of February. This addition to Terang is another reflection of the town's liveability and positive economic future.

On Tuesday 12 January, Councillors met for a briefing in the new Terang Children's Centre. It was a wonderful opportunity to see the completed building and I wish to congratulate all involved in the project. The new centre for Terang will incorporate not only a new Kindergarten, but also a Maternal and Child Health Centre. Later that afternoon Councillors visited Noorat to review the amazing progress and wonderful projects achieved through the community planning process. The Noorat community is filled with vibrant and hardworking residents who are proud of their town and who are striving towards making its future bright. I must say congratulations and well done to all involved.

As a Council we are proud of the work that our communities are achieving. It once again reinforces that so much can be gained by our Council working alongside our communities for their prosperity and for our future generations to enjoy.

**Information only.**

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## 7. COMMITTEE REPORTS

### 7.1 Audit Committee Report

**Author:** David Rae, Director Corporate and Community Services

**File No:** D15/714

**Previous Council Reference:** 27 October 2015, Item 7.1

#### **Declaration**

Chief Executive Officer – Andrew Mason

In providing this advice to Council as the Chief Executive Officer, I have no interests to disclose in this report.

Author - David Rae

In providing this advice to Council as the Director Corporate and Community Services, I have no interests to disclose in this report.

#### **Summary**

This report provides Council with a summary of business considered at the 10 December 2015 meeting of the Audit Committee.

#### **Introduction**

The Audit Committee (the Committee) is an independent advisory committee to Council. The primary objective of the Committee is to assist Council in the effective conduct of its responsibilities for financial reporting, management of risk, maintaining a reliable system of internal controls and facilitating the organisation's ethical development.

#### **Issues**

Attendees at the Committee meeting were as follows:

|                      |   |
|----------------------|---|
| Councillors:         | Cr Neil Trotter, Cr Jo Beard (ex officio member)  |
| Independent Members: | Nancy Johnson (Chairperson)<br>Jacinta Thomas<br>Andrew Jeffers   |
| Apologies:           | Cr Ruth Gstrein   |
| Officers:            | Andrew Mason, Chief Executive Officer<br>Ian Gibb, Director Sustainable Development<br>David Rae, Director Corporate and Community Services |
| Guests:              | Martin Thompson and Andrew Zavitsanos, Crowe Horwath (Internal Auditor)   |

Declaration of Conflict of Interest: Nil

The Committee considered the following matters at the meeting:

- Status update of outstanding Internal Audit recommendations.
- Corangamite Shire Landfill Management Annual Report to the Audit Committee.
- Victorian Building Authority Levy Audit.
- Victorian Auditor General's Office 2014-2015 Audit Snapshot.
- Quarterly Finance Report September 2015.
- Audit Committee Charter Annual Review.
- Review of Annual Work Plan.
- Audit Committee Meeting Dates for 2016.
- Audit Committee Annual Performance Review.
- Internal Audit Service Provider Annual Performance Review.
- Rate Capping and Variation Framework.

### ***Review of Audit Committee Charter***

In accordance with the Audit Committee's annual work plan, amendments to the Committee's Charter were considered following recent changes to the *Local Government Act 1989*:

- The Chair of a Council Audit Committee must not to be a Councillor or a member of Council staff and that the Chair must be suitably qualified.
- The Chair of an Audit Committee is provided with the authority to refer any reports from the Audit Committee to the Council for consideration.

These changes along with minor amendments to correct the Committee's membership structure and clarify development of the Committee's work plans have been recommended by the Audit Committee for Council's adoption. The Audit Committee Charter is attached under separate cover.

### **Policy and Legislative Context**

Reporting of the Audit Committee's activities is consistent with the Council Plan 2013-2017 which includes the following commitments:

Council will demonstrate high levels of ethical behaviour and corporate governance standards. We will make budgetary decisions that are reflective of our financial circumstances. We will advocate for and with the community to achieve outcomes.

Model contemporary standards of corporate governance and professional standards.

### **Financial and Resource Implications**

There are no financial and resource implications as a consequence of this report.

### **Options**

Council may wish to:

- Approve the Audit Committee Charter dated December 2015 with or without amendment.
- Not Approve the Audit Committee Charter dated December 2015.

### **Conclusion**

The next meeting of the Audit Committee is scheduled for March 2016 and a report on that meeting will be presented at the April 2016 Council meeting. Council is requested to approve the revised Audit Committee Charter.



## **RECOMMENDATION**

### **That Council:**

- 1. Revoke the Audit Committee Charter dated December 2012.**
- 2. Adopt the Audit Committee Charter dated December 2015 as attached to this report.**

### **Attachments**

- 1. Audit Committee Charter December 2015 - Under Separate Cover**

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## 7.2 Audit Committee - Annual Report to Council

**Author:** David Rae, Director Corporate and Community Services

**File No:** D15/715

**Previous Council Reference:** 27 January 2015, Item 7.1

### Declaration

Chief Executive Officer – Andrew Mason

In providing this advice to Council as the Chief Executive Officer, I have no interests to disclose in this report.

Author - David Rae

In providing this advice to Council as the Director Corporate and Community Services, I have no interests to disclose in this report.

### Summary

The purpose of this report is to provide Council with a summary of the activities undertaken by the Audit Committee (the Committee) during 2015 in accordance with the Committee Charter.

### Introduction

Audit committees play a critical role in the financial reporting framework of councils by overseeing and monitoring the participation of management and external auditors in the financial reporting process. They also address issues such as the approach being adopted by a council and management to address business risks, corporate and financial governance responsibilities and legal compliance. A council may also refer issues of a strategic nature to their audit committee. The principal functions and extent of authority for an audit committee are set out in the *Local Government Act*.

In 2012, Council resolved to enhance the Committee's effectiveness through a review of the Committee's Charter, the appointment of an internal auditor and the appointment of a majority of independent Audit Committee members. These initiatives were implemented as a result of the publication "Audit Committees – A Guide to Good Practice for Local Government" published in February 2011 and approved by the Minister for Local Government.

The Audit Committee's Charter requires the Committee must:

Report annually to stakeholders, describing the Committee's composition, responsibilities and how they were discharged, and any other information required by regulation, including approval of non-audit services.

### Issues

The Committee met four times during the review period. The Committee membership did not change. The Committee had a successful year and met its objectives. The Committee's engagement with Council management was positive, which ensures a continuing and strong commitment to corporate governance and improving internal controls. Significant progress was also made in the Internal Audit function, particularly in regards to risk management.

### **Committee Members**

The Committee was comprised of the following members during the year:

- Independent members:
  - Ms Nancy Johnson (Chairperson)
  - Ms Jacinta Baker
  - Mr Andrew Jeffers
- Councillors:
  - Councillor Ruth Gstrein
  - Councillor Neil Trotter
  - The Mayor is an ex-officio Committee member.

| Attendee       | Meeting    |            |            |            |
|----------------|------------|------------|------------|------------|
|                | 12/03/2015 | 11/06/2015 | 10/09/2015 | 10/12/2015 |
| <b>Members</b> |            |            |            |            |
| Nancy Johnson  | ✓          | ✓          | ✓          | ✓          |
| Jacinta Baker  | x          | ✓          | ✓          | ✓          |
| Andrew Jeffers | ✓          | ✓          | ✓          | ✓          |
| Ruth Gstrein   | ✓          | ✓          | ✓          | x          |
| Neil Trotter   | ✓          | ✓          | ✓          | ✓          |
| Chris O'Connor | x          | ✓          | ✓          | n/a        |
| Jo Beard       | n/a        | n/a        | n/a        | ✓          |

### **In Attendance**

The followings individuals attended Committee meetings during the year:

- Council officers:
  - Mr Andrew Mason, Chief Executive Officer
  - Mr David Rae, Director Corporate and Community Services
  - Mr Alex Green, Director Works and Services
  - Mr Ian, Gibb, Director Sustainable Development
  - Ms Brooke Love, Acting Director Works and Services
  - Ms Kathryn Crothers, Finance Manager
- Coffey Hunt, agent of the Victorian Auditor General's Office (External Auditor):
  - Mr Chris Kol, Coffey Hunt
- Crowe Horwath (Internal Auditor):
  - Mr Martin Thompson, Principal
  - Mr Andrew Zavitsanos, Manager
  - Mr Simon Smith, Assistant Manager.

### **Meetings**

Issues considered by the Committee during the period included:

- Meeting 12 March 2015:
  - Cash handling issues.
  - 2013-2014 External Audit Management Letter - Outstanding Recommendations
  - 2014-2015 External Audit Strategy
  - Victorian Auditor General's Office - Results Of 2013-2014 Audits
  - Internal Audit Reviews - Memorandums Of Audit Planning
    - Administration of Council Grants Program
    - Working Around Power Lines

- Policy Reviews
  - Investment Policy
  - Corporate Card Policy
  - Fees and Charges Policy
- Quarterly Finance Report - December 2014
- Governance and Management Attestation As At 31 December 2014.
- Meeting 11 June 2015:
  - 2014-2015 External Audit Interim Management Letter
  - IBAC Report - Local Government: Review of Council Works Depots
  - Local Government Investigations and Compliance Inspectorate Audit
  - Internal Audit Reviews:
    - Working Around Power Lines
    - Administration of Council Grant Programs
  - Status update - outstanding Internal Audit recommendations
  - Strategic Internal Audit Plan 2015-2016
  - Business Continuity Framework
  - Risk Management Profile Update
  - Biennial JMAPP Property Risk Management Audit
  - 2015-2016 Annual Budget
  - Quarterly Finance Report March 2015.
- Meeting 10 September 2015:
  - 2014-2015 Financial Statements and Performance Statement
  - Draft Management Letter for Year Ended 30 June 2015
  - 2015-2016 Internal Audit Reviews - Memorandums of Audit Planning
  - Draft Cash Management Policy
  - Risk Profile Update
  - Procurement Policy Review 2015
  - Local Government Investigations and Compliance Inspectorate Audit - Status Update
  - Health & Safety Management System Review
  - Public Liability Claim
  - Fraud Control Plan Annual Review
  - Local Government Rate Capping and Variation Framework
  - Finance Report as at May 2015
  - Internal Audit Service Provider - Extension of Contract.
  - Review of Strategic Audit Plan
- Meeting 10 December 2015:
  - Status update of outstanding Internal Audit recommendations
  - Corangamite Shire Landfill Management Annual Report to the Audit Committee
  - Victorian Building Authority Levy Audit
  - Victorian Auditor General's Office 2014-2015 Audit Snapshot
  - Quarterly Finance Report September 2015
  - Audit Committee Charter Annual Review
  - Review of Annual Work Plan
  - Audit Committee Meeting Dates for 2016
  - Audit Committee Annual Performance Review
  - Internal Audit Service Provider Annual Performance Review
  - Rate Capping and Variation Framework.

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***Assessing the Audit Committee's Performance***

As required by the Committee's Charter, a performance review was undertaken by the Committee in December 2015. The review, conducted by a self-assessment survey, was used to measure the Committee's performance against its responsibilities detailed within its Charter. Committee members assessed the effectiveness of the Audit Committee as a whole and their individual performance.

The self-assessment survey sourced from "Audit Committees - A Good Practice Guide for Local Government", as published by Local Government Victoria in January 2011, was used as the criteria by which the performance of the Audit Committee was assessed. This was sent to Committee members prior to the meeting for completion. Committee members also considered whether they had:

- a good understanding of, and commitment to, the Audit Committee's role and responsibilities
- an ability to act objectively and independently
- an ability and willingness to take difficult, but constructive stands, at meetings when necessary
- a good understanding of the Council's business
- a good understanding of the Council's risk management processes
- have sufficient business, industry, financial and regulatory knowledge
- adequately prepared for, and participated in, Audit Committee meetings.

In summary, respondents were positive about the contribution made by the Committee to Council's corporate governance objectives. Respondents considered the Committee's performance has been either "adequate" or "more than adequate" in the assessed areas. The Committee continues to have a mature and professional approach. Meetings are well-planned and structured, with appropriate participation and strong support of Councillors and senior management. A copy of the self-assessment survey is attached under separate cover.

***Internal Auditor Performance***

As required by the Committee's Charter, a performance review of the Internal Auditor (Crowe Horwath) was also undertaken by the Committee in December 2015. The review was used to assess the Internal Auditors performance in achieving the objectives of the Audit Committee. An evaluation form adapted from the publication "Evaluation of Internal Auditors" produced by KPMG Hong Kong's Audit Committee Institute was used for this purpose.

Council's Internal Auditor is responsible for providing objective assurance as to the adequacy and effectiveness of Council's risk management and control framework. Council's Audit Committee has a significant obligation to continue to enhance the effectiveness and efficiency of internal audit, including internal audits interaction with management. An effective relationship between the Committee and internal audit is also necessary to ensure the Committee discharges its responsibilities.

The evaluation form (survey) was sent to Committee members prior to the meeting for completion. In summary, respondents were positive about the contribution made by the Internal Auditor to Council's corporate governance objectives. Respondents considered the Internal Auditor's performance had been either "adequate" or "strong" in the assessed areas. A copy of the survey is attached under separate cover.

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**Future**

The tenure of independent Committee member Jacinta Thomas expires 31 January 2016. An expression of interest process will commence mid-January 2016 to fill the vacancy culminating in a recommendation to Council in February 2016.

During the first half of 2016, the Committee will consider internal audit reviews in Statutory Building Services and Kindergarten Administration. The contract for the provision of internal audit services concludes September 2016 and management will commence a Request for Quotation process mid-2016 to appoint a new provider.

The Committee will also continue to review the effectiveness of the internal control framework associated with Business Continuity Planning and Risk Management.

**Policy and Legislative Context**

Reporting of the Audit Committee's activities is consistent with the Council Plan 2013-2017 which includes the following commitments:

Council will demonstrate high levels of ethical behaviour and corporate governance standards. We will make budgetary decisions that are reflective of our financial circumstances. We will advocate for and with the community to achieve outcomes.

Model contemporary standards of corporate governance and professional standards.

**Internal / External Consultation**

The Chairperson of the Audit Committee has been provided with a copy of this report.

**Financial and Resource Implications**

There are no financial and resource implications as a consequence of this report.

**Conclusion**

During 2015 Council's Audit Committee considered a broad range of issues as detailed in this report. Members of the Committee worked productively and harmoniously and have largely met the objectives set out in the Charter. The Committee continues to recognise the ongoing need for continuous improvement in enhancing the effectiveness of the Committee and Internal Audit. The Committee also continues to work professionally and effectively with management.

**RECOMMENDATION**

**That Council receives the 2015 Audit Committee Annual Report.**

**Attachments**

1. 2015 Audit Committee Annual Performance Review Survey - Under Separate Cover
2. 2015 Internal Auditor Annual Performance Review Survey - Under Separate Cover

**8. INFORMATION BULLETIN**

Nil.

## 9. PLANNING REPORTS

Nil.



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## 10. OFFICERS' REPORTS

### 10.1 Grants Policy

**Author:** Rory Neeson, Manager Community Relations

**File No:** D15/713

**Previous Council Reference:** Nil

#### **Declaration**

Chief Executive Officer – Andrew Mason

In providing this advice to Council as the Chief Executive Officer, I have no interests to disclose in this report.

Author - Rory Neeson

In providing this advice to Council as the Manager Community Relations, I have no interests to disclose in this report.

#### **Summary**

This report proposes the adoption of a Grants Policy for Corangamite Shire.

#### **Introduction**

In March 2015 an internal audit was completed on all the various grant programs that are offered by Council.

While the results of the audit were positive for Council in the way that it administers its grants programs, the audit did identify some improvements that could be implemented to ensure Council continues to offer its grants programs in a transparent and accountable manner.

This policy aims to provide a broad framework which will guide the provision of consistent grant administration across all of Council's grant programs. It ensures that all the improvements/recommendations identified in the audit are completed, while providing clear guidelines for what is expected when completing a grant program at Council.

#### **Issues**

This Grants Policy applies to the following grant programs offered by Council.

- Community Grants Program
- Facility Grants Program
- Environmental Support Fund
- Retail Area Façade Improvement Program.

The policy should be followed for the introduction of any other future grant programs offered by Council.

This policy does not apply to funding that is provided to the community through other means that can include but is not limited to:

- direct budget allocations
- funding provided to halls, recreation reserves and other special committees of Council

- funding provided to facility management
- Council discretionary funding allocations
- funding provided through the Community Planning Program
- funding provided via sponsorships or donations by Council.

The policy ensures each of Council's grant programs will adhere to the following key processes:

- documented guidelines with clearly defined criteria
- application form
- advertising process
- assessment process
- conflict of interest
- formal agreement process
- accountability requirements.

It also ensures that each program takes a consistent approach to:

- the feedback process
- conflict of interest provisions
- reallocation of grant program funding.

As part of the development of this policy, and in line with one of the recommendations from the auditor, a funding/grants database is proposed across all funding provided by Council to the community. This database will provide Council with a clear understanding of which community groups have received financial support from Council across different funding programs. It will ensure that no new funding is awarded to any community groups if they have an outstanding acquittal of over 12 months, providing a greater level of financial accountability for Council.

A variety of templates have also been created to ensure Council provides advice regarding its grant programs in a professional, consistent manner. These include:

- Corangamite Shire Council Successful Grants Letter Template
- Corangamite Shire Council Unsuccessful Grants Letter Template
- Corangamite Shire Council 'Conflict of Interest' Form
- Corangamite Shire Council 'No Conflict of Interest' Form.

### **Policy and Legislative Context**

The Grants Policy is consistent with recommendations made by Crowe Horwath following the internal audit of various grant programs in March 2015. It is also consistent with the following 2013-2017 Council Plan commitments:

Council will demonstrate high levels of ethical behaviour and corporate governance standards.

Model contemporary standards of corporate governance and professional standards.

### **Internal / External Consultation**

This policy has been reviewed internally by all departments who complete grant programs at Council as well as by Council's Senior Officer Group.

### **Financial and Resource Implications**

No new financial or resource implications are proposed through the adoption of this policy.

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**Options**

Council may choose to adopt this Grants Policy, amend this Grants Policy before adoption or not adopt this Grants Policy.

**Conclusion**

Council is committed to ensuring our Shire is a great place to live and assisting with strengthening the development of our local communities.

Through the administration of various grant programs, Council is able to provide funding to the community to allow them to complete various projects/programs that they may not otherwise be able to complete.

This policy will allow Council to continue to provide grants to the community while ensuring we meet our obligations around transparency and financial accountability.

**RECOMMENDATION**

**That Council adopt the Grant Policy dated January 2016.**

**Attachments**

1. Corangamite Shire Grants Policy
2. Corangamite Shire Council Successful Grants Letter Template - Under Separate Cover
3. Corangamite Shire Council Unsuccessful Grants Letter Template - Under Separate Cover
4. Corangamite Shire Council Grants No Conflict of Interest Form - Under Separate Cover
5. Corangamite Shire Council Grants Conflict of Interest Form - Under Separate Cover

# Council Policy



## Grants Policy

### Introduction

Corangamite Shire Council is committed to ensuring our Shire is a great place to live and assisting with strengthening the development of our local communities.

Each year through the budget process, Council makes funds available under various grant funding programs (see below) to help assist the community.

### Purpose

This policy provides a broad framework which will guide the provision of consistent grant administration across all of Council's grant programs.

It will ensure that all guidelines, criteria, application forms, advertising, assessment, agreement and accountability processes are presented in a transparent, consistent and equitable manner, and are understood by the community.

### Scope

This policy is applicable to the following grant programs offered by Council.

- Community Grants Program
- Facility Grants Program
- Environmental Support Fund
- Retail Area Façade Improvement Program

This policy does not apply to funding that is provided to the community through other means that can include but is not limited to:

- Direct budget allocations
- Funding provided to halls and recreation reserves
- Funding provided to facility management
- Council discretionary funding allocations
- Funding provided through the Community Planning Program.

This policy also doesn't include funding provided via sponsorships or donations by Council.

"It is considered that this Policy does not impact negatively on any rights identified in the *Charter of Human Rights Act (2006)*".

### Definitions

#### Grant

A sum of money given to organisations or individuals for a specific purpose directed at achieving goals and objectives consistent with Council's strategic direction. The recipient is selected on merit against a set of criteria and funding is subject to entering a written agreement with Council that outlines accountability requirements.

### References

- Corangamite Shire Council Media Relations Policy
- Corangamite Shire Retail Area Façade Improvement Program Policy

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## Policy Detail

This policy framework is supported by a series of detailed processes that are consistent with Council's strategic direction for the community. The Council Plan and other strategies, plans and policies have guided the development of this framework to ensure that Council provides funding to grant programs that are consistent with Council's overall direction for the Shire.

Each of Council's grant programs will adhere to the following key processes:

1. Documented guidelines with clearly defined criteria
2. Application form
3. Advertising process
4. Assessment process
5. Conflict of interest
6. Formal agreement process
7. Accountability requirements

The following content and information will be included within all grant programs to ensure consistency and clear requirements of grant applicants.

### 1. Guidelines and criteria

- Description of grant program
- Eligibility, detailing any specific exclusions
- Assessment criteria
- Conditions of funding
- Acknowledgement of Council
- Timeline
- Step by step guide to the application process

### 2. Application form

- Applicant details
- Assessment criteria
- Permits required
- Budget breakdown
- Signed verification
- Generic email address [grants@corangamite.vic.gov.au](mailto:grants@corangamite.vic.gov.au) to be used
- All applications to be stored electronically in record management system

### 3. Advertising process

- Minimum six week advertising period.
- During this time, as a minimum, two of each the following should be completed:
  - Media release
  - Public notice (completed as per Council's Media Relations Policy)
  - Social media post on Facebook and Twitter
- Other forms of promotion can include:
  - Corangamite Shire News articles
  - Community newsletter articles
  - Radio advertisements

### 4. Assessment process

- Clearly defined assessment process that uses the following scoring methodology:
  - 5 – Greatly exceeds criteria
  - 4 – Exceeds criteria

- 3 – Generally meets criteria
- 2 – Meets part of criteria
- 1 – Fails to meet criteria
- This scoring methodology is to be used as part of a system where all questions in the assessment criteria are weighted with a percentage amount totalling up 100%.
- Scoring is then completed where if a question in the assessment criteria is worth 20% and the grant application is scored 4 for a question, a score of 16 would be provided as the score for this question.
- Applications assessed against set criteria.
- Minimum of three people to form part of the grant assessment panel.
- Data inventory to compute individual and total scores for each application assessed.
- Funding recommendations to be presented as part of a Council Report for approval that rank applications in order of scoring and include a short description of the project.

#### **5. Conflict of interest**

- ‘Conflict of Interest’ or ‘No Conflict of Interest’ form to be completed by each member of assessment panel and saved into document management system.
- If a conflict of interest is declared, that person will not assess the relevant application and the scoring will be averaged using the other two panel member’s scores.
- If a panel member has a conflict of interest with more than three applications, that panel member will be ineligible to participate and another panel member will be required.
- If two panel members declare a conflict of interest for the same application, a new panel member must be selected and replace one of the existing members.

#### **6. Funding Agreement Process**

- Written documentation detailing as a minimum:
  - Funded body/business/group
  - Amount funded
  - Funding period
  - GST requirements
  - Conditions of the grant
  - Acknowledgement of Council
  - Reporting requirements

#### **7. Accountability Requirements**

- Successful applicants to any of Council’s Grant Program will be required to:
  - Notify in writing any changes to agreed project funding/terms
  - Provide a report on the outcome of the grant that includes copies of relevant documentation as required in the conditions of the grant (e.g. photos, invoices, receipts, permits)
  - Return unexpended funds to Council or obtain written approval for extension of agreed funding
  - Acknowledge Council in all publicity/promotional/advertising material regarding the grant
  - Complete a grant acquittal form and return to Council
- Funding will not be provided to a community group if they have an outstanding acquittal of over 12 months.

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Feedback Process

All applicants must be informed of the outcome of their application in writing and offered the opportunity to discuss the application/selection process.

Conflict of Interest Provisions

To ensure an accountable and transparent assessment process is maintained, Councillors, Council Officers and members of the public assessing grant applications are required to declare any potential conflicts of interest. This may include, but is not limited to personal connections with any applicant. Anyone having a conflict of interest should not debate, be involved with any discussions, or vote on any matter relating to the specific applicant.

To ensure increased transparency, a declaration of 'No Conflict of Interest' is to also be completed by any Councillors, Council Officers and members of the public, assessing grant applications.

Reallocation of Grant Program Funding

As Council completes its Community Grant and Facility Grant Programs simultaneously, if one of these grant programs is undersubscribed and the other is oversubscribed, funding may be reallocated to allow a greater number of community groups to be funded.

If this is to occur, a clear additional Officer Recommendation is required in the Council Report that states the additional groups to be funded and how much funding is required to be reallocated from one program to the other.

Grants/Funding Database

As community groups are entitled to apply to Council for various forms of funding/grants, a database that contains all forms of funding should be kept updated as grants are awarded and then also as individual grants are acquitted.

Funding will not be provided to a community group if they have an outstanding acquittal of over 12 months.

Templates

To assist Council to provide advice regarding its grant programs in a professional, consistent way, a variety of document templates have been developed for use across all of Council's grant programs which include:

- Corangamite Shire Council Successful Grants Letter Template
- Corangamite Shire Council Unsuccessful Grants Letter Template
- Corangamite Shire Council 'Conflict of Interest' Form
- Corangamite Shire Council 'No Conflict of Interest' Form

**Reference to linked Procedure or Guidelines, if applicable**

- Retail Area Façade Improvement Program Guidelines
- Retail Area Façade Improvement Program Application Form
- Retail Area Façade Improvement Program Acquittal Form
- Community Grants Program Guidelines
- Community Grants Application Form
- Community Grants Acquittal Form
- Facility Grants Program Guidelines
- Facility Grants Application Form
- Facility Grants Acquittal Form
- Environmental Support Fund Guidelines
- Environmental Support Fund Application Form
- Environmental Support Fund Acquittal Form

- 
- Corangamite Shire Council Successful Grants Letter Template
  - Corangamite Shire Council Unsuccessful Grants Letter Template
  - Corangamite Shire Council Grants Conflict of Interest Form
  - Corangamite Shire Council Grants No Conflict of Interest Form

**Review Date**

Jan 2019.



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## 10.2 2016-2017 Rate Cap

**Author:** David Rae, Director Corporate and Community Services

**File No:** D15/724

**Previous Council Reference:** Nil

### Declaration

Chief Executive Officer – Andrew Mason

In providing this advice to Council as the Chief Executive Officer, I have no interests to disclose in this report.

Author - David Rae

In providing this advice to Council as the Director Corporate and Community Services, I have no interests to disclose in this report.

### Summary

To present information on the rate cap announced by the Minister for Local Government and its financial impact.

### Introduction

On 22 December 2015, the Government Gazette published a General Order issued by the Minister for Local Government under Section 185D of the *Local Government Act 1989*. The purpose of the Order was to announce a rate cap of 2.5% which will apply to all Victorian councils for the 2016-2017 financial year. The effect of the cap means a council must not exceed the base average rate by more than the rate cap specified in the Order. The cap is based on the Victorian Department of Treasury and Finance mid-year economic update CPI forecast. A copy of the General Order is attached under separate cover. A Council may apply to the Essential Services Commission (ESC) for a special Order specifying a higher cap for up to a maximum of four financial years.

### Issues

Corangamite Shire Council's financial position is strong and generally within the low risk benchmarks as assessed by the Victorian Auditor General's Office. In order to maintain Council's strong record of financial management under a rate capping regime, Council will need to contain, on average, annual increases in costs at or below the cap. This will need to be achieved through reduced operating expenditure. Reducing capital expenditure is not financially responsible; new capital expenditure is generally low and maintaining capital expenditure on renewing existing assets is essential.

To achieve the required reduction in operating expenditure, Council will need to adjust its level of service provision. Financial modelling based on the cap indicates that from 1 July 2016 Council will need to reduce its recurrent operating expenditure by \$500,000 to remain financially sustainable. Whilst officers have historically and currently continue to identify and implement efficiency and productivity initiatives, further action is required in bridging the rates capping gap. A summary of the modelling is provided below under the Financial and Resource Implications.

The draft budget for 2016-2017 will be presented to Council in May 2016. The draft budget will include an increase in Council rates and the municipal charge equal to the cap which is significantly lower than the historical increases of 5%. The budget will also include a variety of initiatives to deliver the required savings to bridge the funding gap. These initiatives will be developed over the next several months and will result in a broad reduction in costs which will be achieved through modifying or eliminating some services. There will also be an emphasis on reviewing services currently provided by Council on behalf of the State Government. Conversely, alternative income sources will be considered including a review of fees and charges where the underlying service mostly deliver benefits to individuals rather than the community. As initiatives are developed, the stakeholders who are impacted will be consulted where possible prior to the draft budget being presented to Council.

During 2016-2017, management will also commence negotiations for a new Enterprise Agreement (EA). The current EA includes annual increases in wages and salaries of 3.4%. This is unsustainable with the rate cap as announced. Future EAs will need to be contained to within the cap to avoid unnecessary staff redundancies.

Council's 2016-2017 draft budget will also include an initiative to undertake an organisational wide service review. This initiative will be important to ensure the services Council provides into the future can be done so in a sustainable manner. It will review what services Council will need to stop providing or do less of, and what services Council will need to maintain at the current level. The reviews, which will be proposed to be completed over two financial years, will also be used for benchmarking, identifying additional efficiency gains and determining a level of subsidy acceptable by Council. This review will provide Council the opportunity to consult more broadly with the community, which may assist in supporting an application to the Essential Services Commission for a variation to the rate cap.

In summary, the key principles underpinning Council's response to rate capping are as follows:

- Where possible seek to reduce cost shifting from the State Government. Council currently provides services on behalf of the State Government which are subsidised by Council. Examples include blue green algae testing and response at Lake Bullen Merri, which is the responsibility of the State Government, and the provision of \$60,000 of funding to the SES, when all other emergency agencies are fully funded by the State Government.

A recent Parliamentary Inquiry and decisions by other councils have also identified additional services that are provided on behalf of the State Government. These services include school crossing supervisors and processing of fire permits for the CFA.

While no decision has been made by Corangamite about the continued provision of these services, it is likely that at least some of these services will need to be 'cut' or 'handed back' to the State Government.

- Work with other councils through the Municipal Association of Victoria to advocate for a fairer system of funding. The Parliamentary Inquiry into rate capping identified a range of services where State Government funding had been significantly reduced over a period of time, for example libraries services were originally funded 80% State Government and 20% Local Government, over time these ratios have been reversed.

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Other services identified in the Inquiry that have seen a significant reduction in State Government funding include Maternal and Child Health and Home and Community Care.

The Inquiry also notes the impact on rural councils of the cut by the State Government of the Country Roads and Bridges funding. This funding provided \$1 million a year for local road and bridge renewal. Infrastructure renewal is paramount to the liveability and connectivity within our communities. External funding for roads is essential to ensure Council can continue to maintain our roads and bridges.

- Reduce or eliminate some services which are “nice to do but not critical”. Unfortunately this will impact on our capacity to provide funding and support to communities. It is still too early to know what these services are, it is expected that services will be identified through the budget development and/or future service reviews.
- Continue to invest in renewing existing assets. It is important that we don't let our assets (roads and buildings) deteriorate, this means that it is unlikely that substantial cost reductions will be made in these areas.
- Not borrow to subsidise operating activities. We will not use loans to fund operating activity because this just defers the problem to the future.
- Continue to be as efficient as possible. A challenge for future years will be to keep our costs below the rate cap.

### **Policy and Legislative Context**

Consideration of this paper is in accordance with the *Local Government Amendment (Fair Go Rates) Act 2015*, which was passed by the Victorian Parliament during November 2015 and with the 2013-2017 Council Plan commitments:

Council will demonstrate high levels of ethical behaviour and corporate governance standards. We will make budgetary decisions that are reflective of our financial circumstances. We will advocate for and with the community to achieve outcomes.

Model contemporary standards of corporate governance and professional standards.

Council will recognise and make decisions that reflect our financial circumstances.

### **Internal / External Consultation**

In January 2015, Council received advice the ESC had received Terms of Reference to conduct a review and report on a local government rates capping framework. The ESC was tasked to inquire into and advise the Government on options and a recommended approach for a rates capping framework. The ESC released a consultation paper in April 2015, upon which Council made a submission. Council also made a submission on the Essential Services Commission's draft Rates Capping and Variation Framework following its release in August 2015. Council received two briefings on the framework and two reports to Council have been provided. The legislation to enact the framework was passed by Parliament during November 2015. Stakeholders affected by the savings initiatives to be included in the draft 2016-2017 Budget will be consulted where possible prior to it being presented to Council in May 2016.

### Financial and Resource Implications

The financial impact of the Rates Capping and Variation Framework is summarised below.

|                                | 2015-2016<br>Budget | 2016-2017<br>SRP | Increase         |
|--------------------------------|---------------------|------------------|------------------|
| Rate Increase @ 5%             | 19,522,259          | 20,498,372       | 976,113          |
| Rate Cap Increase @ 2.5%       | 19,522,259          | 20,010,315       | 488,056          |
| <b>Financial Impact ==&gt;</b> |                     |                  | <b>(488,056)</b> |

Based on the cap, a reduction in recurrent costs of \$500,000 will be necessary from the 2016-2017 financial year. Delays in implementing the cost reduction will result in a compounding effect of the impact.

The Government has also indicated it would not cap increases on service charges initially (i.e. waste management charges) whereas the modelling does. Excluding the cap on services charges, the financial impact on Council is estimated to be \$450,000 in 2016-2017. The future uncertainty on the capping of service charges necessitates its inclusion within the projected impact at this time.

### Options

Council has limited options to deal with the impact of rate capping. Council may choose to:

- Not take any action, however this is financially unsustainable.
- Reduce only capital expenditure, however this provides only short-term benefits and is not financially sustainable in the long-term.
- Apply to the Essential Services Commission for a variation to increase rates higher than the cap; this is not recommended at this time given the uncertainty and complexity of the variation process.

or

- Reduce operating costs to a sustainable level.

### Conclusion

Rate capping will commence from 2016-2017 and will continue for the foreseeable future. The cap will limit the annual increase in rates and the municipal charge. To remain financially sustainable, Council's draft 2016-2017 Budget will include a variety of initiatives to offset the impact. Some services will be impacted and stakeholders will be consulted prior to Council considering the draft Budget.

### RECOMMENDATION

#### That Council:

1. **Notes the impact of rate capping as outlined in this paper and prepare a draft budget taking into account the loss of approximately \$500,000 of rate income.**
2. **Writes to the Minister for Local Government and Local Government Victoria outlining the financial impacts of rate capping on Corangamite Shire and the need for greater financial support for rural and regional councils.**
3. **Writes to the MAV supporting their advocacy efforts to increase State Government funding to services provided by Local Government on behalf of the State Government.**

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**Attachments**

1. Minister for Local Government General Order - 2016-2017 Rate Cap - Under Separate Cover

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## 10.3 Timboon Sporting Centre Fees and Charges 2016

**Author:** Jarrod Woff, Acting Manager Facilities and Recreation

**File No:** D15/722

**Previous Council Reference:** Nil

### Declaration

Chief Executive Officer – Andrew Mason

In providing this advice to Council as the Chief Executive Officer, I have no interests to disclose in this report.

Author - Jarrod Woff

In providing this advice to Council as the Acting Manager Facilities and Recreation, I have no interests to disclose in this report.

### Summary

To approve the proposed fees and charges for programs and activities conducted at the Timboon Sporting Centre for 2016.

### Introduction

The Timboon Sporting Centre is managed by a Committee of Management appointed by Council, as per the agreement between the Corangamite Shire, Timboon P-12 School and the Timboon Sporting Centre Management.

The Centre is managed and operated by the Ballarat YMCA. The contract (Contract No. 2015006 Management of Corangamite Shire Recreation Facilities) specifies that the Contractor will have responsibility to recommend fees for the Centre at the December meeting of the Committee of Management for implementation from 1 January to 31 December of each year subject to Council approval.

### Issues

A fee increase is sought for programs and activities at the Timboon Sporting Centre for the 2016 calendar year.

The Ballarat YMCA has prepared and recommended an adjustment to the fees for the consideration of the Timboon Sporting Centre Committee of Management as follows:

| <b>TIMBOON SPORTING CENTRE</b>  |                     |                     |                   |
|---|---------------------|---------------------|-------------------|
|   | <b>2015</b>         | <b>2016</b>         |                   |
| <b>Program</b>  | <b>Approved Fee</b> | <b>Proposed Fee</b> | <b>% Increase</b> |
| Senior: Basketball  | \$6.20              | \$6.20              | 0%                |
| Netball   | \$6.20              | \$6.20              | 0%                |
| Badminton   | \$6.20              | \$6.20              | 0%                |
| Volleyball  | \$6.20              | \$6.20              | 0%                |
|   |                     |                     |                   |
| Junior: Basketball  | \$4.10              | \$4.20              | 2.5%              |
| Soccer  | \$4.10              | \$4.20              | 2.5%              |
| Netball   | \$4.10              | \$4.20              | 2.5%              |
| Squash  | \$4.10              | \$4.20              | 2.5%              |
| A two game discount will be applied to the above sports for upfront payment of a full season. Discount applied to number of games per season (finals excluded). |                     |                     |                   |
|   |                     |                     |                   |
| Pennant squash: per game  | \$6.70              | \$6.70              | 0%                |
| pre-paid 10% discount   |                     |                     |                   |
|   |                     |                     |                   |
| Junior training - any sport   | \$3.80              | \$4.20              | 10%               |
| Senior training – any sport   | \$5.50              | \$6.20              | 12%               |
| Casual squash   | \$7.20              | \$7.50              | 4%                |
| Pennant practise  | \$6.20              | \$6.20              | 0%                |
|   |                     |                     |                   |
| <b>Group Fitness Programs</b>   |                     |                     |                   |
| Single Session  | \$11.00             | \$11.00             | 0%                |
| Single Session (Concession)   | \$9.50              | \$9.50              | 0%                |
| Group Fitness classes to be sold as term passes. Pricing will be determined on the amount of weeks per (school) term x single session.                          |                     |                     |                   |
|   |                     |                     |                   |
| <b>Gym Memberships</b>  |                     |                     |                   |
| Single Session  | \$11.00             | \$11.00             | 0%                |
| Single Session (Concession)   | \$9.50              | \$9.50              | 0%                |
| Gym memberships to be sold as term passes. Pricing will be determined on the amount of weeks per (school) term x single session.                                |                     |                     |                   |
|   |                     |                     |                   |
| <b>Funastics</b>  |                     |                     |                   |
| Single Session  | \$11.00             | \$11.00             | 0%                |
| Single Session (Concession)   | \$9.50              | \$9.50              | 0%                |
| Funastics to be sold as term passes. Pricing will be determined on the amount of weeks per (school) term x single session.                                      |                     |                     |                   |
|   |                     |                     |                   |
| <b>Stadium Hire (Casual one off bookings)</b>   |                     |                     |                   |
| No lights   | \$44.00 h           | \$50.00 h           | 13%               |
| Lights  | \$57.00 h           | \$65.00 h           | 14%               |

The YMCA recommended a number of fees remain unchanged to ensure ease of cash handling. In addition, Gym Membership, Funastics and Group Fitness Program fees were increased significantly in 2015. The YMCA have suggested an increase from \$6.20 to \$6.50 in 2017 to balance the 0% increase in 2016.

### **Policy and Legislative Context**

The Timboon Sporting Centre Committee of Management is a special committee of Council in accordance with Section 86 of the *Local Government Act 1989*. Election of committee members is conducted in accordance with the Instrument of Delegation. Council has delegated special powers and functions under the instrument of delegation to the Committee, of which one is to prepare a list of fees and charges for Council approval.

This arrangement aligns with 2013-2017 Council Plan key commitments in the areas of community wellbeing and lifestyle:

Corangamite Shire's communities are welcoming and provide support and a sense of belonging. Council will work to improve and enhance community health, wellbeing and connectedness. Council has an important role in planning to ensure townships grow in a sustainable manner.

Provide opportunities to improve and enhance the health and wellbeing of our community.

Provide and advocate for a range of services, facilities and support to our people to enable them to fully engage and participate in the community.

### **Internal / External Consultation**

The Committee considered the proposed fees and charges for 2016 at its meeting on 8 December 2015 and agreed to recommend the proposed fee increase for approval by Council.

### **Financial and Resource Implications**

The fees have increased at an average rate of 3% with rounding.

The action will result in no change to the net cost of the operation of the Timboon Sporting Centre to Council.

### **Options**

Council can opt to accept the Committee's recommendation to increase the fees and charges for programs and activities conducted at the Timboon Sporting Centre for 2016.

Alternatively, Council can reject the recommendation from the Timboon Sporting Centre Committee of Management and retain the current fees or recommend alternative fees.

### **Conclusion**

The recommended fees and charges for the Timboon Sporting Centre for 2016 reflect an adjustment in accordance with the contract.

## **RECOMMENDATION**

**That Council approve the proposed fees and charges for programs and activities conducted at the Timboon Sporting Centre 2016.**



| <b>TIMBOON SPORTING CENTRE</b>   |                     |                     |
|--|---------------------|---------------------|
|  | <b>2015</b>         | <b>2016</b>         |
| <b>Program</b>   | <b>Approved Fee</b> | <b>Proposed Fee</b> |
| <b>Senior: Basketball</b>  | <b>\$6.20</b>       | <b>\$6.20</b>       |
| <b>Netball</b>   | <b>\$6.20</b>       | <b>\$6.20</b>       |
| <b>Badminton</b>   | <b>\$6.20</b>       | <b>\$6.20</b>       |
| <b>Volleyball</b>  | <b>\$6.20</b>       | <b>\$6.20</b>       |
|  |                     |                     |
| <b>Junior: Basketball</b>  | <b>\$4.10</b>       | <b>\$4.20</b>       |
| <b>Soccer</b>  | <b>\$4.10</b>       | <b>\$4.20</b>       |
| <b>Netball</b>   | <b>\$4.10</b>       | <b>\$4.20</b>       |
| <b>Squash</b>  | <b>\$4.10</b>       | <b>\$4.20</b>       |
| <b>A two game discount will be applied to the above sports for upfront payment of a full season. Discount applied to number of games per season (finals excluded).</b> |                     |                     |
|  |                     |                     |
| <b>Pennant squash: per game</b>  | <b>\$6.70</b>       | <b>\$6.70</b>       |
| <b>pre-paid 10% discount</b>   |                     |                     |
|  |                     |                     |
| <b>Junior training - any sport</b>   | <b>\$3.80</b>       | <b>\$4.20</b>       |
| <b>Senior training - any sport</b>   | <b>\$5.50</b>       | <b>\$6.20</b>       |
| <b>Casual squash</b>   | <b>\$7.20</b>       | <b>\$7.50</b>       |
| <b>Pennant practise</b>  | <b>\$6.20</b>       | <b>\$6.20</b>       |
|  |                     |                     |
| <b>Group Fitness Programs</b>  |                     |                     |
| <b>Single Session</b>  | <b>\$11.00</b>      | <b>\$11.00</b>      |
| <b>Single Session (Concession)</b>   | <b>\$9.50</b>       | <b>\$9.50</b>       |
| <b>Group Fitness classes to be sold as term passes. Pricing will be determined on the amount of weeks per (school) term x single session.</b>                          |                     |                     |
|  |                     |                     |
| <b>Gym Memberships</b>   |                     |                     |
| <b>Single Session</b>  | <b>\$11.00</b>      | <b>\$11.00</b>      |
| <b>Single Session (Concession)</b>   | <b>\$9.50</b>       | <b>\$9.50</b>       |
| <b>Gym memberships to be sold as term passes. Pricing will be determined on the amount of weeks per (school) term x single session.</b>                                |                     |                     |
|  |                     |                     |
| <b>Funastics</b>   |                     |                     |
| <b>Single Session</b>  | <b>\$11.00</b>      | <b>\$11.00</b>      |
| <b>Single Session (Concession)</b>   | <b>\$9.50</b>       | <b>\$9.50</b>       |
| <b>Funastics to be sold as term passes. Pricing will be determined on the amount of weeks per (school) term x single session.</b>                                      |                     |                     |
|  |                     |                     |
| <b>Stadium Hire (Casual one off bookings)</b>  |                     |                     |
| <b>No lights</b>   | <b>\$44.00 h</b>    | <b>\$50.00 h</b>    |
| <b>Lights</b>  | <b>\$57.00 h</b>    | <b>\$65.00 h</b>    |

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## 10.4 Delegated Committee of Management - Terang Maternal Child Health Centre

**Author:** Jarrod Woff, Acting Manager Facilities and Recreation

**File No:** D16/8

**Previous Council Reference:** Nil

### Declaration

Chief Executive Officer – Andrew Mason

In providing this advice to Council as the Chief Executive Officer, I have no interests to disclose in this report.

Author - Jarrod Woff

In providing this advice to Council as the Acting Manager Facilities and Recreation, I have no interests to disclose in this report.

### Summary

This report is for Council to consider assuming the position of Committee of Management for the Terang Maternal and Child Health Centre, public toilets and BBQ shelter as delegated by the Department of Environment, Land, Water and Planning (DELWP).

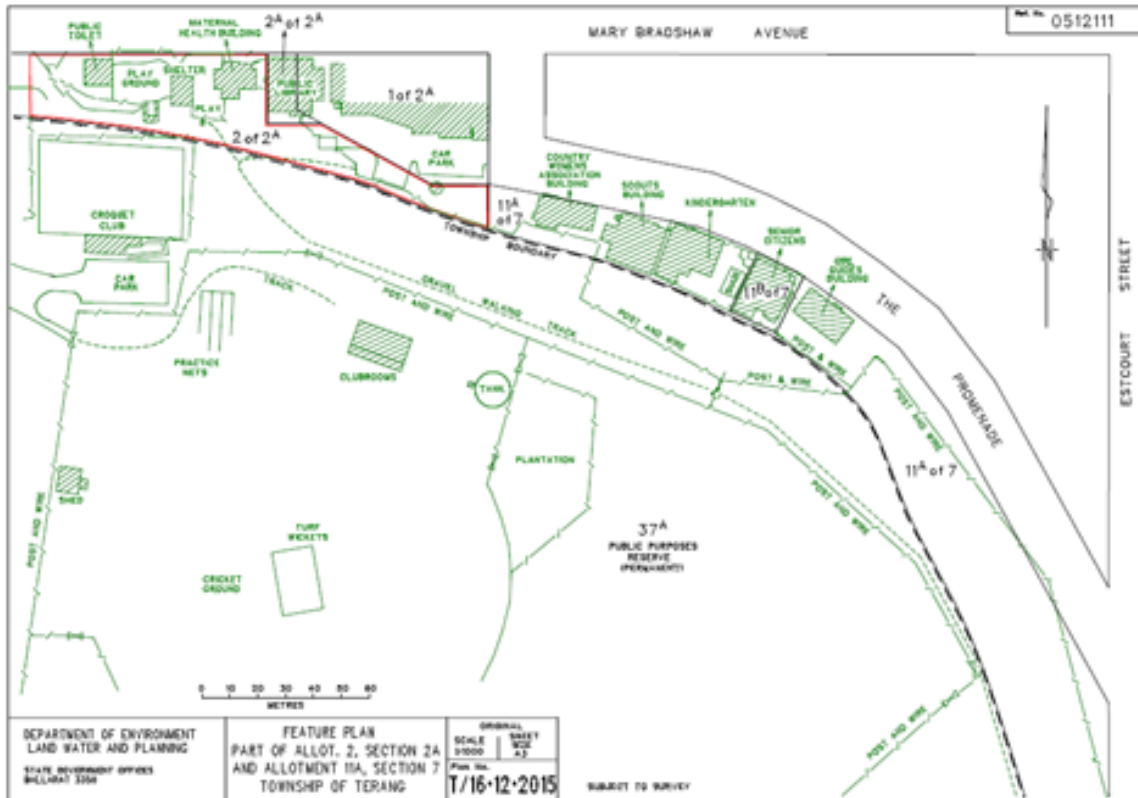
### Introduction

Terang Public Purpose Reserve Committee has been delegated committee of management for this parcel of land by DELWP. Council has been overseeing the operations of the facilities and area as a part of its recurrent operations. With the imminent relocation of the maternal and child health service to the new Children's Centre, Council has expressed interest in pursuing ongoing management of the existing Maternal and Child Health Centre subject to DELWP and Terang Public Purpose Reserve agreeing to transfer the land management.

### Issues

Council is already undertaking the role and has the expertise and operating arrangements in place to streamline facility management of these assets within the Corangamite Shire.

If Council were to assume management of this site it will take on delegated responsibility of the maternal and child health building, playground, public toilet and small parcel of open space (as per the map below). Council already maintains and manages these assets under its current policy and within its recurrent budget.



If Council were to assume management of this parcel of land, it would give Council an opportunity to enter into a 17B *Crown Land (Reserves) Act 1978* licence agreement should a suitable user of the facility be found. Under the *Crown Land (Reserves) Act 1978*, the responsibility for maintenance and capital expenditure can be passed on to any tenant. The risk to Council is if a suitable user cannot be found, the expenditure costs identified above will be the responsibility of Council.

If Council were not to assume management, the role and responsibility for facility management, operation and maintenance will defer to the Terang Public Park Reserve Committee to arrange. The Committee has indicated this is not their preferred position.

If the Committee were to hand back the management to DELWP they may seek to separate the parcel and appoint an alternative Committee. Alternatively, should DELWP decide to sell the land, a boundary realignment or reduction in size of the playground might need to occur as the building is forming the property boundary.

**Policy and Legislative Context**

Agreement to assume management of the land would be in keeping with the commitments in the Council Plan that:

Ensure appropriate land use and development outcomes which make Corangamite more liveable.

Provide and advocate for a range of services, facilities and support to our people to enable them to fully engage and participate in the community.

Council will demonstrate high levels of ethical behaviour and corporate governance standards. We will make budgetary decisions that are reflective of our financial circumstances. We will advocate for and with the community to achieve outcomes.

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Council's past and current involvement is consistent with the role of a Committee of Management of Public Land in accordance with the *Crown Land (Reserves) Act 1978*.

#### **Internal / External Consultation**

DELWP and the Terang Public Park Reserve Committee have both indicated a preference for Council to assume the role of Committee of Management.

The Terang Public Park Reserve Committee of Management has provided written confirmation that it agrees to relinquish control of the subject area.

#### **Financial and Resource Implications**

There are no additional financial or resource implications arising should Council assume the role of DELWP delegated Committee of Management for this parcel of land.

Development and implementation of a license for use of the current maternal and child health facility under the *Crown Land Reserve Act 1978* allows Council to pass on maintenance, rates and charges and other recurrent building costs. Therefore, there is potential of reducing Council's current financial and human resource investment in these facilities.

#### **Options**

Council can choose not to assume Committee of Management for this site, or as recommended Council can assume Committee of Management for this site.

#### **Conclusion**

It is a challenge to balance the role of Council in providing and advocating for services and facilities that support our community activities within an increasingly financially-constrained environment. Whilst there is some risk to Council with regards to continuing its interest in these facilities, under the *Crown Land (Reserves) Act* agreement, in assuming management the responsibility for maintenance and capital expenditure can be passed on to any tenant.

This in effect reduces Council's current financial and human resource investment in these facilities with regards to maintenance, rates and charges and administration of building maintenance inspections.

### **RECOMMENDATION**

**That Council agrees to assume the position of Committee of Management of the Terang Maternal Child Health Building, playground, public toilet and small parcel of open space as delegated by the Department of Environment, Land, Water and Planning under the Crown Land (Reserves) Act 1978.**

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## 10.5 Finance Report

**Author:** Jude Murfitt, Acting Manager Finance

**File No:** D15/729

**Previous Council Reference:** Nil

### Declaration

Chief Executive Officer – Andrew Mason

In providing this advice to Council as the Chief Executive Officer, I have no interests to disclose in this report.

Author - Jude Murfitt

In providing this advice to Council as the Acting Manager Finance, I have no interests to disclose in this report.

### Summary

To note Council's current financial position as at 30 November 2015 and to approve the changes to the 2015-2016 Reviewed Budget, that have resulted from a mid-year review of operations.

### Introduction

Council adopted the 2015-2016 Budget at a special meeting of Council in June 2016. At the October 2015 ordinary Council meeting, Council approved a number of 2014-2015 capital and non-recurrent projects that were identified as incomplete, requiring remaining budgets to be carried forward to the 2015-2016 financial year, and changes to other budget programs as a result of new information. During November 2015, Managers conducted a comprehensive review of budgets and the required funds to deliver programs and initiatives. This report is seeking approval of a mid-year budget review, and as a result an updated 2015-2016 budget forecast position is provided. Council's financial performance for 2015-2016 remains on target. The mid-year budget adjustments will deliver a net benefit to Council of \$131,151 ensuring Council's financial position continues to be strong.

### Issues

#### ***Budget Variations***

Council's target "cash position" is \$5 million or greater on an annual basis.

A summary of the forecast 30 June 2016 "cash position" after the inclusion of the carry forward adjustments and the mid-year review is as follows:

|  | <b>\$ Million</b><br>Favourable /<br>(Unfavourable) |
|--|---|
| <b>Cash position” as at 30 June 2015</b>           | <b>15.16</b>  |
| 2015-2016 Adopted Surplus/(Deficit)                | (0.27)  |
| 2014-2015 Carry forward adjustments                | (7.35)  |
| 2015-2016 September quarter budget adjustments     | 0.03  |
| 2015-2016 Mid-year budget adjustments              | 0.13  |
|  | <u>(7.19)</u>                                       |
| <b>Forecast “cash position” as at 30 June 2016</b> | <b><u>7.70</u></b>                                  |

After adjusting for 2014-2015 carry forwards (\$7.35 million) and 2015-2016 budget adjustments (\$0.03 million and \$0.13 million) the 30 June 2016 forecast “cash position” of \$7.7 million is within the target range of \$5 million or greater. A summary of the total mid-year adjustments are as follows.

|  | <b>\$</b><br>Favourable /<br>(Unfavourable) |
|--|---|
| Net operating budget adjustments         | (41,019)                                    |
| Capital income budget adjustments        | 677,996                                     |
| Capital expense budget adjustments       | (505,826)                                   |
| <b>Total mid-year budget adjustments</b> | <b><u>131,151</u></b>                       |

The major forecast movements included are:

- Investment income is projected to increase by \$150,000 due to deferral of some capital works and prepayment by the Grants Commission.
- Naroghid landfill operations for 2015-2016 will be adversely affected by a reduced volume of waste disposal due to the loss of a contract as well as reduced volumes by other customers. This loss has been partly off-set by deferring the construction of Cell 13 at the landfill. The net effect on the forecast budget of the landfill is an operating surplus reduction of \$173,215.

With respect to YTD performance, expenditure on Capital works is currently ahead of the YTD Reviewed budget but is expected to finish the year in accordance with the forecast projection.

As a result of the mid-year budget adjustments, Council’s operating result is forecast to be a deficit of \$628,574, which is a \$636,977 improvement on the Reviewed Budget. A detailed listing of the mid-year budget adjustments is contained in the attached report.

### ***Financial Performance***

Council’s financial performance as at 30 November 2015 is on target. Whilst there is a year-to-date unfavourable cash variance of \$1,225,325 compared to budget, this is predominantly a consequence of completing capital projects (\$982,000) ahead of schedule, particularly the road construction program and heavy fleet purchases. Recurrent and project budgets are within acceptable limits.

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### **Policy and Legislative Context**

The report meets Council's requirements for reporting under the *Local Government Act 1989* and is in accordance with its Council Plan 2013-2017 commitment that:

Council will demonstrate high levels of ethical behaviour and corporate governance standards. We will make budgetary decisions that are reflective of our financial circumstances. We will advocate for and with the community to achieve outcomes.

### **Internal / External Consultation**

The report has been prepared in consultation with relevant department managers and has been reviewed by the Senior Officer Group. As there are no changes to rates or charges and no proposed new borrowings, the forecast budget is not required to be publicly advertised.

### **Financial and Resource Implications**

The report indicates that Council's forecast financial position at 30 June 2016 will differ from the Reviewed Budget due to the mid-year review of the operations of the Council.

The purpose of the mid-year review is to identify significant variances to budget. Adjustments are made due to new information being recognised.

### **Options**

Council can choose to:

1. Accept the adjustments to the 2015-2016 forecast budget which include the mid-year budget variations.
2. Not accept the adjustments to the 2015-2016 forecast budget.

### **Conclusion**

Council's forecast "cash" result projects a 2015-2016 end of year deficit of \$628,574 after allowing for net favourable adjustments of \$131,151, with the deficit position largely a consequence of grants received in advance during 2014-2015. Council's financial position continues to remain strong with a projected "cash position" of \$7,696,077 at the end of 2015-2016. Working capital is projected to be strong at 196%, capital expenditure remains on target and debt as at 30 June 2016 is expected to on budget.

### **RECOMMENDATION**

**That Council approves the forecast budget for 2015-2016, which includes the mid-year budget review.**

### **Attachments**

1. Quarterly Financial Performance Report Including Mid Year Budget Review
2. Mid Year Budget Review Summary



**CORANGAMITE  
SHIRE**

**Council Financial Performance  
Report  
November 2015**



## Table of Contents

1. Performance Summary

2. Cash Budget

3. Recurrent Operations

4. Projects

5. Capital

6. Investments

7. Outstanding Debtors

Appendix

Detailed Reports – Financial Statements

1. Balance Sheet for period ended 30 September 2015
2. Income Statement for period ended 30 September 2015
3. Cash Flow Statement for period ended 30 September 2015
4. Mid Year Budget Adjustment Listing

## Quarterly Financial Performance Report

### For the period 1 July to 30 November

#### Synopsis

The purpose of this report is to provide Council an update and commentary on the financial performance of Council's operations on a quarterly basis.

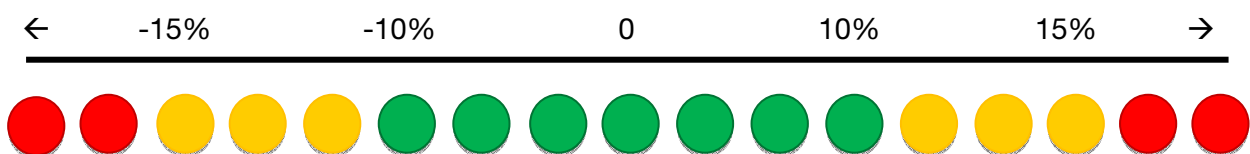
#### Definitions

- Annual Budget: represents the Budget adopted by Council in June.
- Reviewed Budget: the Annual Budget adjusted for approved budget amendments through either a Carry-forward Budget Review or Mid-Year Budget review.
- Forecast Budget: most recent estimated financial position including impact of proposed budget amendments.
- Positive amounts: represents income, contribution to Council or favourable variation.
- Negative amounts: represents expenditure, cost to Council or unfavourable variation. NB: Some sections in this report show expenditure as positive numbers. Where this occurs they are grouped as "expenditure" or "expenses".

#### Notes to the report

##### Variance indicator thresholds

The following tolerances are used on all reports represented by traffic light indicator

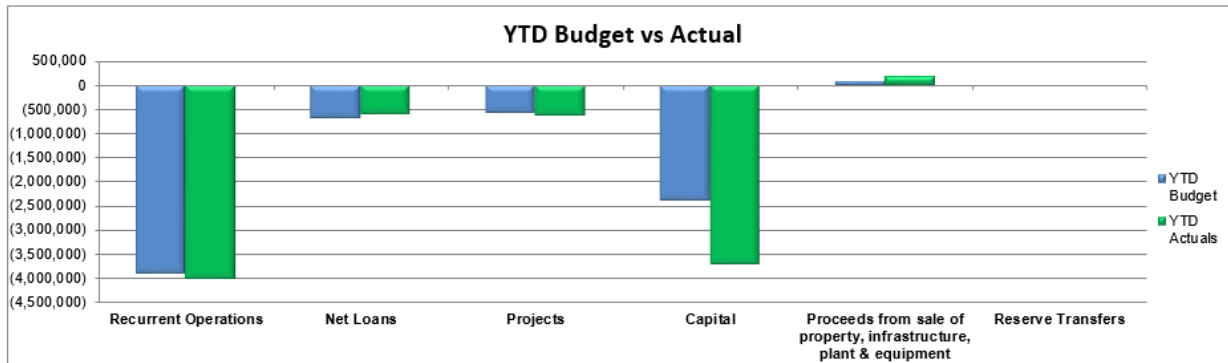


## 1. Performance Summary

|   | Annual Budget    | Reviewed Budget    | Forecast Budget    | YTD Budget        | YTD Actuals       | YTD Variance fav/(unfav) |                |
|---|------------------|--------------------|--------------------|-------------------|-------------------|--------------------------|----------------|
|   |                  |                    |                    |                   |                   | \$                       | %              |
| Recurrent Operations  | (9,218,127)      | (13,503,250)       | (13,622,077)       | (3,912,263)       | (4,012,311)       | (100,048)                | (3%) ●         |
| Rate Income   | 19,522,259       | 19,522,259         | 19,522,259         | 19,522,259        | 19,579,687        | 57,428                   | 0% ●           |
| Net Loans   | (1,587,538)      | (1,587,538)        | (1,587,538)        | (674,379)         | (585,315)         | 89,064                   | (13%) ●        |
| Projects  | (1,056,500)      | (2,102,782)        | (2,061,974)        | (561,849)         | (622,420)         | (60,571)                 | (11%) ●        |
| Capital   | (8,160,600)      | (10,178,763)       | (10,006,593)       | (2,396,446)       | (3,708,290)       | (1,311,844)              | (55%) ●        |
| Proceeds from sale of property, infrastructure, plant & equipment | 758,000          | 788,000            | 825,000            | 83,516            | 191,217           | 107,701                  | 129% ●         |
| External Loan Funds   | (4,352)          | (4,352)            | (4,352)            | 47,824            | 40,770            | (7,054)                  | (15%) ●        |
| Reserve Transfers   | (527,648)        | (527,648)          | (527,648)          | 0                 | 0                 | 0                        | 0% ●           |
| <b>Surplus/(Deficit)</b>  | <b>(274,506)</b> | <b>(7,594,074)</b> | <b>(7,462,923)</b> | <b>12,108,662</b> | <b>10,883,338</b> | <b>(1,225,324)</b>       | <b>(10%) ●</b> |
| Surplus/(Deficit) B/forward                                       | 6,035,967        | 15,159,000         | 15,159,000         |                   |                   |                          |                |
| <b>Surplus/(Deficit) at end of year</b>                           | <b>5,761,461</b> | <b>7,564,926</b>   | <b>7,696,077</b>   |                   |                   |                          |                |

Note: Figures in brackets indicate cost to Council

Unfavourable variances shown in brackets



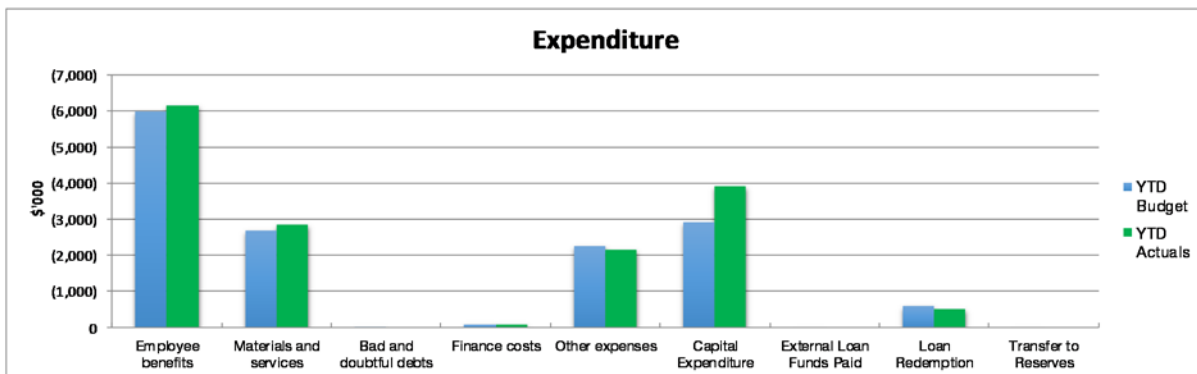
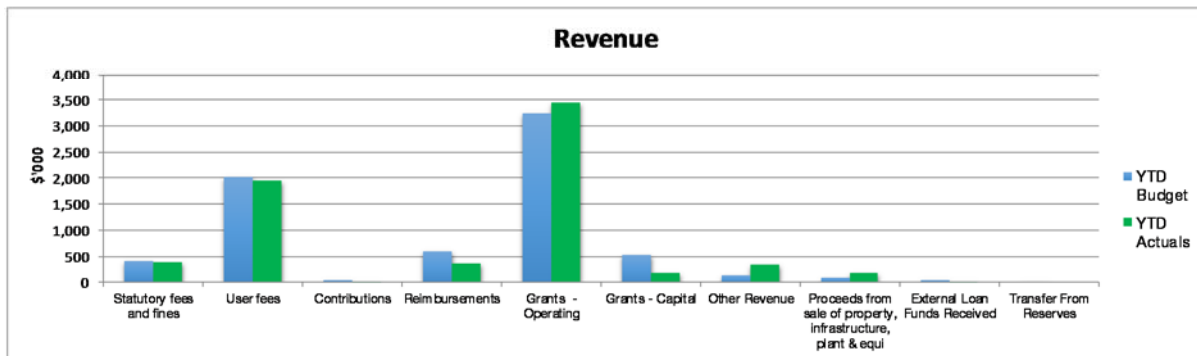
| Key Performance Indicators  | Annual Budget | Reviewed Budget | Forecast Budget | YTD Actuals | Trend |
|---|---------------|-----------------|-----------------|-------------|-------|
| <b>Underlying Result (VAGO)</b><br>(Total operating result/Total revenue)             | 7.1%          | -4.0%           | -2.5%           | 57.9%       | ↑     |
| <b>Working capital ratio</b><br>(current assets/Current liabilities)                  | 200.7%        | 200.7%          | 196.3%          | 589.4%      | ↑     |
| <b>Self-financing</b><br>(cash generated from operating activities/Revenue)           | 31.3%         | 32.9%           | 31.9%           | 0.0%        | ↓     |
| <b>Indebtedness</b><br>(non-current liabilities/Own source revenue)                   | 6.0%          | 6.4%            | 6.5%            | 12.2%       | ↓     |
| <b>Debt commitment ratio</b><br>(Interest and loan repayments as a % of rate revenue) | 8.1%          | 8.1%            | 8.1%            | 3.0%        | ↓     |
| <b>Comments</b>   |               |                 |                 |             |       |

## 2. Cash Budget

|  | Annual Budget       | Reviewed Budget     | Forecast Budget     | YTD Budget          | YTD Actuals         | YTD Variance \$    | YTD Variance % |   |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|----------------|---|
| <b>REVENUE</b>   |                     |                     |                     |                     |                     |                    |                |   |
| Rates and charges  | 19,522,259          | 19,522,259          | 19,522,259          | 19,522,259          | 19,579,687          | 57,428             | 0%             | ● |
| Statutory fees and fines                                     | 180,218             | 180,218             | 180,218             | 410,302             | 397,562             | (12,740)           | (3%)           | ● |
| User fees  | 6,103,035           | 6,103,035           | 5,662,528           | 2,031,549           | 1,958,154           | (73,395)           | (4%)           | ● |
| Contributions  | 61,942              | 339,348             | 398,344             | 30,757              | 17,297              | (13,460)           | (44%)          | ● |
| Reimbursements   | 1,536,590           | 1,536,590           | 1,540,961           | 596,651             | 353,587             | (243,064)          | (41%)          | ● |
| Grants - Operating   | 9,989,677           | 7,104,178           | 7,241,178           | 3,253,026           | 3,451,729           | 198,703            | 6%             | ● |
| Grants - Capital   | 4,505,000           | 5,317,568           | 6,687,568           | 520,667             | 186,000             | (334,667)          | (64%)          | ● |
| Other Revenue  | 330,414             | 330,414             | 480,414             | 140,317             | 334,024             | 193,708            | 138%           | ● |
| Proceeds from sale of property, infrastructure, plant & equi | 758,000             | 788,000             | 825,000             | 83,516              | 191,217             | 107,701            | 129%           | ● |
| External Loan Funds Received                                 | 95,648              | 95,648              | 95,648              | 47,824              | 28,651              | (19,173)           | (40%)          | ● |
| Transfer From Reserves                                       | 50,000              | 50,000              | 50,000              | 0                   | 0                   | 0                  | 0%             | ● |
| <b>Total Revenue</b>   | <b>43,132,783</b>   | <b>41,367,258</b>   | <b>42,684,118</b>   | <b>26,636,868</b>   | <b>26,497,909</b>   | <b>(138,959)</b>   | <b>64%</b>     | ● |
| <b>EXPENDITURE</b>   |                     |                     |                     |                     |                     |                    |                |   |
| Employee benefits  | (14,342,471)        | (14,500,325)        | (14,419,441)        | (5,985,349)         | (6,127,499)         | (142,150)          | (2%)           | ● |
| Materials and services                                       | (10,469,576)        | (12,556,425)        | (13,255,608)        | (2,690,941)         | (2,839,340)         | (148,399)          | (8%)           | ● |
| Bad and doubtful debts                                       | (2,000)             | (2,000)             | (2,000)             | (833)               | 0                   | 833                | 100%           | ● |
| Finance costs  | (205,752)           | (205,752)           | (205,752)           | (98,635)            | (74,335)            | 24,299             | 25%            | ● |
| Other expenses   | (3,623,456)         | (3,922,659)         | (3,984,244)         | (2,250,043)         | (2,153,718)         | 96,326             | 4%             | ● |
| Capital Expenditure  | (12,704,600)        | (15,714,737)        | (16,220,563)        | (2,926,659)         | (3,908,700)         | (982,040)          | (34%)          | ● |
| External Loan Funds Paid                                     | (100,000)           | (100,000)           | (100,000)           | 0                   | 0                   | 0                  | (0%)           | ● |
| Loan Redemption  | (1,381,786)         | (1,381,786)         | (1,381,786)         | (575,744)           | (510,980)           | 64,765             | 11%            | ● |
| Transfer to Reserves   | (577,648)           | (577,648)           | (577,648)           | 0                   | 0                   | 0                  | (0%)           | ● |
| <b>Total Expenditure</b>                                     | <b>(43,407,289)</b> | <b>(48,961,332)</b> | <b>(50,147,041)</b> | <b>(14,528,205)</b> | <b>(15,614,571)</b> | <b>(1,086,366)</b> | <b>(32%)</b>   | ● |
| <b>Surplus/(Deficit)</b>                                     | <b>(274,506)</b>    | <b>(7,594,074)</b>  | <b>(7,462,923)</b>  | <b>12,108,662</b>   | <b>10,883,338</b>   | <b>(1,225,325)</b> | <b>(10%)</b>   | ● |

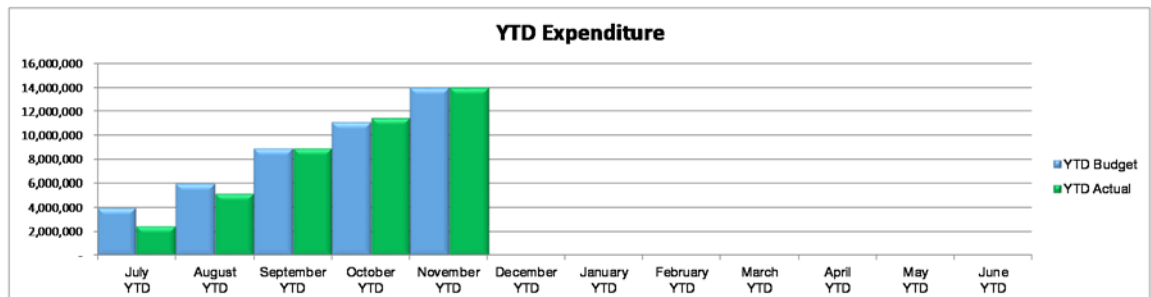
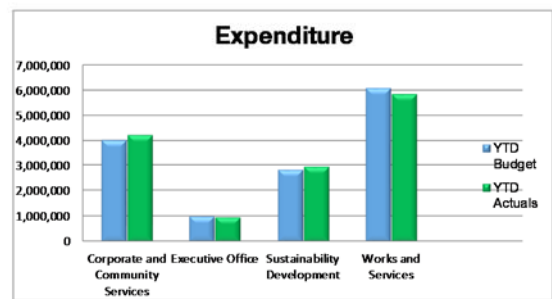
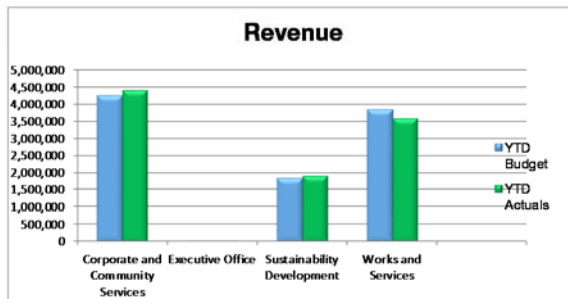
Note: Figures in brackets indicate cost to Council

Unfavourable variances shown in bra



### 3. Recurrent Operations

| Note: excluding rate income       | Annual Budget     | Reviewed Budget   | Forecast Budget   | YTD Budget        | YTD Actuals       | YTD Variance fav/(unfav) |             |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------------|-------------|
|                                   |                   |                   |                   |                   |                   | \$                       | %           |
| <b>Recurrent Operations</b>       |                   |                   |                   |                   |                   |                          |             |
| <b>Revenue</b>                    |                   |                   |                   |                   |                   |                          |             |
| Corporate and Community Services  | 12,581,891        | 9,133,897         | 9,323,068         | 4,274,503         | 4,413,445         | 138,942                  | 3%          |
| Executive Office                  | 41,000            | 41,409            | 41,409            | 7,895             | 8,637             | 742                      | 9%          |
| Sustainability Development        | 6,054,483         | 6,067,778         | 5,525,688         | 1,865,903         | 1,917,478         | 51,575                   | 3%          |
| Works and Services                | 7,847,656         | 7,847,656         | 7,850,856         | 3,859,658         | 3,599,107         | (260,551)                | (7%)        |
| <b>Revenue Total</b>              | <b>26,524,831</b> | <b>23,090,741</b> | <b>22,741,022</b> | <b>10,007,959</b> | <b>9,938,668</b>  | <b>(69,292)</b>          | <b>(1%)</b> |
| <b>Expenses</b>                   |                   |                   |                   |                   |                   |                          |             |
| Corporate and Community Services  | 8,764,039         | 8,911,572         | 8,950,743         | 4,018,714         | 4,190,754         | (172,041)                | (4%)        |
| Executive Office                  | 2,208,259         | 2,436,161         | 2,504,069         | 1,029,016         | 978,461           | 50,555                   | 5%          |
| Sustainability Development        | 9,696,147         | 10,155,285        | 9,806,009         | 2,821,713         | 2,953,224         | (131,511)                | (5%)        |
| Works and Services                | 15,074,513        | 15,090,973        | 15,102,278        | 6,050,779         | 5,828,540         | 222,239                  | 4%          |
| <b>Expenses Total</b>             | <b>35,742,958</b> | <b>36,593,991</b> | <b>36,363,099</b> | <b>13,920,222</b> | <b>13,950,978</b> | <b>(30,756)</b>          | <b>(0%)</b> |
| <b>Recurrent Operations Total</b> | <b>9,218,127</b>  | <b>13,503,250</b> | <b>13,622,077</b> | <b>3,912,263</b>  | <b>4,012,311</b>  | <b>(100,048)</b>         | <b>(3%)</b> |

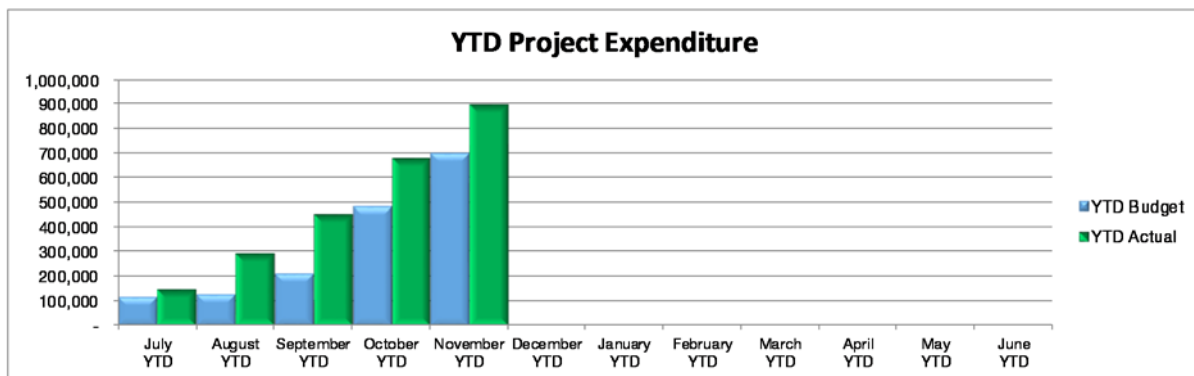
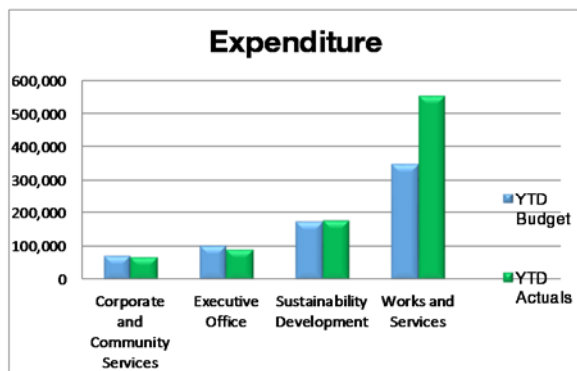
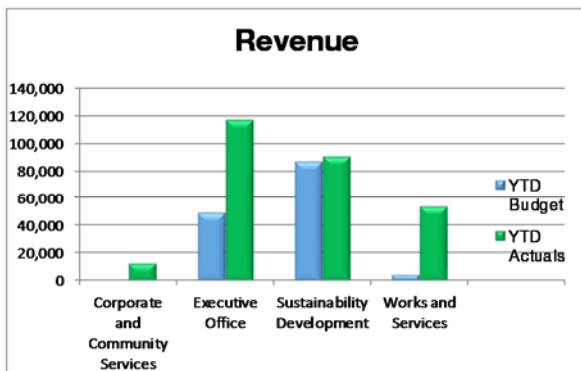


**Comments:**

**Income/ Expenditure:** Income and expenditure within all directorates is at an acceptable year to date target level.

### 4. Projects

|                                  | Annual Budget    | Reviewed Budget  | Forecast Budget  | YTD Budget     | YTD Actuals    | YTD Variance fav/(unfav) |                |
|----------------------------------|------------------|------------------|------------------|----------------|----------------|--------------------------|----------------|
|                                  |                  |                  |                  |                |                | \$                       | %              |
| <b>Projects</b>                  |                  |                  |                  |                |                |                          |                |
| <b>Revenue</b>                   |                  |                  |                  |                |                |                          |                |
| Corporate and Community Services | 0                | 12,000           | 12,000           | 0              | 13,200         | 13,200                   | 0% ●           |
| Executive Office                 | 0                | 132,500          | 132,500          | 50,000         | 117,500        | 67,500                   | 135% ●         |
| Sustainability Development       | 103,000          | 347,190          | 382,190          | 87,690         | 90,860         | 3,170                    | 4% ●           |
| Works and Services               | 50,000           | 321,196          | 1,136,196        | 5,000          | 54,000         | 49,000                   | 980% ●         |
| <b>Revenue Total</b>             | <b>153,000</b>   | <b>812,886</b>   | <b>1,662,886</b> | <b>142,690</b> | <b>275,560</b> | <b>132,870</b>           | <b>93%</b> ●   |
| <b>Expenses</b>                  |                  |                  |                  |                |                |                          |                |
| Corporate and Community Services | 100,000          | 131,040          | 131,040          | 75,386         | 68,660         | 6,726                    | 9% ●           |
| Executive Office                 | 160,000          | 349,679          | 276,800          | 103,091        | 93,807         | 9,284                    | 9% ●           |
| Sustainability Development       | 664,500          | 1,572,725        | 1,607,725        | 177,015        | 178,958        | (1,943)                  | (1%) ●         |
| Works and Services               | 385,000          | 962,224          | 1,809,295        | 349,047        | 556,555        | (207,508)                | (59%) ●        |
| <b>Expenses Total</b>            | <b>1,309,500</b> | <b>3,015,668</b> | <b>3,824,860</b> | <b>704,539</b> | <b>897,980</b> | <b>(193,441)</b>         | <b>(27%)</b> ● |
| <b>Projects Total</b>            | <b>1,156,500</b> | <b>2,202,782</b> | <b>2,161,974</b> | <b>561,849</b> | <b>622,420</b> | <b>(60,571)</b>          | <b>(11%)</b> ● |



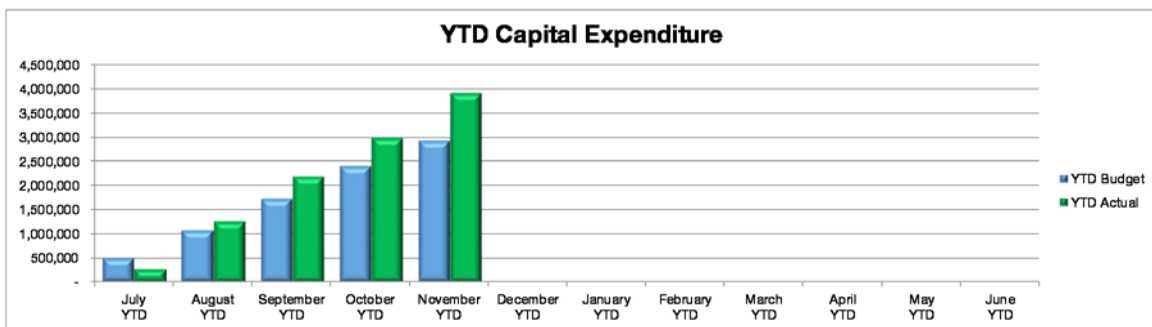
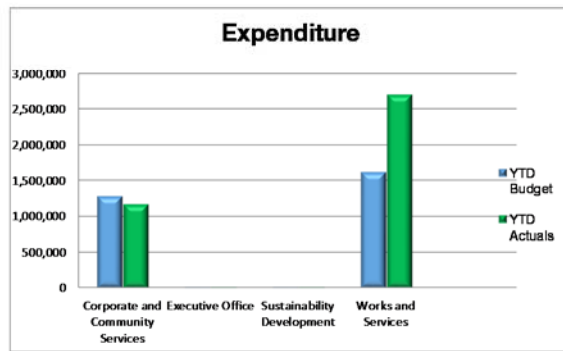
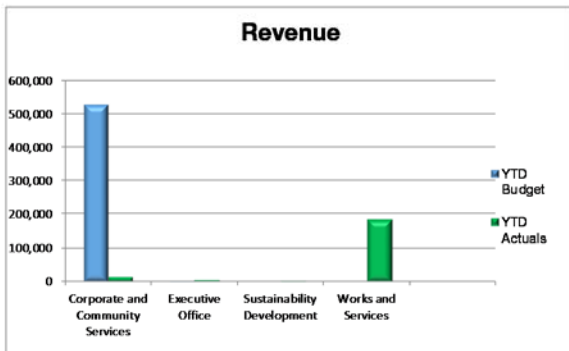
**Comments:**

**Income:** Skipton Recreation Reserve sprinkler is \$54,000 above year to date target, this is due to timing.

**Expenditure:** In the Works and Services area the Drainage Program is \$94,000 above target with a year to date budget of zero. Skipton Recreation Reserve sprinkler \$54,000 above year to date budget (see above), this is due to timing of the projects. Simpson Social Rooms \$61,567 above year to date budget.

## 5. Capital

|                                  | Annual Budget     | Reviewed Budget   | Forecast Budget   | YTD Budget       | YTD Actuals      | YTD Variance fav/(unfav) |                |
|----------------------------------|-------------------|-------------------|-------------------|------------------|------------------|--------------------------|----------------|
|                                  |                   |                   |                   |                  |                  | \$                       | %              |
| <b>Capital</b>                   |                   |                   |                   |                  |                  |                          |                |
| <b>Revenue</b>                   |                   |                   |                   |                  |                  |                          |                |
| Corporate and Community Services | 0                 | 790,320           | 790,320           | 526,880          | 14,318           | (512,562)                | (97%) ●        |
| Executive Office                 | 0                 | 39,883            | 39,883            | 3,333            | 5,000            | 1,667                    | 50% ●          |
| Sustainability Development       | 0                 | 17,776            | 17,776            | 0                | 42               | 42                       | 0% ●           |
| Works and Services               | 4,594,000         | 4,737,995         | 5,415,991         | 0                | 181,050          | 181,050                  | 0% ●           |
| <b>Revenue Total</b>             | <b>4,594,000</b>  | <b>5,585,974</b>  | <b>6,263,970</b>  | <b>530,213</b>   | <b>200,410</b>   | <b>(329,804)</b>         | <b>(62%) ●</b> |
| <b>Expenses</b>                  |                   |                   |                   |                  |                  |                          |                |
| Corporate and Community Services | 156,500           | 1,755,945         | 1,755,945         | 1,280,107        | 1,170,759        | 109,348                  | 9% ●           |
| Executive Office                 | 135,000           | 200,550           | 200,550           | 15,483           | 9,442            | 6,041                    | 39% ●          |
| Sustainability Development       | 135,000           | 182,552           | 156,152           | 6,743            | 14,719           | (7,976)                  | (118%) ●       |
| Works and Services               | 12,278,100        | 13,575,690        | 14,107,916        | 1,624,327        | 2,713,780        | (1,089,453)              | (67%) ●        |
| <b>Expenses Total</b>            | <b>12,704,600</b> | <b>15,714,737</b> | <b>16,220,563</b> | <b>2,926,659</b> | <b>3,908,700</b> | <b>(982,040)</b>         | <b>(34%) ●</b> |
| <b>Capital Total</b>             | <b>8,110,600</b>  | <b>10,128,763</b> | <b>9,956,593</b>  | <b>2,396,446</b> | <b>3,708,290</b> | <b>(1,311,844)</b>       | <b>(55%) ●</b> |

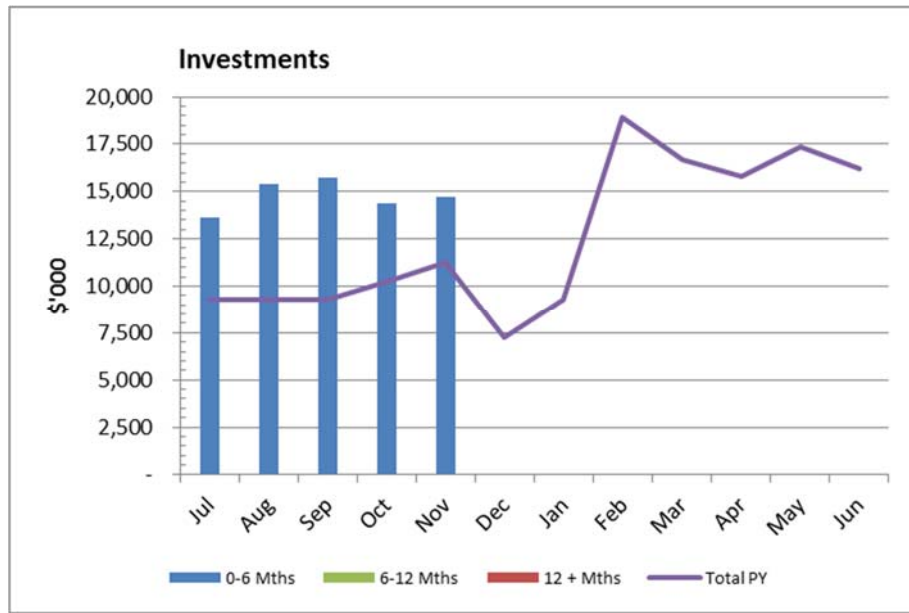


**Comments:**

**Income:** The Terang Kindergarten project is \$500,000 below its year to date budget, two claims totalling \$756,000 have been paid since the end of November.

**Expenditure:** The Capital area is over expended against the Year to Date budget by \$846,000. There are minor amounts in Corporate and Community Services, Sustainability and Development and the Executive area. The Works and Services area is over expended by \$966,000. This is primarily in the Fleet area, being \$430,000 over its year to date budget and \$518,000 across a spectrum of Roads projects, including large amounts in the gravel resheet program and rehabilitation projects which are ahead of schedule.

## 6. Investments



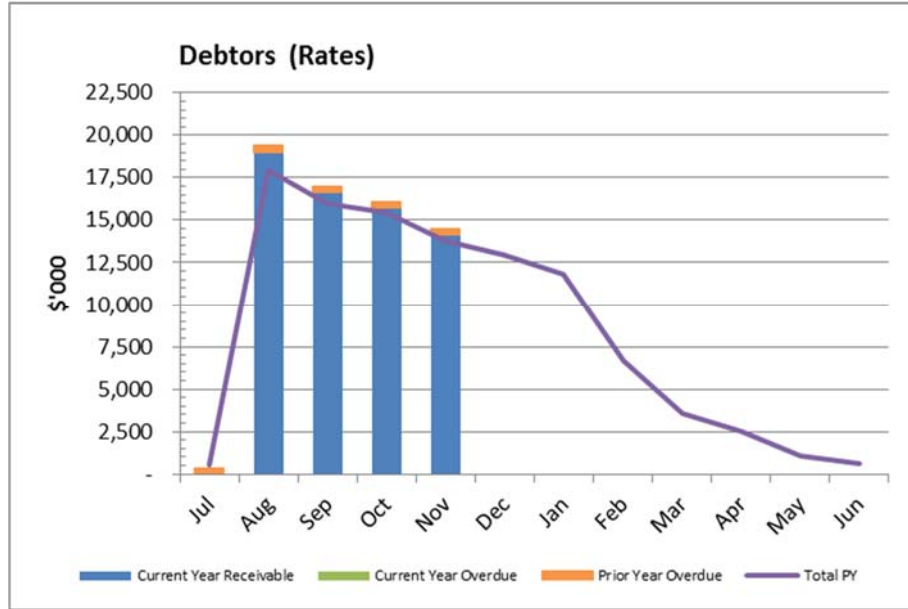
The above graph shows the 2014-2015 total investments as a comparative line and categorises current year investments by term. Term deposits are trending comparatively against the same time last year, although they are approximately 50% higher than the same time last year. The deferral of capital works and non-recurrent projects and the prepayment of the Grants Commission has enabled maximisation of investment interest this financial year, the budget for this item has already been met, and the reviewed budget set 75% greater than the adopted budget.



## 7. Outstanding Debtors

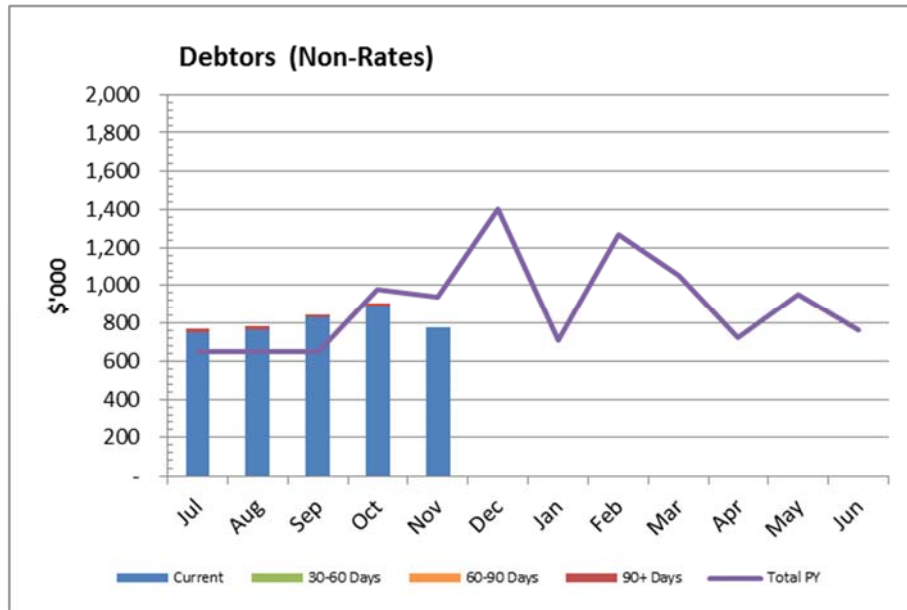
### Rate Debtors

The below graph shows the total outstanding debt from the 2014-2015 financial year as a comparative line with the stacked bar graph showing the current year outstanding rates, categorised as current, current year overdue and prior year overdue. In this period there is no current year overdue rates.



Rates are raised in August and the first instalment is due on 30 September, the second instalment 30 November, the third instalment 15 February and the final instalment 15 May. Rates debt relating to prior years is slowly reducing as payment arrangements are followed and collection through external collection agencies pursued. The overdue debt has profiled similarly to the previous financial year.

### Sundry Debtors



Sundry Debtors are showing a substantially lower total amount owing than the same period last year. Improvements in the timing of raising invoices and the collection practices of the Finance department, continue to show significant improvements in the ageing of outstanding debt with only 3% or \$13,000 of debt being in a greater than 30 day category, a total reduction of \$2,000 since the September quarter report.

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## Appendix 1

### Financial Statements

1. Balance Sheet for the period ended 30 November 2015
2. Income Statement for the period ended 30 November 2015
3. Cash Flow Statement for the period ended 30 November 2015
4. Mid Year Budget Adjustment Listing

## 1. Balance Sheet for the period ended 30 November 2015

|  | Prior Year<br>Balance | Annual<br>Budget   | Reviewed<br>Budget | Forecast<br>Budget | YTD<br>Actuals     |
|--|-----------------------|--------------------|--------------------|--------------------|--------------------|
| <b>CURRENT ASSETS</b>                      |                       |                    |                    |                    |                    |
| Cash and cash equivalents                  | 20,434,504            | 11,111,000         | 11,111,000         | 13,456,430         | 15,855,602         |
| Financial Assets                           | 102,273               | 96,000             | 96,000             | 96,000             | 61,504             |
| Rate Receivables                           | 521,501               | 1,875,000          | 1,875,000          | 550,000            | 14,446,967         |
| Other Trade Receivables                    | 1,559,536             | 625,000            | 625,000            | 1,550,000          | 946,884            |
| Inventories                                | 93,360                | 75,000             | 75,000             | 75,000             | 346,589            |
| Other assets                               | 569,213               | 656,000            | 656,000            | 656,000            | 154,223            |
| <b>Total Current Assets</b>                | <b>23,280,388</b>     | <b>14,438,000</b>  | <b>14,438,000</b>  | <b>16,383,430</b>  | <b>31,811,769</b>  |
| <b>NON CURRENT ASSETS</b>                  |                       |                    |                    |                    |                    |
| Investments in associates                  | 214,371               | 311,000            | 311,000            | 215,000            | 214,371            |
| Financial Assets                           | 367,252               | 457,000            | 457,000            | 457,000            | 367,252            |
| Trade and other receivables                | 89,383                | 84,000             | 84,000             | 84,000             | 70,331             |
| WIP - Capital                              | 1,209,456             | 12,704,600         | 15,714,737         | 16,220,563         | 5,118,156          |
| Fixed assets                               | 408,169,017           | 405,301,900        | 405,301,900        | 398,968,707        | 408,169,017        |
| <b>Total Non Current Assets</b>            | <b>410,049,479</b>    | <b>418,858,500</b> | <b>421,868,637</b> | <b>415,945,270</b> | <b>413,939,128</b> |
| <b>Total Assets</b>                        | <b>433,329,867</b>    | <b>433,296,500</b> | <b>436,306,637</b> | <b>432,328,700</b> | <b>445,750,897</b> |
| <b>CURRENT LIABILITIES</b>                 |                       |                    |                    |                    |                    |
| Trade and other payables                   | 3,284,098             | 2,500,500          | 2,500,500          | 3,500,000          | 809,639            |
| Trust funds and deposits                   | 161,676               | 388,000            | 388,000            | 388,000            | 165,308            |
| Interest bearing liabilities               | 1,387,846             | 956,000            | 956,000            | 956,000            | 876,867            |
| Provisions - current                       | 3,505,696             | 3,350,000          | 3,350,000          | 3,500,000          | 3,545,390          |
| <b>Total Current Liabilities</b>           | <b>8,339,316</b>      | <b>7,194,500</b>   | <b>7,194,500</b>   | <b>8,344,000</b>   | <b>5,397,204</b>   |
| <b>NON CURRENT LIABILITIES</b>             |                       |                    |                    |                    |                    |
| Interest bearing liabilities - non-current | 3,181,316             | 2,241,000          | 2,241,000          | 2,241,000          | 3,181,316          |
| Provisions - non-current                   | 5,264,773             | 5,963,000          | 5,963,000          | 5,152,000          | 5,430,470          |
| <b>Total Non Current Liabilities</b>       | <b>8,446,089</b>      | <b>8,204,000</b>   | <b>8,204,000</b>   | <b>7,393,000</b>   | <b>8,611,785</b>   |
| <b>Total Liabilities</b>                   | <b>16,785,405</b>     | <b>15,398,500</b>  | <b>15,398,500</b>  | <b>15,737,000</b>  | <b>14,008,989</b>  |
| <b>Net Assets</b>                          | <b>416,544,462</b>    | <b>417,898,000</b> | <b>420,908,137</b> | <b>416,591,700</b> | <b>431,741,908</b> |
| <b>EQUITY</b>                              |                       |                    |                    |                    |                    |
| Operating Surplus/Deficit                  | 4,358,503             | 3,043,880          | (1,265,551)        | (628,574)          | 15,212,409         |
| Accumulated surplus                        | 207,816,922           | 209,678,120        | 209,678,120        | 212,175,425        | 212,175,425        |
| Asset revaluation reserve                  | 203,523,260           | 203,844,000        | 203,844,000        | 203,844,000        | 203,523,260        |
| Reserves                                   | 845,778               | 1,332,000          | 1,332,000          | 1,332,000          | 845,778            |
| Suspense Accounts                          | 0                     | (0)                | 7,319,568          | (131,151)          | (14,963)           |
| <b>Total Equity</b>                        | <b>416,544,462</b>    | <b>417,898,000</b> | <b>420,908,137</b> | <b>416,591,700</b> | <b>431,741,908</b> |

## 2.

## Income Statement for the period ended 30 November 2015

|  | Annual<br>Budget    | Reviewed<br>Budget  | Forecast<br>Budget  | YTD<br>Budget       | YTD<br>Actuals      | YTD Variance<br>favourable/<br>(unfavourable) |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---|
| <b>REVENUE</b>   |                     |                     |                     |                     |                     |   |
| Rates and charges  | 19,522,259          | 19,522,259          | 19,522,259          | 19,522,259          | 19,579,687          | 57,428  |
| Statutory fees and fines   | 180,218             | 180,218             | 180,218             | 410,302             | 397,562             | (12,740)                                      |
| User fees  | 6,103,035           | 6,103,035           | 5,662,528           | 2,031,549           | 1,958,154           | (73,395)                                      |
| Contributions  | 61,942              | 339,348             | 398,344             | 30,757              | 17,297              | (13,460)                                      |
| Reimbursements   | 1,536,590           | 1,536,590           | 1,540,961           | 596,651             | 353,587             | (243,064)                                     |
| Grants - Operating   | 9,989,677           | 7,104,178           | 7,241,178           | 3,253,026           | 3,451,729           | 198,703                                       |
| Grants - Capital   | 4,505,000           | 5,317,568           | 6,687,568           | 520,667             | 186,000             | (334,667)                                     |
| Other Revenue  | 330,414             | 330,414             | 480,414             | 140,317             | 334,024             | 193,708                                       |
| <b>Total Revenue</b>   | <b>42,229,135</b>   | <b>40,433,610</b>   | <b>41,713,470</b>   | <b>26,505,528</b>   | <b>26,278,041</b>   | <b>(227,487)</b>                              |
| <b>EXPENDITURE</b>   |                     |                     |                     |                     |                     |   |
| Employee benefits  | (14,342,471)        | (14,500,325)        | (14,419,441)        | (5,985,349)         | (6,127,747)         | (142,398)                                     |
| Materials and services   | (10,469,576)        | (12,556,425)        | (13,255,608)        | (2,690,941)         | (2,901,049)         | (210,108)                                     |
| Bad and doubtful debts   | (2,000)             | (2,000)             | (2,000)             | (833)               | 0                   | 833   |
| Depreciation   | (10,650,000)        | (10,650,000)        | (10,650,000)        | 0                   | 0                   | -   |
| Finance costs  | (205,752)           | (205,752)           | (205,752)           | (98,635)            | (74,335)            | 24,299  |
| Other expenses   | (3,623,456)         | (3,922,659)         | (3,984,244)         | (2,250,043)         | (2,153,718)         | 96,326  |
| <b>Total Expenditure</b>   | <b>(39,293,255)</b> | <b>(41,837,161)</b> | <b>(42,517,044)</b> | <b>(11,025,802)</b> | <b>(11,256,849)</b> | <b>(231,047)</b>                              |
| <b>Surplus/(Deficit) from Operations</b>   | <b>2,935,880</b>    | <b>(1,403,551)</b>  | <b>(803,574)</b>    | <b>15,479,726</b>   | <b>15,021,192</b>   | <b>(458,534)</b>                              |
| Proceeds from sale of property,<br>infrastructure, plant & equipment               | 758,000             | 788,000             | 825,000             | 83,516              | 191,217             | 107,701                                       |
| Written down value property,<br>infrastructure, plant and equipment                | (650,000)           | (650,000)           | (650,000)           | 0                   | 0                   | 0   |
| Net (gain)/loss on disposal of<br>property, infrastructure, plant and<br>equipment | 108,000             | 138,000             | 175,000             | 83,516              | 191,217             | 107,701                                       |
| <b>(Surplus) / deficit for period</b>  | <b>3,043,880</b>    | <b>(1,265,551)</b>  | <b>(628,574)</b>    | <b>15,563,242</b>   | <b>15,212,409</b>   | <b>(350,833)</b>                              |

### 3. Cash Flow Statement for the period ended 30 November 2015

|   | Annual<br>Budget    | Reviewed<br>Budget  | Forecast<br>Budget  | YTD<br>Actuals     | Budget vs<br>Actual<br>favourable/<br>(unfavourable) |
|---|---------------------|---------------------|---------------------|--------------------|--|
| <b>Cash flows from operating activities</b>                         |                     |                     |                     |                    |  |
| Rates and charges   | 18,147,259          | 19,472,259          | 19,472,259          | 5,654,222          | (12,493,037)   |
| Statutory fees and fines  | 180,218             | 180,218             | 180,218             | 397,562            | 217,344  |
| User fees   | 7,057,035           | 6,132,035           | 5,691,528           | 2,570,806          | (4,486,229)  |
| Contributions   | 61,942              | 339,348             | 398,344             | 17,297             | (44,645)   |
| Grants - Operating  | 9,989,677           | 7,104,178           | 7,241,178           | 3,451,729          | (6,537,948)  |
| Grants - Capital  | 4,505,000           | 5,317,568           | 6,687,568           | 186,000            | (4,319,000)  |
| Reimbursements  | 1,536,590           | 1,536,590           | 1,540,961           | 353,587            | (1,183,003)  |
| Other Revenue   | 330,414             | 330,414             | 480,414             | 334,024            | 3,610  |
| Payments to employees   | (14,092,471)        | (14,911,325)        | (14,830,441)        | (5,922,108)        | 8,170,363  |
| Payments to suppliers   | (14,525,532)        | (15,912,084)        | (16,672,851)        | (7,382,675)        | 7,142,857  |
| <b>Net cash provided by operating activities</b>                    | <b>13,190,132</b>   | <b>9,589,201</b>    | <b>10,189,178</b>   | <b>(339,556)</b>   | <b>(13,529,688)</b>                                  |
| <b>Cash flows from investing activities</b>                         |                     |                     |                     |                    |  |
| Payments for property, infrastructure, plant and equipment          | (12,704,600)        | (15,714,737)        | (16,220,563)        | (3,908,700)        | 8,795,900  |
| Repayment of loans and advances from/(to) Organisations             | (53,000)            | (53,000)            | (53,000)            | 59,821             | 112,821  |
| Proceeds from sale of property, infrastructure, plant and equipment | 758,000             | 788,000             | 825,000             | 191,217            | (566,783)  |
| <b>Net cash flow from investing activities</b>                      | <b>(11,999,600)</b> | <b>(14,979,737)</b> | <b>(15,448,563)</b> | <b>(3,657,662)</b> | <b>8,341,938</b>                                     |
| <b>Cash flows from financing activities</b>                         |                     |                     |                     |                    |  |
| Finance costs   | (205,752)           | (205,752)           | (205,752)           | (74,335)           | 131,417  |
| Trust funds and deposits  | 0                   | 0                   | 0                   | 3,631              | 3,631  |
| Proceeds from interest bearing loans and borrowings                 | 0                   | 0                   | 0                   | 0                  | 0  |
| Repayment of interest bearing loans and borrowings                  | (1,381,786)         | (1,381,786)         | (1,381,786)         | (510,980)          | 870,806  |
| <b>Net cash from financing activities</b>                           | <b>(1,587,538)</b>  | <b>(1,587,538)</b>  | <b>(1,587,538)</b>  | <b>(581,684)</b>   | <b>1,005,854</b>                                     |
| Net increase (decrease) in cash and cash equivalents                | (397,006)           | (6,978,074)         | (6,846,923)         | (4,578,901)        | (4,181,895)  |
| Cash and cash equivalents at beginning of the year                  | 11,508,000          | 20,434,504          | 20,434,504          | 20,434,504         | 8,926,504  |
| <b>Cash and cash equivalents at end of the year</b>                 | <b>11,110,994</b>   | <b>13,456,430</b>   | <b>13,587,581</b>   | <b>15,855,602</b>  | <b>4,744,608</b>                                     |

| Department / Project   | Natural Account      | Adopted Budget | Reviewed Budget | Mid Year Budget | Mid Year Budget Adjustment Amount | Mid Year Budget comment  |
|--|----------------------|----------------|-----------------|-----------------|-----------------------------------|--|
| <b>Asset Planning</b>  |                      |                |                 |                 |                                   |  |
| Infrastructure Asset Assessment  | Materials & Services | 45,000         | 45,000          | 70,000          | (25,000)                          | Additional \$25,000 for Assetic Annual Fee that wasn't budgeted for, this is being offset in savings through Salaries.             |
|  |                      | <b>45,000</b>  | <b>45,000</b>   | <b>70,000</b>   | <b>(25,000)</b>                   | <b>Net Change</b>  |
| Project: 901088 - Engineering Administration                                   | Salaries & Wages     | 505,419        | 505,419         | 114,995         | 25,000                            | Salaries adjustment in the Asset Planning area to cover shortfall in expenditure for Assetic annual fee                            |
|  |                      | <b>505,419</b> | <b>505,419</b>  | <b>114,995</b>  | <b>25,000</b>                     | <b>Net Change 901088</b>   |
| Project: 101225 - Footpath Pram Crossing Installations - Various Sites         | Materials & Services | 20,000         | 20,000          | 26,300          | (6,300)                           | Reallocation from 400121, net effect of 0 budget   |
|  |                      | <b>0</b>       | <b>20,000</b>   | <b>26,300</b>   | <b>(6,300)</b>                    | <b>Net Change 101225</b>   |
| Project: 400035 - Wild Dog Road Bridge (B081)                                  | Capital Grant        | 0              | 0               | (50,000)        | 50,000                            | Project will now be funded by the additional Roads to Recovery Funding; the final cost of the project has been reduced by \$10,000 |
|  | Materials & Services | 0              | 60,000          | 50,000          | 10,000                            | Final cost of project reduced, project now funded by the additional Roads to Recovery funding.                                     |
|  |                      | <b>0</b>       | <b>60,000</b>   | <b>0</b>        | <b>60,000</b>                     | <b>Net Change 400035</b>   |
| Project: 400051 - (SCS) Princes Hwy, Bolivar St to Seymour St, Terang north-we | Contracts and Quotes | 0              | 54,000          | 67,700          | (13,700)                          | Reallocated from 4000121, net effect of 0 to budget  |
|  |                      | <b>0</b>       | <b>54,000</b>   | <b>67,700</b>   | <b>(13,700)</b>                   | <b>Net Change 400051</b>   |
| Project: 400061 - Campbell St, Brooke St to McNicol St, Camperdown             | Capital Grant        | 0              | 0               | (12,000)        | 12,000                            | Project now funded by additional Roads to Recovery funding program.  |
|  | Materials & Services | 0              | 11,712          | 12,000          | (288)                             | Slight increase in expenditure, the whole project is now covered by additional RZR funding.  |
|  |                      | <b>0</b>       | <b>11,712</b>   | <b>0</b>        | <b>11,712</b>                     | <b>Net Change 400061</b>   |
| Project: 400062 - Fergusson St, Hamilton St to Pike St, Camperdown             | Capital Grant        | 0              | 0               | (16,000)        | 16,000                            | Project now funded by additional Roads to Recovery funding program.  |
|  |                      | <b>0</b>       | <b>0</b>        | <b>(16,000)</b> | <b>16,000</b>                     | <b>Net Change 400062</b>   |



| Department / Project   | Natural Account      | Adopted Budget | Reviewed Budget | Mid Year Budget | Mid Year Budget comment  |
|--|----------------------|----------------|-----------------|-----------------|--|
|  |                      |                |                 |                 | Adjustment Amount  |
| Project: 400067 - Pike St, Manifold St to Longmore St, Campperdown       | Capital Grant        | 0              | 0               | (20,000)        | 20,000 Project now funded by additional Roads to Recovery funding program.   |
|  | Materials & Services | 0              | 19,762          | 20,000          | (238) Slight increase in expenditure, the whole project is now covered by additional R2R funding.                                    |
|  |                      | 0              | 19,762          | 0               | <b>19,762 Net Change 400067</b>  |
| Project: 400085 - Park Avenue Campperdown Final Seal                     | Capital Grant        | 0              | 0               | (27,000)        | 27,000 Project now funded by additional Roads to Recovery funding program.   |
|  | Materials & Services | 0              | 26,500          | 27,000          | (500) Slight increase in expenditure, the whole project is now covered by additional Roads to Recovery funding.                      |
|  |                      | 0              | 26,500          | 0               | <b>26,500 Net Change 400085</b>  |
| Project: 400121 - Footpath Pram Crossing Installations - Various Sites   | Contracts and Quotes | 20,000         | 20,000          | 0               | 20,000 Reallocated to 101225 & 400051  |
|  |                      | 20,000         | 20,000          | 0               | <b>20,000 Net Change 400121</b>  |
|  |                      | (124,000)      | (124,000)       | (289,000)       | 165,000 Increase in the expenditure is to be funded by the additional Roads to Recovery funding program.                             |
| Project: 400159 - Fords Track (3.02km to 3.59km) Rehab                   | Materials & Services | 0              | 0               | 165,000         | (165,000) Increase rehabilitation to chainage 4.26-5.02, increased expenditure to be covered by additional Roads to Recovery Funding |
|  |                      | 0              | 0               | 0               | <b>0 Net Change 400159</b>   |
|  |                      | (346,000)      | (346,000)       | (726,000)       | 380,000 Additional Roads to Recovery Funding   |
| Project: 400160 - Terang Framlingham Rd (3.14km to 4.45km) Widen & Rehab | Contracts and Quotes | 346,000        | 346,000         | 726,000         | (380,000) Increase rehabilitation to chainage 4.45-5.84, increased expenditure to be covered by additional Roads to Recovery Funding |
|  |                      | 0              | 0               | 0               | <b>0 Net Change 400160</b>   |
|  |                      |                |                 |                 | <b>133,974</b>   |

**Total Budget Adjustments Asset Planning**





| Department / Project                             | Natural Account          | Adopted Budget | Reviewed Budget | Mid Year Budget | Mid Year Budget Adjustment | Mid Year Budget comment   |
|--|--------------------------|----------------|-----------------|-----------------|----------------------------|---|
| <b>Community Relations</b>                       |                          |                |                 |                 |                            |   |
| Project: 101519 - Community Grants Funding       | Grants to Organisations  | 50,000         | 50,000          | 50,000          |                            | 4,071 Transfer of \$4071 to 101521 (Facilities) to cover oversubscription in that area, this project was undersubscribed.   |
|  |                          | <b>50,000</b>  | <b>50,000</b>   | <b>50,000</b>   |                            | <b>4,071 Net Change 101519</b>  |
| Project: 100004 - Timboon Community Planning     | Contributions by Council | 0              | 7,185           | 7,185           |                            | (9,570) The Balance of the Timboon Railway Precinct budget of \$9750 has been transferred back into Timboon Community Planning  |
|  |                          | <b>0</b>       | <b>7,185</b>    | <b>7,185</b>    |                            | <b>(9,570) Net Change 100004</b>  |
| Project: 100778 - Derrinallum Community Planning | Contributions by Council | 0              | 11,679          | 21,679          |                            | (10,000) As Community Plan is being reviewed, \$10,000 has been reallocated from Community Planning Unallocated   |
|  |                          | <b>0</b>       | <b>11,679</b>   | <b>21,679</b>   |                            | <b>(10,000) Net Change 100778</b>   |
| Project: 100825 - Lismore Community Planning     | Contributions by Council | 0              | 16,365          | 26,365          |                            | (10,000) Community Plan is being reviewed, \$10,000 has been reallocated from Community Planning Unallocated budget   |
|  |                          | <b>0</b>       | <b>16,365</b>   | <b>26,365</b>   |                            | <b>(10,000) Net Change 100825</b>   |
| Project: 100972 - Camperdown Community Planning  | Contributions by Council | 0              | 33,931          | 83,931          |                            | (32,404) As per Council decision regarding Camperdown Community Planning \$50,000 moved from Community Planning Unallocated - 101378. Then a reallocation has occurred to the Retail area facade program of \$17,596 as per Council briefing.                                 |
|  |                          | <b>0</b>       | <b>33,931</b>   | <b>83,931</b>   |                            | <b>(32,404) Net Change 100972</b>   |
| Project: 100974 - Terang Community Planning      | Contributions by Council | 0              | 16,000          | 16,000          |                            | (2,834) Terang Community Planning was under allocated, Timboon community planning was over allocated. This amount has been reallocated from Timboon Railway Precinct. Then a reallocation has occurred to the Retail area facade program of \$17,596 as per Council briefing. |
|  |                          | <b>0</b>       | <b>16,000</b>   | <b>16,000</b>   |                            | <b>(2,834) Net Change 100974</b>  |
| Project: 101185 - Timboon Railway Precinct       | Contributions by Council | 0              | 30,000          | 30,000          |                            | 30,000 This project was over allocated over the 4 Year life of the Project. The Terang community planning Project was under allocated of \$20430 and the budget has been transferred to Terang. The Remaining \$9,570 has been transferred to Timboon Community Planning      |
|  |                          | <b>0</b>       | <b>16,000</b>   | <b>16,000</b>   |                            | <b>(2,834) Net Change 100974</b>  |

| Department / Project                                     | Natural Account              | Adopted Budget | Reviewed Budget | Mid Year Budget | Mid Year Budget comment  |
|--|------------------------------|----------------|-----------------|-----------------|--|
| Project: 101375 - Arts and Cultural Strategy Development | Contracts and Quotes         | 0              | 15,116          | 15,116          | 4,000 Arts and Cultural Plan saving of \$4,000 has been recognised   |
|  |                              | <b>0</b>       | <b>15,116</b>   | <b>15,116</b>   | <b>4,000 Net Change 101375</b>   |
| Project: 101378 - Community Planning Projects            | Contributions by Council     | 70,000         | 70,000          | 0               | The Community Plan review cycle transfer to actual township allocations of \$50,000 to Camperdown, \$10,000 to Lismore \$10,000 to Derrinallum   |
|  |                              | <b>70,000</b>  | <b>70,000</b>   | <b>0</b>        | <b>70,000 Net Change 101378</b>  |
| Project: 101522 - Retail Area Facade Improvement Program | Grants to Organisations      | 30,000         | 30,000          | 30,000          | Reallocation of \$17,596 from Camperdown Community Planning 100972 and \$17,596 from Terang Community Planning 100974 to Retail Area Facade Improvement Program, totalling \$35,192  |
|  |                              | <b>30,000</b>  | <b>30,000</b>   | <b>30,000</b>   | <b>(35,192) Net Change 101522</b>  |
|  |                              |                |                 |                 | <b>8,071</b>   |
| <b>Total Budget Adjustments Community Relations</b>      |                              |                |                 |                 |  |
| <b>Economic Development</b>                              |                              |                |                 |                 |  |
| Project: 101364 - Rifle Range Feasibility Study          | Operating Grant              | 0              | 0               | 0               | 35,000 This project was included in the carried forward adjustments at a net of \$70,000. This adjustment recognises the inclusion of the RDV grant income and the corresponding expenditure of \$35,000                                   |
|  | Contracts and Quotes         | 0              | 35,000          | 35,000          | 0  |
|  | Materials & Services         | 0              | 35,000          | 35,000          | (35,000)   |
|  |                              | <b>0</b>       | <b>70,000</b>   | <b>70,000</b>   | <b>0 Net change 101364</b>   |
| Project: 400114 - Saleyards Office Box Gutter            | Contracts and Quotes         | 30,000         | 30,000          | 3,600           | 26,400 This project is complete and the cost are final.  |
|  |                              | <b>30,000</b>  | <b>30,000</b>   | <b>3,600</b>    | <b>26,400 Net Change 400114</b>  |
| Project: 901019 - Economic Development & Tourism Mgt     | Training and Development     | 700            | 700             | 1,900           | (1,200) This increase of \$1200 is for an unbudgeted additional study unit for Sara Napier   |
|  |                              | <b>700</b>     | <b>700</b>      | <b>1,900</b>    | <b>(1,200) Net Change 901019</b>   |
| Project: 901020 - Port Campbell Information Centre       | General - Souvenir Purchases | 25,000         | 25,000          | 17,000          | 8,000 This reduction of \$8,000 in souvenir purchases is to cover the possible over run on salaries at the Port Campbell VIC, the backfilling of staff has been reduced and other discussions held to try and maintain the Salaries Budget |

| Department / Project   | Natural Account                         | Adopted Budget     | Reviewed Budget    | Mid Year Budget    | Mid Year Budget Adjustment Amount | Budget comment  |
|--|---|--------------------|--------------------|--------------------|-----------------------------------|---|
| <b>Project: 901087 - Saleyard - Operations</b>                 | Water Rates                             | 145,000            | 145,000            | 158,000            | (13,000)                          | Budget based on last year - only 11 months billed in that year  |
|  | Memberships/Subscriptions               | 10,000             | 10,000             | 15,000             | (5,000)                           | Additional \$5000 to the membership of NLRs, this was unbudgeted.   |
|  | Materials & Services                    | 66,000             | 66,000             | 74,400             | (8,400)                           | Expensive unplanned maintenance has been already undertaken.  |
|  |   | <b>221,000</b>     | <b>221,000</b>     | <b>247,400</b>     | <b>(26,400)</b>                   | <b>Net Change 901087</b>  |
| <b>Total Budget Adjustments Economic Development</b>           |   |                    |                    |                    |                                   | <b>6,800</b>  |
| <b>Environment &amp; Emergency</b>                             |   |                    |                    |                    |                                   |   |
| <b>Project: 101139 - Cell Construction - Narroghid Cell 13</b> | Fleet - Fuel Costs                      | 5,000              | 5,000              | 0                  | 5,000                             |   |
|  | Contracts and Quotes                    | 165,000            | 183,000            | 7,764              | 175,236                           |   |
|  | Materials & Services                    | 15,000             | 15,000             | 0                  | 15,000                            | Project has been deferred for a Financial Year to reduce the impact of the reduced waste disposal tonnages and the impact this has shown on income in the Landfill Operations Project.  |
|  | Internal Plant Changes - Heavy Plant    | 15,000             | 15,000             | 0                  | 15,000                            |   |
|  | Salary - Salaries & Wages               | 33,720             | 33,720             | 0                  | 33,720                            |   |
|  | Salary - Overtime                       | 16,704             | 16,704             | 0                  | 16,704                            |   |
|  | Salary - On costs                       | 10,085             | 10,085             | 0                  | 10,085                            |   |
|  |   | <b>200,000</b>     | <b>218,000</b>     | <b>7,764</b>       | <b>270,745</b>                    | <b>Net Change 101139</b>  |
| <b>Project: 901073 - Landfill Operations - Narroghid</b>       | Fees- User Fees & Charges               | (2,847,714)        | (2,847,714)        | (2,407,207)        | (440,507)                         | The volume of waste disposed of at the Landfill has decreased due to the Golden Plains contract being awarded to a Melbourne supplier and the overall average tonnages from customers have decreased. The impact has been partially offset by deferral of Cell 13 construction. |
|  | Fees - Landfill Levy                    | (1,157,518)        | (1,157,518)        | (1,063,518)        | (94,000)                          | Decreased waste disposed at the Landfill will result in decreased Levy collected by the Council.  |
|  | Payment to Statutory Authorities - Levy | 1,157,518          | 1,157,518          | 1,063,518          | 94,000                            | Decreased waste disposed at the Landfill has also resulted in decreased Levy to be paid to the EPA.   |
|  | Salary - Salaries & Wages               | 332,545            | 326,343            | 329,796            | (3,453)                           |   |
|  |   | <b>(2,515,169)</b> | <b>(2,521,371)</b> | <b>(2,077,411)</b> | <b>(443,960)</b>                  | <b>Net Change 901073</b>  |

| Department / Project  | Natural Account      | Adopted Budget | Reviewed Budget | Mid Year Budget | Mid Year Budget comment   | Adjustment Amount |
|---|----------------------|----------------|-----------------|-----------------|---|-------------------|
| <b>Total Budget Adjustments Environment &amp; Emergency</b> |                      |                |                 |                 |   |                   |
|   |                      |                |                 |                 |   | (173,215)         |
| <b>Executive Services</b>                                   |                      |                |                 |                 |   |                   |
| Project: 101484 - Community Satisfaction Survey             | Materials & Services | 14,000         | 14,000          | 14,000          | (3,100) Increased to \$17,100 from \$14,000 for additional question in survey.  |                   |
|   |                      | <b>14,000</b>  | <b>14,000</b>   | <b>14,000</b>   | <b>Net Change 101484</b>  | <b>(3,100)</b>    |
| <b>Total Budget Adjustments Executive Services</b>          |                      |                |                 |                 |   | <b>(3,100)</b>    |
| <b>Facilities</b>   |                      |                |                 |                 |   |                   |
| Project: 100131 - Community Centre - Lismore                | Contracts and Quotes | 5,000          | 5,000           | 1,000           | 4,000 This project is complete and finished under budget by \$4,000   |                   |
|   |                      | <b>5,000</b>   | <b>5,000</b>    | <b>1,000</b>    | <b>Net Change 100131</b>  | <b>4,000</b>      |
| Project: 100158 - Senior Citizen Centres Build Maint        | Cleaning costs       | 22,050         | 22,050          | 25,500          | (3,450) Budget developed based on \$35 ph as per 14-15 rates. Implementation of new contract August 2015 has seen reduction in rate to \$31.25. Budget adjustments made to reflect new rates. |                   |
|   |                      | <b>22,050</b>  | <b>22,050</b>   | <b>25,500</b>   | <b>Net Change 100158</b>  | <b>(3,450)</b>    |
| Project: 100184 - Library - Cobden                          | Cleaning costs       | 4,120          | 4,120           | 3,500           | 620 Budget developed based on \$35 ph as per 14-15 rates. Implementation of new contract August 2015 has seen reduction in rate to \$31.25. Budget adjustments made to reflect new rates.     |                   |
|   |                      | <b>4,120</b>   | <b>4,120</b>    | <b>3,500</b>    | <b>Net Change 100184</b>  | <b>620</b>        |
| Project: 100185 - Library - Derrinallum                     | Cleaning costs       | 2,260          | 2,260           | 1,500           | 760 Budget developed based on \$35 ph as per 14-15 rates. Implementation of new contract August 2015 has seen reduction in rate to \$31.25. Budget adjustments made to reflect new rates.     |                   |
|   |                      | <b>2,260</b>   | <b>2,260</b>    | <b>1,500</b>    | <b>Net Change 100185</b>  | <b>760</b>        |
| Project: 100186 - Library - Terang                          | Lease payments       | 3,350          | 3,350           | 3,935           | (585)   |                   |

| Department / Project   | Natural Account         | Adopted Budget | Reviewed Budget | Mid Year Budget | Mid Year Budget Adjustment | Mid Year Budget comment   |
|--|-------------------------|----------------|-----------------|-----------------|----------------------------|---|
|  | Cleaning costs          | 6,300          | 6,300           | 3,350           | 2,950                      | Budget developed based on \$35 ph as per 14-15 rates. Implementation of new contract August 2015 has seen reduction in rate to \$31.25. Budget adjustments made to reflect new rates. |
|  | Contracts and Quotes    | 1,000          | 1,000           | 400             | 600                        |   |
|  |                         | <b>10,650</b>  | <b>10,650</b>   | <b>7,685</b>    | <b>2,965</b>               | <b>Net Change 100186</b>  |
| <b>Project: 101521 - Facility Grants</b>                         | Grants to Organisations | 50,000         | 50,000          | 50,000          | (4,071)                    | Transfer from undersubscription of Community Grant Funding (Community Relations) to accommodate over subscription of facility grants program as per Council resolution.               |
| <b>Project: 400021 - Lakes Recreation Reserve Toilet Upgrade</b> | Contributions - Capital | 0              | (10,000)        | 0               | (10,000)                   | Project not proceeding  |
|  | Contracts and Quotes    | 0              | 20,000          | 0               | 20,000                     | Project not proceeding  |
|  |                         | <b>0</b>       | <b>10,000</b>   | <b>0</b>        | <b>10,000</b>              | <b>Net Change 400021</b>  |

| Department / Project  | Natural Account         | Adopted Budget | Reviewed Budget | Mid Year Budget | Mid Year Budget comment  | Adjustment Amount                 |
|---|-------------------------|----------------|-----------------|-----------------|--|-----------------------------------|
| <b>Project: 400071 - Camperdown APEX park Stage 3 &amp; 4</b> | Contributions - Capital | 0              | (10,086)        | (23,082)        | 12,996 Additional income of \$12996 for completion of project  |                                   |
|   | Contracts and Quotes    | 50,000         | 7,882           | 19,082          | (11,200) Additional \$11200 for Scoria Cones to complete the project.  |                                   |
|   |                         | <b>50,000</b>  | <b>(2,204)</b>  | <b>(4,000)</b>  |  | <b>1,796 Net Change 400071</b>    |
| <b>Project: 901058 - Swimming Pools</b>                       | Contracts and Quotes    | 350,920        | 350,920         | 370,676         | (19,756) Increase Council allocation by \$19,756 due to an increase in Contract amount, as per Council Resolution  |                                   |
|   |                         | <b>350,920</b> | <b>350,920</b>  | <b>370,676</b>  |  | <b>(19,756) Net Change 901058</b> |
| <b>Project: 901119 - Council Offices</b>                      | Cleaning costs          | 47,600         | 47,600          | 20,843          | 26,757 Budget developed based on \$35 ph as per 14-15 rates. Implementation of new contract August 2015 has seen reduction in rate to \$31.25. Budget adjustments made to reflect new rates. |                                   |
|   |                         | <b>47,600</b>  | <b>47,600</b>   | <b>20,843</b>   |  | <b>26,757 Net Change 901119</b>   |
| <b>Recreation</b>   |                         |                |                 |                 |  |                                   |
| <b>Project: 100101 - Recreation Give It a Go Week</b>         | Reimbursements          | 0              | 0               | (1,000)         | 1,000 Sponsorship toward the program has been confirmed, expenditure will increase accordingly   |                                   |
|   | Materials and Services  | 3,000          | 3,000           | 4,000           | (1,000) Increase in expenditure for the sponsorship toward the program from stakeholders   |                                   |
|   |                         | <b>3,000</b>   | <b>3,000</b>    | <b>3,000</b>    |  | <b>0 Net Change 100101</b>        |
| <b>Total Budget Adjustments Facilities and Recreation</b>     |                         |                |                 |                 |  | <b>19,621</b>                     |

| Department / Project                               | Natural Account      | Adopted Budget | Reviewed Budget | Mid Year Budget | Mid Year Budget comment   | Adjustment Amount |
|--|----------------------|----------------|-----------------|-----------------|---|-------------------|
| <b>Works</b>                                       |                      |                |                 |                 |   |                   |
| Project: 100272 - Parks & Gardens                  | Materials & Services | 5,000          | 5,000           | 25,000          | (20,000) Additional \$20,000 for Tree Audit Works in reaction to Bendigo Coroners Report                                    |                   |
| Project: 101411 - Drainage Culvert Treatments      | Capital Grant        | 0              | 0               | 0               | 700,000 Additional Roads to Recovery (\$700K)   |                   |
|  | Contracts and Quotes | 100,000        | 100,000         | 800,000         | (700,000) Additional Roads to Recovery (\$700K)   |                   |
|  |                      | <b>100,000</b> | <b>100,000</b>  | <b>800,000</b>  | <b>0 Net Change 100272</b>  |                   |
| Project: 101515 - Terang Desert Ash Removal        | Contracts and Quotes | 35,000         | 35,000          | 63,000          | (28,000) Additional \$28,000 for last years Terang desert ash project briefing, which was not carried forward in September. |                   |
|  |                      | <b>35,000</b>  | <b>35,000</b>   | <b>63,000</b>   | <b>(28,000) Net Change 101515</b>   |                   |
| <b>Total Budget Adjustments Works</b>              |                      |                |                 |                 |   |                   |
|  |                      |                |                 |                 |   | <b>(48,000)</b>   |
| <b>Community Services</b>                          |                      |                |                 |                 |   |                   |
| Project: 101326 - Corangamite L2P Program          | Operating Grant      | 0              | 0               | (38,000)        | 38,000 L2P Program (In and Out)   |                   |
|  | Contracts and Quotes | 0              | 0               | 38,000          | (38,000) L2P Program (In and Out)   |                   |
|  |                      | <b>0</b>       | <b>0</b>        | <b>0</b>        | <b>0 Net Change 101326</b>  |                   |
| Project: 101273 - Simpson 3 year old kinder        | Reimbursements       | (13,040)       | (13,040)        | (14,211)        | 1,171 Simpson 3 year old preschool, salary increase and resulting reimbursement adjustment                                  |                   |
|  | Salaries & Wages     | 13,040         | 13,040          | 14,211          | (1,171) reimbursement adjustment  |                   |
|  |                      | <b>0</b>       | <b>0</b>        | <b>0</b>        | <b>0 Net Change 101273</b>  |                   |
| <b>Total Budget Adjustments Community Services</b> |                      |                |                 |                 |   |                   |
|  |                      |                |                 |                 |   | <b>0</b>          |

| Department / Project | Natural Account | Adopted Budget | Reviewed Budget | Mid Year Budget | Mid Year Budget comment Adjustment Amount |
|----------------------|-----------------|----------------|-----------------|-----------------|---|
|----------------------|-----------------|----------------|-----------------|-----------------|---|

**Finance**

Project: 901022 - Investment Interest - Investments (200,000) (200,000) (200,000) 150,000 Increase Investment Interest, due to large balances of cash holdings, the interest is expected to be 75% greater than adopted budget.

(200,000) (200,000) (200,000) **150,000 Net Change 901022**

Project: 901109 - Income - Sale Of Assets (Proceeds) Proceeds of Sale Buildings 0 0 0 37,000 Sale of Land, Gondain St Simpson and the Derrinallum Pound. Amount is net of expenses

0 0 0 **37,000 Net Change 901109**

**Total Budget Adjustments Finance**

187,000

**Total Mid Year Budget Adjustments**

**131,151**



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## 10.6 Council Discretionary Fund - January 2016 Allocation

**Author:** David Rae, Director Corporate and Community Services

**File No:** D15/728

**Previous Council Reference:** Nil

### Declaration

Chief Executive Officer – Andrew Mason

In providing this advice to Council as the Chief Executive Officer, I have no interests to disclose in this report.

Author - David Rae

In providing this advice to Council as the Director Corporate and Community Services, I have no interests to disclose in this report.

### Summary

The purpose of this report is to approve the January 2016 allocation of funds under the Council Discretionary Fund Program.

### Introduction

Council, in its 2015-2016 Budget, provided an amount of \$14,000 for the purposes of supporting instances of community or individual need that were not readily able to be considered under the Community and Facilities Grants Program or Environmental Grants Program. Applications for Council Discretionary Funds are considered by Council in September, December, March and June annually or more frequently at the CEO's discretion.

### Issues

The Council Discretionary Fund is a set budget that Council provides annually for the distribution of funds to Shire community groups and/or individuals. Council supports the distribution of funds to community groups and local individuals in a variety of ways. The Council Discretionary Fund has a rolling intake. This flexible approach allows Council to allocate small amounts to various community groups and/or individuals and results in positive outcomes. The allocation of these funds is in accordance with the Council Discretionary Fund Policy.

Applications received for this allocation are attached under separate cover. Each application has been assessed against the following criteria as detailed in the Council Discretionary Fund Policy:

- a. Eligible recipient
- b. Council plan alignment
- c. Community benefit
- d. Eligible expenditure.

The assessment of each application has been provided as a separate attachment to this report.

### Policy and Legislative Context

Consideration of applications for the Council Discretionary Fund Program is in accordance with the Council Discretionary Fund Policy and the following 2013-2017 Council Plan Commitments:

Corangamite Shire's communities are welcoming and provide support and a sense of belonging. Council will work to improve and enhance community health, wellbeing and connectedness. Council has an important role in planning to ensure townships grow in a sustainable manner.

Provide opportunities to improve and enhance the health and wellbeing of our community.

Improve the educational outcomes of our community.

Recognise the importance of Art and Culture to the community.

### Internal / External Consultation

Applications for the Council Discretionary Fund are available from Council's website or by contacting Council's Community Relations team. Applicants are encouraged to discuss their application with the respective Ward Councillor prior to submission. Applicants may also contact Council's Director Corporate and Community Services for further information. Applicants will be advised of the outcome of their application following the Council meeting. Successful applicants will also be requested to provide a grant acquittal following completion of the event or project.

### Financial and Resource Implications

The 2015-2016 Council Discretionary Fund Program budget is \$14,000. Annual allocations for each Ward shall not exceed 1/7th of the fund's annual budget in the case of North, South West, Coastal and South Central Wards, and 3/7th of the fund's annual budget in the case of Central Ward. Should the allocations be approved as recommended in this report, the remaining allocation is as follows:

| Ward          | Annual Allocation  | Previous Allocations | This Allocation   | Remaining Allocation |
|---------------|--------------------|----------------------|-------------------|----------------------|
| Coastal       | \$2,000.00         | \$2,000.00           | \$0.00            | \$0.00               |
| North         | \$2,000.00         | \$1,200.00           | \$250.00          | \$550.00             |
| South Central | \$2,000.00         | \$1,000.00           | \$250.00          | \$750.00             |
| South West    | \$2,000.00         | \$1,000.00           | \$0.00            | \$1,000.00           |
| Central       | \$6,000.00         | \$3,138.68           | \$750.00          | \$2,111.32           |
|               | <b>\$14,000.00</b> | <b>\$8,338.68</b>    | <b>\$1,250.00</b> | <b>\$4,411.32</b>    |

### Options

Council can consider:

1. Allocating the funds as requested by the applicants.
2. Allocating the funds for a reduced amount.
3. Not allocating funds as requested by the applicants.

**Conclusion**

The Council Discretionary Fund program provides financial assistance to community groups that will undertake beneficial projects and activities for local communities and to individuals where assistance is provided to attend and participate in recognised State, National or International events of significant public benefit.

**RECOMMENDATION**

**That Council approves the following applications for funding from the Council Discretionary Fund for January 2016:**

| Applicant                    | Purpose  | Ward          | Amount   |
|------------------------------|--|---------------|----------|
| Camperdown Uniting Church    | Funding to assist with costs associated with conducting the bi-annual Harvest Festival which is a free community outreach, incorporating children's activities and musical entertainment, with a focus on bringing the community together, celebrating connectedness and experiencing local produce. | Central       | \$250.00 |
| Rotary Club of Cobden        | Funding to assist with costs associated with 50th birthday celebrations being held in May 2016. The weekend event will have a community focus with local community groups and other Rotary Clubs in attendance.  | South Central | \$250.00 |
| Lismore Progress Association | Promote, advertise and encourage community attendance at Outback Opera production of "The Mikado".   | North         | \$250.00 |
| Corangamite NILS             | Purchase laptop computer to maintain database to manage the NILS program   | Central       | \$500.00 |

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**Attachments**

1. Council Discretionary Fund Assessment - January 2016 Allocation - Under Separate Cover
2. Application - Rotary Club of Cobden - Under Separate Cover
3. Application - Camperdown Uniting Church - Under Separate Cover
4. Application Council Discretionary Fund Co-Opera Production - Under Separate Cover
5. Letter of Support Council Discretionary Fund Purchase of Laptop - Under Separate Cover

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## 10.7 Instrument of Delegation from Council to Council Staff

**Author:** Marilyn Lynch, Organisational Development Coordinator

**File No:** D16/12

**Previous Council Reference:** Nil

### Declaration

Chief Executive Officer – Andrew Mason

In providing this advice to Council as the Chief Executive Officer, I have no interests to disclose in this report.

Author - Marilyn Lynch

In providing this advice to Council as the Organisational Development Coordinator, I have no interests to disclose in this report.

### Summary

This report provides information and advice to Council regarding the updating of delegations to Council staff and proposes amendments to the Instrument of Delegation from Council to Council staff consistent with legislative changes.

### Introduction

Council delegates a range of powers, functions and duties directly to members of Council staff. Council receives regular advice and updates from Maddocks Delegations and Authorisations Service and the updates outlined in this report are as a result of advice received from this service in December 2015.

### Issues

Council last updated its Instrument of Delegation from Council to Council staff in July 2015.

The most recent changes to the Instrument include:

1. New duties and powers inserted into the *Cemeteries and Crematoria Act 2003*, including ss85(2)(b)-(c). These new provisions came into effect on 9 November 2015.
2. Several new duties and powers inserted into the Planning and Environment Act 1987, including ss. 46GF–46GI, s.46GL, s.46GM and s.46QD. These provisions come into effect on 1 June 2016 unless proclaimed earlier. Section 60(1B) has also been added and came into effect on 12 October 2015.
3. The following updates to the Regulations, which were released in October 2015, namely:
  - 3.1 *Cemeteries and Crematoria Regulations 2015*
  - 3.2 *Planning and Environment (Fees) Interim Regulations 2015*
  - 3.3 *Road Management (Works and Infrastructure) Regulations 2015*.

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### **Policy and Legislative Context**

The amendment of the Instrument of Delegation from Council to Council staff (attached under separate cover) ensures ongoing legislative compliance. In addition, the amendment of the Instrument of Delegation ensures that staff are adequately empowered to undertake their roles and the Instrument is a key element of reducing Council's exposure to risk in the event of a legal dispute.

The Instrument of Delegation from Council to Council staff is also consistent with the Council Plan commitment that 'Council will demonstrate high levels of ethical behaviour and corporate governance standards'.

### **Internal / External Consultation**

Amendments to the delegations have been provided by Maddocks Lawyers Delegations and Authorisations Service. Council officers have also been consulted. All officers will be provided with a copy of the updated Instrument of Delegation and advised to familiarise themselves with the Instrument to ensure compliance once adopted.

### **Options**

Council is required to regularly update its Instrument of Delegation from Council to Council staff. Council may determine to adopt the amended Instrument of Delegation as proposed, or Council may determine to make further changes to the delegation or resolve not to delegate some powers.

### **Conclusion**

The recommended changes to the Instrument of Delegation from Council to Council staff are important to ensure Council activities can be conducted efficiently and with appropriate authority, as well as addressing legislative compliance and risk management for Council.

## **RECOMMENDATION**

**In the exercise of the powers conferred by section 98(1) of the *Local Government Act 1989* and the other legislation referred to in the attached Instrument of Delegation, Council resolves that:**

- 1. There be delegated to the members of Council staff holding, acting in or performing the duties of the offices or positions referred to in the attached Instrument of Delegation to members of Council staff, the powers, duties and functions set out in that instrument, subject to the conditions and limitations specified in that instrument.**
- 2. The instrument comes into force immediately the Common Seal of Council is affixed to the instrument.**
- 3. On the coming into force of the Instrument, all previous delegations by Council to members of Council staff (other than the Chief Executive Officer) are revoked.**
- 4. The duties and functions set out in the Instrument must be performed, and the powers set out in the Instrument must be executed, in accordance with any guidelines or policies of Council that it may from time to time adopt.**
- 5. The Common Seal be affixed to the Instrument.**

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**Attachments**

1. S6 Instrument of Delegation Council to Members of Staff January 2016 - Under Separate Cover

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## 10.8 Application of Common Seal of Council 2015

**Author:** Andrew Mason, Chief Executive Officer

**File No:** D16/2

**Previous Council Reference:** Nil

### Declaration

Chief Executive Officer – Andrew Mason

In providing this advice to Council as the Chief Executive Officer, I have no interests to disclose in this report.

### Summary

This report informs Council of all applications of the Common Seal made by the Chief Executive Officer under delegation during 2015.

### Introduction

Various documents require the use of the Common Seal of Council, such as Section 173 Agreements under the *Planning and Environment Act*, contracts and funding agreements.

The use of the Common Seal is prescribed by Local Law No. 3, Processes of Municipal Government Law 2009. Under the Local Law, Council may by resolution delegate the use of the Common Seal to the Chief Executive Officer for general classes of activities or transactions. Other applications of the Common Seal are authorised by Council as required. The Chief Executive Officer is required by the Local Law to regularly advise Council of the use of the Common Seal when applied under delegation.

### Issues

At its meeting on 24 January 2011, Council resolved to authorise the Chief Executive Officer to apply the Common Seal of Council to general classes of documents. Typical documents sealed under delegation by the Chief Executive Officer include:

- *Planning and Environment Act* section 173 agreements
- funding/grant agreements
- contracts endorsed by a resolution of Council
- lease agreements endorsed by a resolution of Council
- licence agreements endorsed by a resolution of Council
- transfer of land documents for transactions endorsed by a resolution of Council.

The Common Seal was applied by the Chief Executive Officer during 2015 to the documents listed in the attached table.

### Policy and Legislative Context

Local Law No. 3, Processes of Municipal Government Law 2009, Part 4, Section 26(4) states ‘the Council may, by resolution, give the Chief Executive Officer authority to use the Common Seal for general classes of activities or transactions’. Part 4, Section 26(5) continues ‘if the Chief Executive uses the Common Seal in a manner prescribed by Clause (4) then he or she must advise Council of such use on a regular basis’.



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This report ensures compliance with the Local Law and is consistent with the Council Plan commitment and objective:

Council will demonstrate high levels of ethical behaviour and corporate governance standards.

Model contemporary standards of corporate governance and professional standards.

### **Conclusion**

Various documents require the use of the Common Seal of Council. Local Law No. 3, Processes of Municipal Government Law 2009, details the use of the Common Seal and provides for the application of the Common Seal by the Chief Executive Officer under delegation for general classes of activities or transactions. Council is asked to receive the attached list of documents for which the Common Seal was applied under delegation by the Chief Executive Officer during 2015.

### **RECOMMENDATION**

**That Council receives the attached list of documents sealed by the Chief Executive Officer under delegation during 2015.**

### **Attachments**

1. Table Application of Common Seal of Council under CEO Delegation in 2015

**Application of Common Seal of Council under CEO Delegation in 2015**

| Description  | Date sealed      |
|--|------------------|
| Licence Agreement with Delia Kerr (Family Day Care) for Sustainability House   | 11 February 2015 |
| Cattle Underpass Agreements with lessees at the following locations within the Shire: <ul style="list-style-type: none"> <li>a. Bucks Road, Simpson</li> <li>b. Old Timboon Road, Dixie</li> <li>c. Wire Lane, Camperdown</li> <li>d. Darlington-Terang, Road</li> <li>e. Timboon-Curdievale Road, Timboon</li> <li>f. Morey's Road, Brucknell</li> <li>g. Noorat-Framlingham Road (Sisters Road) Noorat</li> <li>h. Coradjil Road, Simpson</li> <li>i. Naroghid Road, Camperdown</li> <li>j. Wiridjil Road, Princetown</li> <li>k. Keayane Road, Dixie</li> <li>l. Pontings Road, Glenormiston South</li> </ul> | 20 February 2015 |
| Cattle Underpass Agreement with lessee at Naroghid Road, Naroghid  | 3 March 2015     |
| Licence for use Agreement for Terang Pound   | 4 March 2015     |
| Contract 2014009 with Bachelors Building and Joinery for Simpson Recreation Reserve Function Centre Additions and Alterations<br>Note: Sealed under CEO Delegation following decision of Council 25 November 2014 to enter into contract   | 13 March 2015    |
| Section 173 Planning Permit PP2002/074.B at 35 Parkers Access Track Wattle Hill  | 22 May 2015      |
| Loan Agreement with National Australia Bank<br>Note: Sealed under CEO Delegation following decision of Council 28 April 2015 to delegate authority to enter into loan  | 23 June 2015     |
| Lease Agreement with Minister for Education for Terang ELC, 45 Strong Street, Terang   | 3 July 2015      |
| Contract 2015007 with CMC Property Services Pty Ltd Cleaning of Council Buildings<br>Note: Sealed under CEO Delegation following decision of Council 23 June 2015 to enter into contract   | 30 July 2015     |
| Surrender of lease old Camperdown SPI compound area at Camperdown Caravan Park   | 30 July 2015     |
| Camperdown Court House Lease Renewal   | 30 July 2015     |
| Amended Existing s173 Agreement for Lot 2 on Subdivision No. 618648A Peterborough Road, Terang   | 31 July 2015     |

**AGENDA - ORDINARY MEETING OF COUNCIL 27 JANUARY 2016**



| <b>Description</b>  | <b>Date sealed</b> |
|---|--------------------|
| Lease Agreement with CTWE Pty Ltd for 129A High Street, Terang (medical clinic)<br>Note: Sealed under CEO Delegation following decision of Council 28 July 2015 to enter into agreement | 31 July 2015       |
| Cattle Underpass Agreement with lessee at Cooriemungle Road, Cooriemungle   | 27 August 2015     |
| Licence for Use Agreement with Camperdown Playgroup Inc.  | 1 September 2015   |
| Lease Agreement with Director of Housing for 23 and 24 Gunner Street, Camperdown (Apex Park)<br>Note: Document originally sealed 19/2/2014 was lost                                     | 3 September 2015   |
| Lease Agreement for Timboon Transfer Station  | 3 September 2015   |
| Agreement with Warrnambool City Council for 2015-2016 Bitumen Sealing Works   | 16 September 2015  |
| Section 173 Agreement for Permit P2007/162 at Peterborough Road, Terang   | 16 September 2015  |
| Section 173 Agreement for Planning Permit PP2015/088 for 2 lot subdivision at 11 Walls Street Camperdown  | 7 October 2015     |
| Lease Renewal and Variation for Cobden Airstrip Hangar, Angela Winkler  | 14 October 2015    |
| Lease Agreement Vertical Telecommunications Tower at Camperdown Caravan Park  | 20 October 2015    |
| Lease Renewal Cobden Aero Club at Cobden Racecourse Reserve   | 20 October 2015    |
| Lease Agreement Terang Pound  | 23 October 2015    |
| Agreement with Camperdown Toy Library for Old Stadium   | 16 November 2015   |
| Haulage/Receipt of Residual Material from Portland Transfer Station with Glenelg Shire Council  | 27 November 2015   |
| Deed of Variation for delivery of Veterans' Home Care Services with Commonwealth of Australia, Repatriation Commission, Military Rehabilitation and Compensation Commission             | 11 December 2015   |
| Lease renewal for Cobden Airstrip Hangar, Rob Robilliard and William Woodmason  | 17 December 2015   |

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## 10.9 Records of Assembly of Councillors

**Author:** Andrew Mason, Chief Executive Officer

**File No:** D15/730

**Previous Council Reference:** Nil

### Declaration

Chief Executive Officer – Andrew Mason

In providing this advice to Council as the Chief Executive Officer, I have no interests to disclose in this report.

### Summary

This report documents the Assembly of Councillors to be reported since the last Ordinary Meeting of Council on 15 December 2015.

### Introduction

The *Local Government Act 1989* (the Act) requires that records of meetings which constitute an Assembly of Councillors be tabled at the next practicable meeting of Council and is incorporated in the minutes of the Council meeting.

### Issues

An 'Assembly of Councillors' is defined in the Act as a meeting at which matters are considered that are intended or likely to be the subject of a Council decision or subject to the exercise of a delegated authority and which is either of the following:

- A meeting of an advisory committee where at least one Councillor is present; or
- A planned or scheduled meeting that includes at least half the Councillors and at least one Council officer.

Typical meetings giving rise to an Assembly of Councillors at Corangamite Shire include Councillor briefings, advisory committees and planning site inspections. However, from time to time additional records may be reported in accordance with the Act.

Section 80A of the Act requires that a record must be kept of an Assembly of Councillors which lists:

- The Councillors and members of Council staff attending.
- The matters discussed.
- Disclosures of conflict of interest (if any are made).
- Whether a Councillor left the meeting after making a disclosure.

Records of an Assembly of Councillors are documented by a Council officer present at a meeting designated as an Assembly of Councillors. Responsibility for the maintenance of records associated with Assembly of Councillors rests with the Chief Executive Officer.

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### **Policy and Legislative Context**

Tabling of the records of Assembly of Councillors ensures Council is compliant with the Act. In addition, this report is consistent with the Council Plan 2013-2017 strategy, "Council will demonstrate high levels of ethical behaviour and corporate governance standards".

### **Conclusion**

The records documenting the below Assembly of Councillors are attached:

- Councillor Briefing 15 December 2015
- Councillor Briefing 12 January 2016.

### **RECOMMENDATION**

**That Council accepts the attached Records of Assembly of Councillors.**

### **Attachments**

1. Record of an Assembly of Councillors 15 December 2015
2. Record of an Assembly of Councillors 12 January 2016

# Council

## Record of an Assembly of Councillors

**Councillor Briefing**

**Date:** Tuesday 15 December 2015

**Time:** 2.00 pm

**Place:** Killara

**Present**

**Councillors:**

- |   |  |  |  |
|---|--|--|--|
| <input checked="" type="checkbox"/> Cr Beard    | <input checked="" type="checkbox"/> Cr Gstrein | <input type="checkbox"/> Cr Harkin             | <input checked="" type="checkbox"/> Cr Oakes |
| <input checked="" type="checkbox"/> Cr O'Connor | <input checked="" type="checkbox"/> Cr Smith   | <input checked="" type="checkbox"/> Cr Trotter |  |

**Officers:**

- |  |   |  |   |
|--|---|--|---|
| <input checked="" type="checkbox"/> Ian Gibb | <input checked="" type="checkbox"/> Brooke Love | <input checked="" type="checkbox"/> Andrew Mason | <input checked="" type="checkbox"/> David Rae |
|--|---|--|---|

*Rory Neeson (Item 2)*

*Jude Murfitt (Item 4)*

**Guests:**

*Gavin Ronan (Item 1)*

**Issues Discussed:**

| Item | Discussion Topic  |
|------|---|
| 1    | Princetown Proposal   |
| 2    | Website & Social Media Update   |
| 3    | Know Your Council Website   |
| 4    | Mid Year Budget Review  |
| 5    | CRLC Library Service Review Issues, Opportunities and Future Direction  |
| 6    | <b>Hot Topics:</b><br><i>Parks Vic CEO meeting, GSC Board Meeting, Terang Gala, Skipton Resident, Councillor Workshop, Christmas Break-up, Regional Living Expo, Timboon Library</i>                                  |
| 9    | <b>Councillor Items:</b><br><i>Free Camping, Berrybank Wind Farm, BP Redevelopment, Quarry Application, Terang Street Trimming, 12 Apostles Branding, Men's Shed at Simpson, Parking in Terang, Meeting Procedure</i> |

**Conflicts of Interest declared:** Nil.

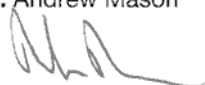
**Councillors left the meeting at:**

**Councillors returned to the meeting at:**

**Councillor Conflict of Interest Form Completed:**

**Meeting close:** 6.00pm

**Note taker:** Andrew Mason



# Council

## Record of an Assembly of Councillors

**Councillor Briefing**

**Date:** Tuesday 12 January 2016      **Time:** 10.15 Am  
**Place:** Commencing Terang Children's Centre

**Present**

**Councillors:**

- Cr Beard                       Cr Gstrein                       Cr Harkin                       Cr Oakes
- Cr O'Connor                       Cr Smith                       Cr Trotter

**Officers:**

- Ian Gibb                       Brooke Love                       Andrew Mason                       John van Nieuwkerk

*John Kelly (Item 1)*

*Rory Neeson and Garry Moorfield (Item 6)*

*Lyllal Bond (Item 7 and 8)*

**Guests:**

*Allan Conway, Glenormiston Administrator (Item 9)*

**Issues Discussed:**

| Item | Discussion Topic  |
|------|---|
| 1    | <b>Kerb &amp; Channel Network</b>   |
| 2    | <b>Population Levers Project</b>  |
| 3    | <b>2016-2017 Rate Cap and Communication Plan</b>  |
| 4    | <b>Hot Topics:</b><br><i>Councillor Expenses Half Yearly Report (Attached), Emergency Management Update, Terang Gas Update, Mobile Black Spot Programme, Ordinary Returns, Squibbs Road, Skipton Resident, Terang Kinder Update</i>   |
| 5    | <b>Councillor Items:</b><br><i>Hawks Nest Road, Origin Gas Plant, Planning Issues in Cobden, Port Campbell Fuel, Sewerage Extension to 12 Apostles and Princetown, Recycling Costs, White Elephant Intersection, Superannuation Recall Potential, Blue Green Algae, Road Signage, Letter to the Editor, Roadside Weeds, Fire Notices, Pool Usage Data, VicParks RV Campaign, Moorehouse Bridge, Free Camping, Landfill Security</i> |
| 6    | <b>Walk Around Noorat</b>   |
| 7    | <b>Mount Noorat – Confidential Item</b>   |
| 8    | <b>Noorat Closed Landfill – Confidential Item</b>   |
| 9    | <b>Inspection of Glenormiston College</b>   |

**Conflicts of Interest declared:** Nil.

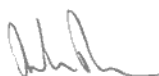
**Councillors left the meeting at:**

**Councillors returned to the meeting at:**

**Councillor Conflict of Interest Form Completed:**

**Meeting close:** 4.30 pm

**Note taker:** Andrew Mason



## **11. OTHER BUSINESS**



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## 12. OPEN FORUM

Members of the public are very welcome to make statements or ask questions relevant to Corangamite Shire at the Open Forum section of Council meetings.

To assist with the smooth running of the meeting, we ask that you raise a maximum of two items at a meeting and please follow this procedure:

1. Wait until the Mayor asks if there are any items in Open Forum and invites you to speak.
2. Stand if you are able and introduce yourself.
3. Speak for a maximum of five minutes.

We will undertake to answer as many questions as possible at a meeting and if we cannot answer a question at the meeting we will provide a written response no later than five working days after the Council meeting.

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## **13. CONFIDENTIAL ITEMS**

### **RECOMMENDATION**

That pursuant to the provisions of Section 89(2) of the *Local Government Act* the meeting be closed to the public to enable consideration of the following reports as they relate to contractual matters.

#### **13.1 Contract for Electricity Supply for Council's Small and Large Metered Sites**

#### **13.2 Timboon Town Centre Improvements Project Contract**