

minutes



CORANGAMITE
SHIRE

CORANGAMITE SHIRE

ORDINARY MEETING OF COUNCIL TUESDAY 24 SEPTEMBER 2019

Held at The Rose Room, Terang Civic Centre
129 High Street, Camperdown
at 7.00 pm

COUNCIL:

Cr Neil Trotter (South West Ward)
MAYOR

Cr Ruth Gstrein (Central Ward)
DEPUTY MAYOR

Cr Helen Durant (Central Ward)

Cr Wayne Oakes (Central Ward)

Cr Simon Illingworth (Coastal Ward)

Cr Lesley Brown (North Ward)

Cr Jo Beard (South Central Ward)

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**MINUTES OF THE ORDINARY MEETING OF THE CORANGAMITE
SHIRE COUNCIL HELD AT THE ROSE ROOM, TERANG CIVIC
CENTRE, 129 HIGH STREET, CAMPERDOWN 7.00 PM ON
24 SEPTEMBER 2019**

PRESENT

Councillors	N. Trotter (Chairperson), J. Beard, L. Brown, H. Durant, R. Gstrein, S. Illingworth, W. Oakes
Officers	David Rae, Acting Chief Executive Officer Brooke Love, Director Works and Services Rory Neeson, Acting Director Sustainable Development Lyll Bond, Manager Environment and Emergency Roland Herbert, Environmental Projects Officer Jane Hinds, Acting Manager Facilities and Recreation John Kelly, Manager Assets Planning Adam Taylor, Manager Finance Leah Teal, Coordinator Knowledge and Records

1. PRAYER

The prayer was read by the Mayor, Cr N. Trotter.

“We ask for guidance and blessing on this Council. May the true needs and wellbeing of our communities be our concern. Help us, who serve as leaders, to remember that all our decisions are made in the best interests of the people, culture and the environment of the Corangamite Shire.

Amen.”

2. ACKNOWLEDGEMENT OF COUNTRY

An Acknowledgement of Country was made by the Mayor, Cr N. Trotter.

“We acknowledge the Traditional Owners of the land on which we are meeting, and pay our respects to their Elders, past and present.”

3. APOLOGIES

Nil.

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.

4. DECLARATIONS OF CONFLICT OF INTEREST

Cr R. Gstrein declared an indirect conflict of interest by indirect financial interest in a matter discussed as part of Agenda Item 9.7 and left the meeting prior to any discussion or vote on the matter.

5. CONFIRMATION OF MINUTES

RECOMMENDATION

That the Minutes of the Corangamite Shire Ordinary Council meeting held on Tuesday 27 August 2019 be confirmed.

COUNCIL RESOLUTION

MOVED: Cr Gstrein

SECONDED: Cr Brown

That the recommendation be adopted.

CARRIED

6. DEPUTATIONS & PRESENTATIONS

Agenda Item 9.6 Mt Noorat Management Plan

- Chris O'Connor, Chair, Mt Noorat Committee of Management

Agenda Item 9.10 Proposed Sale by Private Treaty – Salsbury Street, Noorat

- Andrew Saunders, Surveyor, on behalf of the landowner

7. COMMITTEE REPORTS

7.1 Swimming Pool Committees of Management 2019-2020

Author: Jane Hinds, Acting Manager Facilities and Recreation

File No:

Previous Council Reference: Nil

Declaration

Acting Chief Executive Officer – David Rae

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

Author - Jane Hinds

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 recommends Council endorse the nominated members for the Committees of Management for the Camperdown, Cobden, Lismore, Skipton, Terang and Timboon swimming pools for season 2019-2020.

Introduction

Each of Corangamite Shire's six swimming pools has a Committee of Management delegated as a Special Committee under Section 86 of the *Local Government Act 1989*. The committees are responsible for:

- acting as a local contact for feedback about pool operations
- providing local input into programming
- planning minor capital improvements approved by Council.

The committees comprise representation from various areas of the community including:

- one representative from the swimming club (where in operation)
- one representative from the local school(s)
- at least two community representatives
- the facility manager or a representative of the management contractor.

The Instruments of Delegation specifies that the committees shall hold an Annual General Meeting to elect from amongst their members, persons to act as Chairperson, Secretary and Treasurer to the committee. Membership of the committees, including any additions, deletions or replacements shall be subject to approval by Council.

The contractor representative is usually the appointed pool manager for each of the swimming pools. In some instances, these positions are still to be appointed, thus the contractor representative will be determined at a later date.

Issues

Swimming pool committees play an important role in ensuring the service Council delivers is consistent with community needs.

Each swimming pool committee has recently conducted their Annual General Meeting. The following members have been nominated to their respective swimming pool committees for Council endorsement.

Pool	Camperdown Swimming Pool
Meeting Date	4 September 2019
Committee Members	
Community	Lillian Cronin
Community	Brian Cunningham
Community	Kelly Hollingsworth
Community	Benjamin Miller
Community	Kylie Spokes
Community	Kellie Wilson
Community	Judith Murfitt
Community	Lauren Rippon
Community	Mel Donnelly
Contractor Representative	Yet to be confirmed
Office Bearers	
President	Kylie Spokes
Secretary	Kelly Hollingsworth
Treasurer	Benjamin Miller

Table 1: Camperdown Swimming Pool Committee

The Camperdown Swimming Pool Committee welcomed Lillian Cronin, Brian Cunningham, Judith Murfitt and Lauren Rippon to the committee and thanked Kassi Bernaldo, Sam Tobias and Paul Kingston for their contribution to the committee. It must also be acknowledged that Paul's contribution to the committee was highlighted as significant, with over 20 years contribution.

Pool	Cobden Swimming Pool
Meeting Date	11 September 2019
Committee Members	
Community	Rikki-Lee Henderson
Community	Rebecca Mahoney
Community	Sheralee Murdie
Community	Anthony Van Bemmei
Community	Heather Munroe
Community	Jenni Wason
Swimming Club	Matthew Coverdale
Contractor Representative	Yet to be confirmed
Office Bearers	
President	Rikki-Lee Henderson
Secretary	Matthew Coverdale
Treasurer	Jenni Wason

Table 2: Cobden Swimming Pool Committee

Heather Munroe was welcomed as a new member of the committee.

Pool	Lismore Swimming Pool
Meeting Date	29 August 2019
Committee Members	
Community	Sarah Dennis
Community	Monica Dennis
Community	Nicole Petrass
Community	Bonita Hood
Community	Karen Saunders
Community	Sandy Gibson
Community	Shari McConachy
Community	Renea McDonald
Community	Laura Mitchell
Contractor Representative	Nigel Hooker
Office Bearers	
President	Sarah Dennis
Secretary	Renea McDonald
Treasurer	Laura Mitchell

Table 3: Lismore Swimming Pool Committee

The Lismore Pool Committee welcomed new members Nicole Petrass and Karen Saunders. The committee thanked outgoing members Michelle Deane, Loris Shannon, Suzanne White.

Pool	Skipton Swimming Pool
Meeting Date	5 September 2019
Committee Members	
Community	Peta Byrne
Community	Natalie Clark
Community	Fiona Collins
Community	Erin Fletcher
Community	Dione Gardiner
Community	Fiona Meek
Community	Tracey Miller
Contractor Representative	Yet to be confirmed
Office Bearers	
President	Fiona Collins
Secretary	Erin Fletcher
Treasurer	Fiona Meek

Table 4: Skipton Swimming Pool Committee

The Skipton Swimming Pool committee remains unchanged.

Pool	Terang Swimming Pool
Meeting Date	12 August 2019
Committee Members	

Community	Jo Crawley
Community	Kasey Gee
Community	Tess Lourey
Community	Ebony Duffield
Community	Fiona Gee
Community	Joanne Roberts
Community	Lyn Wickenton
School	Cathy Bell
School	Jane Vaughan
Swimming Club	Lisa Chesshire
Contractor Representative	Kate Gay
Office Bearers	
President	Fiona Gee
Vice President	Ebony Duffield
Secretary	Joanne Roberts
Treasurer	Cathy Bell

Table 5: Terang Swimming Pool Committee

Terang Swimming Pool Committee welcomed Kasey Gee, Tess Lourey and Jane Vaughan to the committee for season 2019-2020 and thanked outgoing committee members Alison Kenna, Brooke Hoare and Narrelle Cavarsan for their contribution to the pool committee.

Pool	Timboon Swimming Pool
Meeting Date	21 August 2019
Committee Members	
Community	Todd Baxter
Community	Angelique Cangelis
Community	Lee Edge
Community	Chris Hibburt
School	Matt Haugh
Swimming Club	Stewart Howland
Contractor Representative	Yet to be confirmed
Office Bearers	
President / Secretary	Chris Hibburt
Treasurer	Lee Edge

Table 6: Timboon Swimming Pool Committee

The Timboon Swimming Pool Committee thanked outgoing members Sharon Cotton and Kate Makin for their contribution.

The role of the committee member is completely voluntary. A number of new, enthusiastic community members and users of Council's aquatic facilities have joined the pool committees for season 2019-2020, whilst some committees remain relatively unchanged. Each should be acknowledged for their continued effort and commitment to the swimming pools.

Policy and Legislative Context

Each of Corangamite Shire's six swimming pools has a committee of management delegated as a special committee under Section 86 of the *Local Government Act 1989*.

The establishment of the committees aligns with the following Council Plan 2017-2021 commitments:

Deliver high quality, optimally used, sustainable community facilities.

We are committed to working towards ensuring the safety, health and wellbeing of our communities.

Council will provide and support a range of opportunities that support people to engage in healthy and active lifestyles, the arts, recreation and sport.

Improve the health and wellbeing of our community.

Internal / External Consultation

Each Annual General Meeting was advertised two weeks prior to the meetings in the local newspaper. Advertising was also undertaken through the Corangamite Shire Swimming Pools' Facebook page. Committees were encouraged to actively seek members from the local community.

Financial and Resource Implications

The swimming pool committees do not impact on Council's financial position. Council staff provide assistance with facilitation of meetings.

Options

Council can accept the recommendation to endorse the nominated members for the forthcoming year or reject the recommendation and request an alternate committee membership.

Conclusion

The proposed membership of the swimming pool committees reflects a cross section of enthusiastic and committed local community members and users of Council's aquatic facilities. The committee memberships should see the continued effective supervision of the operations of each of the Corangamite swimming pools.

RECOMMENDATION

That Council endorses the proposed Committees of Management for the Camperdown, Cobden, Lismore, Skipton, Terang and Timboon swimming pools as follows:

Pool	Camperdown Swimming Pool
Committee Members	
Community	Lillian Cronin
Community	Brian Cunningham
Community	Kelly Hollingsworth
Community	Benjamin Miller
Community	Kylie Spokes
Community	Kellie Wilson
Community	Judith Murfitt
Community	Lauren Rippon
Community	Mel Donnelly
Contractor Representative	Yet to be confirmed
Office Bearers	
President	Kylie Spokes
Secretary	Kelly Hollingsworth
Treasurer	Benjamin Miller

Pool	Cobden Swimming Pool
Committee Members	
Community	Rikki-Lee Henderson
Community	Rebecca Mahoney
Community	Sheralee Murdie
Community	Anthony Van Bemmei
Community	Heather Munroe
Community	Jenni Wason
Swimming Club	Matthew Coverdale
Contractor Representative	Yet to be confirmed
Office Bearers	
President	Rikki-Lee Henderson
Secretary	Matthew Coverdale
Treasurer	Jenni Wason

Pool	Lismore Swimming Pool
Committee Members	
Community	Sarah Dennis
Community	Monica Dennis
Community	Nicole Petrass
Community	Bonita Hood
Community	Karen Saunders
Community	Sandy Gibson
Community	Shari McConachy

Community	Renea McDonald
Community	Laura Mitchell
Contractor Representative	Nigel Hooker
Office Bearers	
President	Sarah Dennis
Secretary	Renea McDonald
Treasurer	Laura Mitchell

Pool	Skipton Swimming Pool
Committee Members	
Community	Peta Byrne
Community	Natalie Clark
Community	Fiona Collins
Community	Erin Fletcher
Community	Dione Gardiner
Community	Fiona Meek
Community	Tracey Miller
Contractor Representative	Yet to be confirmed
Office Bearers	
President	Fiona Collins
Secretary	Erin Fletcher
Treasurer	Fiona Meek

Pool	Terang Swimming Pool
Committee Members	
Community	Jo Crawley
Community	Kasey Gee
Community	Tess Lourey
Community	Ebony Duffield
Community	Fiona Gee
Community	Joanne Roberts
Community	Lyn Wickenton
School	Cathy Bell
School	Jane Vaughan
Swimming Club	Lisa Chesshire
Contractor Representative	Kate Gay
Office Bearers	
President	Fiona Gee
Vice President	Ebony Duffield
Secretary	Joanne Roberts
Treasurer	Cathy Bell

Pool	Timboon Swimming Pool
Committee Members	
Community	Todd Baxter
Community	Angelique Cangelis
Community	Lee Edge

Community	Chris Hibburt
School	Matt Haugh
Swimming Club	Stewart Howland
Contractor Representative	Yet to be confirmed
Office Bearers	
President / Secretary	Chris Hibburt
Treasurer	Lee Edge

COUNCIL RESOLUTION

MOVED: Cr Gstrein

SECONDED: Cr Brown

That the recommendation be adopted.

CARRIED

7.2 Simpson and District Public Hall Committee of Management Membership

Author: Jane Hinds, Acting Manager Facilities and Recreation

File No:

Previous Council Reference: Nil

Declaration

Acting Chief Executive Officer – David Rae

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

Author - Jane Hinds

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 recommends Council endorse the nominated members for the Section 86 Committee of Management at the Simpson and District Public Hall.

Introduction

The Simpson and District Public Hall has an appointed Special Committee delegated under Section 86 of the *Local Government Act 1989*.

The role of the committee is to oversee the management of the facility on behalf of Council and in the best interest of the residents of Corangamite, including to promote use of the facility and support its development as a community asset. The committee shall also submit to Council a list of admission fees/ user charges for approval.

The Instrument of Delegation specifies that the committee shall hold an Annual General Meeting to elect from amongst its members persons to act as Chairperson, Secretary and Treasurer to the committee. Membership to the committee, including any additions, deletions or replacements shall be subject to approval by Council.

Issues

The Simpson and District Public Hall has recently conducted its Annual General Meeting.

The following members have been nominated to their respective committees for Council endorsement.

Facility	Simpson Public Hall
Term	2019-2021
Meeting Date	6 September 2019
Committee	
Max Begely	Cheryl Parsell

Gwen Crole	Helen Begely
Debbie Smith	Sally Costin
Office Bearers	
President	Cheryl Parsell
Vice President	Max Begely
Secretary / Treasurer	Debbie Smith

Table 1: Simpson Public Hall Committee

Ken and Betty Unwin stepped down from the committee after 40 years. Their contribution to the hall committee was acknowledged as significant and both members were thanked. The Committee also welcomed Cheryl Parsell and Sally Costin for the forthcoming term.

Policy and Legislative Context

The Simpson and District Public Hall is a Special Committee of Council established pursuant to Section 86 of the *Local Government Act 1989*. Election of committee members are conducted in accordance with the Instrument of Delegation.

Committees of management are supported by the Council Plan 2017-2021 as follows:

Engage with and listen to our communities.

Council will provide and support a range of opportunities that support people to engage in healthy and active lifestyles, the arts, recreation and sport.

Council will deliver value for money by ensuring that services are required and delivered efficiently and sustainably.

Internal / External Consultation

A notice of the Annual General Meeting was advertised two weeks prior to each of the meetings in the relevant WD News newspaper.

Financial and Resource Implications

Council officers assist with the facilitation of the special committees of the Council and implementation of the Public Halls Management Policy.

The Simpson and District Public Hall Committee of Management is responsible for all day to day operational costs. The committee retains all fees for use of the facility and is required to keep books of accounts and provide records of its financial activity for the year to Council in accordance with the Instrument of Delegation.

Council provides an annual allocation to the Committee in accordance with the Public Halls Management Policy to assist with operational expenses. Council also allocates funding in its annual budget for hall maintenance in accordance with Council's Building Asset Condition Assessment and annual maintenance inspections.

Options

Council can accept the Committees' recommendation to appoint the nominated members for the forthcoming year, or alternatively reject the recommendation and request an alternate committee membership.

Conclusion

The proposed membership of the Simpson and District Public Hall reflects interest from enthusiastic and committed residents of the local community. Their commitment and support in volunteering for the role needs to be acknowledged. The committee membership should see a continuation of the effective management and operation of the facility for the benefit of the community and Council.

RECOMMENDATION

That Council endorses the proposed Committee of Management for the Simpson and District Public Hall for a two-year term for the period 2019-2021, as follows:

Facility	Simpson Public Hall
Committee	
Max Begely	Cheryl Parsell
Gwen Crole	Helen Begely
Debbie Smith	Sally Costin
Office Bearers	
President	Cheryl Parsell
Vice President	Max Begely
Secretary / Treasurer	Debbie Smith

COUNCIL RESOLUTION

MOVED: *Cr Illingworth*

SECONDED: *Cr Beard*

That the recommendation be adopted.

CARRIED

8. PLANNING REPORTS

Nil.

9. OFFICERS' REPORTS

9.1 2018-2019 Financial Statements and Performance Report

Author: Adam Taylor, Manager Finance

File No:

Previous Council Reference: Nil

Declaration

Acting Chief Executive Officer – David Rae

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

Author - Adam Taylor

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

Summary

This report proposes Council give in-principle approval to the Financial Statements and Performance Statement for the year ended 30 June 2019 and authorise two Councillors to certify the statements.

The financial result for the year ended 30 June 2019 was a \$7.21 million surplus which was higher than our adopted budget surplus of \$2.56 million. All key financial indicators remain generally strong.

Introduction

Pursuant to Section 132 (2) and (5) of the *Local Government Act 1989*, Council is required to give 'in-principle' approval of the 2018-2019 Financial Statements and Performance Statement and authorise two Councillors to approve the statements in their final form. The statements must be in the form and contain the content specified by the *Local Government (Finance and Reporting) Regulations 2014*.

Council must not submit the statements to its Auditor or the Minister unless it has passed a resolution giving its in-principle approval to the statements. Legislation also recognises that further changes may be made to the statements, and therefore Council must authorise two Councillors to certify the Financial Statements and the Performance Statement in their final form after any changes recommended or agreed to by the auditor have been made.

Issues

The Victorian Auditor General's Office (VAGO) is responsible under the *Audit Act 1994* for the audit of Council's Financial Statements and Performance Statement. Auditors from McLaren Hunt, agents on behalf of VAGO, were in attendance on 8 and 9 August 2019 and the draft set of statements prepared are attached under separate cover.

For 2018-2019, an operating surplus of \$7.21 million was achieved compared to an adopted budgeted surplus of \$2.56 million. Explanatory commentary on major variations against Council's 2018-2019 Adopted Budget are included in the notes to the Financial Statements (note 1.1), and provided below.

Revenue	Variance Favourable / (Unfavourable)	Comment
Statutory fees and fines	\$116,000	Additional Planning Fees (\$106,000) collected throughout year due to higher than anticipated activity.
Grants - operating	\$10,681,000	Unbudgeted grants for Rural Councils Transformation Project (\$4,500,000), 2016 flood recovery (\$2,183,000), 2018 fire recovery (\$2,492,000), Camperdown recreation reserve lighting (\$185,000) and additional Victorian Grants Commission funding (\$768,000).
Grants - capital	\$1,322,000	Unbudgeted Grants from Castle Carey Bridge (\$550,000) and grants paid in advance for various projects (\$724,000).
Contributions - Non Monetary	\$1,267,000	Recognising the contribution of Mount Noorat which was gifted to the Shire, this was not included in the budget.
Other revenue	\$1,094,000	Additional interest income (\$265,000), Insurance reimbursements (\$60,000) and land recognised for the first time (\$639,000).

Table 1: Major variances to adopted budget - Revenue

Expense	Variance Favourable / (Unfavourable)	Comment
Materials and services	(\$1,342,000)	Additional expenditure related to the South West Complex Fires in March 2018 (\$782,000) and September 2016 Flood (\$582,000) which will be recovered through Disaster Recovery Funding in 2019-2020.
Depreciation	(\$2,576,000)	Additional depreciation on roads (\$1,278,000) and buildings (\$498,000) due to revaluations completed after budget and a change in accounting policy requiring landfill cell construction to be depreciated (\$542,000).
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	(\$4,584,000)	Proceeds from the disposal of Light Fleet, Heavy Plant and Buildings (\$440,000) offset by the written-down value of plant and infrastructure assets disposed (\$5,024,000).
Bad and doubtful debts	(\$102,000)	A doubtful debt in relation to economic development loans (\$97,000) has been provided for.
Fair value adjustments	(\$204,000)	Updated CPI and discount rates have increased the Net Present Value for rehabilitation of the Naroghid Landfill site.
Other Expenses	(\$1,311,000)	The derecognition of land after a review of the land register (\$917,000).

Table 2: Major variances to adopted budget - Expenses

The Performance Statement is attached and includes sustainable capacity indicators, service performance indicators from across the organisation and financial performance indicators as prescribed in the *Local Government (Finance and Reporting) Regulations 2014*. The Performance Statement includes the actual results achieved in 2018-2019 for all of the prescribed indicators, as well as, the forecast estimates for the years 2020-2023 for each of the performance indicators.

Key financial performance indicators for 2018-2019 are summarised below.

Performance Measure	Actual Performance		Forecast Performance			
	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Working capital	366%	603%	314%	274%	252%	240%
Indebtedness	12%	12%	12%	12%	12%	11%
Asset renewal	75%	80%	84%	95%	107%	110%

Table 3: Local Government Performance Report Framework – Key financial indicators

The major factor driving the high working capital ratio is the large amount of cash held at 30 June 2019, primarily due to grants (financial assistance, shared services and various road projects) being paid in 2018-2019 and carried forward capital works and non-recurrent

project expenditure. Indebtedness is planned to remain low as loans have been fully repaid in 2017-2018. The asset renewal has fallen due to a number of large-scale multi-year projects that are not yet capitalised, the average will remain above 100% over the forecast period.

The Financial Statements have been prepared in accordance with the requirements of the *Local Government Act 1989*, *Local Government (Finance and Reporting) Regulations 2014* and Australian Accounting Standards. No major differences in accounting treatment were identified by the auditors in reviewing the draft statements and it is anticipated that certification by the Auditor-General as to the fairness of the final statements will be received.

Policy and Legislative Context

The report is in accordance with the requirements of the *Local Government Act 1989* and supports the commitments in the Council Plan 2017-2021 that:

We are committed to ensuring the ethical behaviour of Councillors and staff, maintaining good governance and remaining financially sustainable.

Council will make budgetary decisions that ensures Council remains in a strong financial position now and into the future.

Council will deliver value for money by ensuring that services are required and delivered efficiently and sustainably.

Internal / External Consultation

The various statements are subject to audit by the Victorian Auditor General's Office. A draft set of statements was referred to a meeting of Council's Audit Committee on 12 September 2019. Auditors from McLaren Hunt, as agents for VAGO, were in attendance to discuss the statements and their observations from the audit. The Audit Committee has recommended that Council give in-principle approval to the statements.

Once the final statements have been prepared and certified by the nominated Councillors, they will form part of Council's Annual Report which will be forwarded to the Minister by 30 September 2019 and be made available on Council's website and at Council offices.

Financial and Resource Implications

There are no direct financial and resource consequences as a result of this report.

Options

In-principle approval of the statements by Council is required to ensure that Council meets the requirements of the *Local Government Act 1989*. Council may choose which Councillors are authorised to certify them.

Conclusion

In-principle approval of the statements at this meeting, and authorisation of two Councillors to certify the final copy, will ensure that they are lodged with the Minister within the required timeframe. Council practice has been to nominate the members of the Audit Committee to certify the statements.

RECOMMENDATION

That:

1. Pursuant to Section 132(2) of the *Local Government Act 1989*, Council gives in-principle approval to the Financial Statements and Performance Statement for the year ended 30 June 2019.
2. Pursuant to Section 132(5) of the *Local Government Act 1989*, Council authorises Councillors Durant and Brown to certify the 2018-2019 Financial Statements and Performance Statement in their final form after any changes recommended or agreed to by the auditors have been made.

COUNCIL RESOLUTION

MOVED: Cr Brown
SECONDED: Cr Durant

That the recommendation be adopted.

CARRIED

Attachments

1. Financial Statements 2018-2019
2. Performance Statement 2018-2019

**Corangamite Shire Council
ANNUAL FINANCIAL REPORT**

For the Year Ended 30 June 2019

**Financial Report
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Corangamite Shire Council
2018-2019 Financial Report

Certification of the Financial Statements

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

Adam Taylor, CPA Australia
Principal Accounting Officer
Date :
Terang

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

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

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

Lesley Brown
Councillor
Date :
Terang

Helen Durant
Councillor
Date :
Terang

David Rae
Acting Chief Executive Officer
Date :
Terang

*Corangamite Shire Council
2018-2019 Financial Report*

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Corangamite Shire Council
2018-2019 Financial Report

Comprehensive Income Statement
For the Year Ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
Income			
Rates and charges	3.1	21,609	20,747
Statutory fees and fines	3.2	502	431
User fees	3.3	6,193	6,512
Grants - operating	3.4 (a)	21,091	12,013
Grants - capital	3.4 (b)	4,217	5,623
Contributions - monetary	3.5	183	157
Contributions - non monetary	3.5	1,267	-
Share of net profits (or loss) of associates and joint ventures	6.2	28	5
Other revenue	3.7	1,754	1,055
Total income		56,844	46,543
Expenses			
Employee benefits	4.1	(14,823)	(14,630)
Materials and services	4.2	(13,062)	(11,105)
Depreciation	4.3	(12,923)	(12,329)
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	3.6	(4,584)	(116)
Bad and doubtful debts	4.4	(104)	(2)
Finance costs	4.5	-	(104)
Fair value adjustments	6.3	(204)	2,128
Other expenses	4.6	(3,932)	(2,770)
Total expenses		(49,632)	(38,929)
Surplus/(deficit) for the year		7,212	7,614
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment/(decrement)	6.1	(484)	23,548
Total comprehensive result		6,728	31,162

Corangamite Shire Council
2018-2019 Financial Report

Balance Sheet
As at 30 June 2019

	Note	2019 \$'000	2018 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1 (a)	2,291	4,540
Trade and other receivables	5.1 (c)	3,766	2,619
Other financial assets	5.1 (b)	31,038	19,101
Inventories	5.2 (a)	65	78
Other assets	5.2 (b)	970	546
Total current assets		38,130	26,884
Non-current assets			
Trade and other receivables	5.1 (c)	24	42
Investments in associates, joint arrangements and subsidiaries	6.2	293	265
Property, infrastructure, plant and equipment	6.2	455,249	460,616
Intangible asset	5.2 (c)	67	39
Total non-current assets		455,633	460,962
Total assets		493,763	487,846
Liabilities			
Current liabilities			
Trade and other payables	5.3 (a)	2,111	3,261
Trust funds and deposits	5.3 (b)	226	236
Provisions	5.4	4,000	3,851
Total current liabilities		6,337	7,347
Non-current liabilities			
Provisions	5.4	3,759	3,560
Total non-current liabilities		3,759	3,560
Total liabilities		10,096	10,907
Net assets		483,667	476,939
Equity			
Accumulated surplus		185,223	184,171
Reserves	9.1	298,444	292,768
Total Equity		483,667	476,939

*Corangamite Shire Council
2018-2019 Financial Report*

**Statement of Changes in Equity
For the Year Ended 30 June 2019**

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2019					
Balance at beginning of the financial year		476,939	184,171	290,748	2,020
Surplus/(deficit) for the year		7,212	7,212	-	-
Net asset revaluation increment/(decrement)	6.1	(484)		(484)	-
Transfers to other reserves	9.1 (b)	-	(6,262)	-	6,262
Transfers from other reserves	9.1 (b)	-	102	-	(102)
Balance at end of the financial year		483,667	185,223	290,264	8,180
2018					
Balance at beginning of the financial year		445,774	175,846	267,200	2,728
Surplus/(deficit) for the year		7,614	7,614	-	-
Net asset revaluation increment/(decrement)	6.1	23,551	3	23,548	-
Transfers to other reserves	9.1 (b)	-	(328)	-	328
Transfers from other reserves	9.1 (b)	-	1,036	-	(1,036)
Balance at end of the financial year		476,939	184,171	290,748	2,020

Corangamite Shire Council
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Statement of Cash Flows
For the Year Ended 30 June 2019

	Note	2019 Inflows/ (Outflows) \$'000	2018 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		21,609	20,747
Statutory fees and fines		502	431
User fees		4,959	6,559
Grants - operating		21,091	12,013
Grants - capital		4,217	5,623
Contributions - monetary		183	157
Interest received		579	472
Reimbursements		123	180
Other receipts		413	403
Net GST refund		172	24
Employee costs		(14,679)	(14,630)
Materials and services		(14,651)	(10,231)
Trust funds and deposits repaid		(79)	(45)
Fire service property levy		69	77
Other payments		(3,186)	(2,794)
Net cash provided by/(used in) operating activities	9.2	21,323	18,986
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	6.1	(12,075)	(16,022)
Proceeds from sale of property, infrastructure, plant and equipment		440	857
Payments for investments		(12,000)	(11,000)
Payments of loans and advances		63	79
Net cash provided by/(used in) investing activities		(23,572)	(26,086)
Cash flows from financing activities			
Finance costs		-	(104)
Repayment of borrowings		-	(2,224)
Net cash provided by/(used in) financing activities		-	(2,328)
Net increase (decrease) in cash and cash equivalents		(2,249)	(9,429)
Cash and cash equivalents at the beginning of the financial year		4,540	13,969
Cash and cash equivalents at the end of the financial year	5.1 (a)	2,291	4,540
Financing arrangements	5.5		
Restrictions on cash assets	5.1		

*Corangamite Shire Council
2018-2019 Financial Report*

**Statement of Capital Works
For the Year Ended 30 June 2019**

	2019 \$'000	2018 \$'000
Property		
Buildings	201	427
Heritage buildings	176	81
Total property	<u>377</u>	<u>508</u>
Plant and equipment		
Plant, machinery and equipment	1,105	1,957
Computers and telecommunications	278	192
Total plant and equipment	<u>1,395</u>	<u>2,149</u>
Infrastructure		
Roads	6,298	6,443
Bridges	1,862	-
Footpaths and cycleways	189	175
Drainage	86	29
Recreational, leisure and community facilities	95	-
Parks, open space and streetscapes	285	-
Kerb and channel	284	218
Retaining walls and small culverts	92	46
Waste Management	1,113	2,187
Total infrastructure	<u>10,304</u>	<u>9,098</u>
Total capital works expenditure	<u>12,076</u>	<u>11,755</u>
Represented by:		
New asset expenditure	1,863	2,456
Asset renewal expenditure	9,808	9,220
Asset upgrade expenditure	405	79
Total capital works expenditure	<u>12,076</u>	<u>11,755</u>

OVERVIEW

Introduction

The Corangamite Shire Council was established by an Order of the Governor in Council on 23 September 1994 and is a body corporate.

The Council's main office is located at 181 Manifold Street, Camperdown, Victoria 3260.

Statement of compliance

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

Significant accounting policies

(a) Basis of accounting

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.1)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.1)
- the determination of employee provisions (refer to Note 5.4)
- the determination of landfill provisions (refer to Note 5.4)

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

(b) Rounding

Unless otherwise stated, amounts in the financial report have been rounded to the nearest thousand dollars. Figures in the financial statements may not equate due to rounding.

Note 1 Performance against budget

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

The budget figures detailed below are those adopted by Council on 12 June 2018. The budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for income and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

1.1 Income and expenditure

	Budget 2019 \$'000	Actual 2019 \$'000	Variance 2019 \$'000	Variance 2019 %	Ref
Income					
Rates and charges	21,532	21,609	77	0%	
Statutory fees and fines	386	502	116	30%	1
User fees	5,765	6,193	428	7%	
Grants - operating	10,410	21,091	10,681	103%	2
Grants - capital	2,895	4,217	1,322	46%	3
Contributions - monetary	280	183	(97)	-35%	
Contributions - non monetary	-	1,267	1,267	100%	4
Share of net profits (or loss) of associates and joint ventures	-	28	28	100%	
Other revenue	660	1,754	1,094	166%	5
Total income	41,928	56,844	14,916	36%	
Expenses					
Employee benefits	14,673	14,823	(150)	-1%	
Materials and services	11,720	13,062	(1,342)	-11%	6
Depreciation	10,347	12,923	(2,576)	-25%	7
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	-	4,584	(4,584)	100%	8
Bad and doubtful debts	2	104	(102)	-5114%	9
Fair value adjustments	-	204	(204)	100%	10
Other expenses	2,621	3,932	(1,311)	-50%	11
Total expenses	39,363	49,632	(10,269)	-26%	
Surplus/(deficit) for the year	2,565	7,212	4,647	181%	

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Statutory fees and fines	Additional Planning Fees (\$106,000) collected throughout year due to higher than anticipated activity.
2	Grants - operating	Unbudgeted grants for Rural Councils Transformation Project (\$4,500,000), 2016 flood recovery (\$2,183,000), 2018 fire recovery (\$2,492,000), Camperdown recreation reserve lighting (\$185,000) and additional Victorian Grants Commission funding (\$768,000).
3	Grants - capital	Unbudgeted Grants from Castle Carey Bridge (\$550,000) and grants paid in advance for various projects (\$724,000).
4	Contributions - Non Monetary	Recognising the contribution of Mount Noorat which was gifted to the Shire, this was not included in the budget.
5	Other revenue	Additional interest income (\$265,000), Insurance reimbursements (\$60,000) and land recognised for the first time (\$639,000).
6	Materials and services	Additional expenditure related to the South West Complex Fires in March 2018 (\$782,000) and September 2016 Flood (\$582,000) which will be recovered through Disaster Recovery Funding in 2019-2020.
7	Depreciation	Additional depreciation on roads (\$1,278,000) and buildings (\$498,000) due to revaluations completed after budget and a change in accounting policy requiring landfill cell construction to be depreciated (\$542,000).
8	Net gain (or loss) on disposal of property, infrastructure, plant and equipment	Proceeds from the disposal of Light Fleet, Heavy Plant and Buildings (\$440,000) offset by the written-down value of plant and infrastructure assets disposed (\$5,024,000).
9	Bad and doubtful debts	A doubtful debt in relation to economic development loans (\$97,000) has been provided for.
10	Fair value adjustments	Updated CPI and discount rates have increased the Net Present Value for rehabilitation of the Naroghid landfill site.
11	Other expenses	The derecognition of land after a review of the land register (\$917,000).

Corangamite Shire Council
2018-2019 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2019

Note 1 Performance against budget (cont'd)

1.2 Capital works

	Budget 2019 \$'000	Actual 2019 \$'000	Variance 2019 \$'000	Variance 2019 %	Ref
Property					
Buildings	1,218	201	(1,017)	-84%	1
Heritage buildings	-	176	176	100%	1
Total Property	1,218	377	(841)	-69%	
Plant and Equipment					
Plant, machinery and equipment	2,116	1,105	(1,011)	-48%	2
Computers and telecommunications	495	278	(217)	-44%	3
Total Plant and Equipment	2,611	1,395	(1,216)	-47%	
Infrastructure					
Roads	6,828	6,298	(530)	-8%	4
Bridges	1,240	1,862	622	50%	5
Footpaths and cycleways	210	189	(21)	-10%	
Drainage	-	86	86	100%	
Recreational, leisure and community facilities	140	95	(45)	-32%	
Parks, open space and streetscapes	776	285	(491)	-63%	6
Kerb and channel	255	284	29	11%	
Retaining walls and small culverts	-	92	92	100%	
Waste Management	-	1,113	1,113	100%	7
Total Infrastructure	9,449	10,304	855	9%	
Total Capital Works Expenditure	13,278	12,076	(1,202)	-9%	
Represented by:					
New asset expenditure	761	1,863	1,102	145%	
Asset renewal expenditure	9,834	9,808	(26)	0%	
Asset upgrade expenditure	2,683	405	(2,278)	-85%	
Total Capital Works Expenditure	13,278	12,076	(1,202)	-9%	

Corangamite Shire Council
2018-2019 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2019

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Buildings	A number of projects remained incomplete at the end of the financial year and will be carried forward to 2019-2020. Some projects (\$515,000) have been transferred to operating expenses as they were not able to be recognised as assets.
2	Plant, machinery and equipment	Savings were achieved in light fleet (\$60,000), heavy plant (\$331,000) and the purchase of one piece of equipment was delayed and will be carried forward to 2019-2020 (\$590,000).
3	Computers and telecommunications	Some smaller purchases have been transferred to operating expenses as they were not able to be recognised as assets (\$80,000) and some incomplete projects were carried forward to 2019-2020 (\$65,000).
4	Roads	Some projects were incomplete and required to be carried forward (\$151,000) and some expenditure did not meet the capital expenditure requirements and was transferred to operating expense (\$501,000)
5	Bridges	The additional spend (\$622,000) was funded by carry forward budgets for Castle Carey Bridge which was a multi year project.
6	Parks, open space and streetscapes	Budget included Camperdown streetscape which will be carried forward (\$180,000) and urban street tree management (\$336,000) which was transferred to operating expenses.
7	Waste Management	Landfill cell construction costs (\$1,113,000) were capitalised in the current year due to a change in accounting policy after the budget was completed.

Note 2 Analysis of Council results by directorate

Council delivers its functions and activities through the following directorates.

2 (a) Executive

The Chief Executive's Office works closely with Council, advocating on behalf of the Shire on issues of community importance and ensuring the Shire's business affairs are open and accessible.

Corporate and Community Services

The Corporate and Community Services directorate is responsible for disabled, aged and children's services, finance, human resources, risk management, information services, rating and contract coordination.

Sustainable Development

The Sustainable Development directorate is responsible for public safety and amenity, building and planning, strategic planning and environment and economic development and tourism.

Works and Services

The Works and Services directorate is responsible for recreation, infrastructure works and services and asset planning.

Corangamite Shire Council
2018-2019 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2019

Note 2.1 Analysis of Council results by directorate
2.1 (b) Summary of revenues, expenses, assets and capital expenses by directorate

	Income	Expenses	Surplus/(Deficit)	Grants included in income	Total Property, infrastructure, plant and equipment
	\$'000	\$'000	\$'000	\$'000	\$'000
2019					
Executive	1	(873)	(872)	-	-
Corporate and Community Services	42,095	(27,447)	14,648	15,653	799
Sustainable Development	4,300	(8,554)	(4,254)	525	828
Works and Services	10,448	(12,758)	(2,310)	9,130	453,622
	56,844	(49,632)	7,212	25,308	455,249
2018					
Executive	8	(876)	(868)	-	-
Corporate and Community Services	34,016	(21,754)	12,261	10,704	636
Sustainable Development	4,464	(3,560)	904	442	930
Works and Services	8,055	(12,739)	(4,684)	6,490	459,050
	46,543	(38,929)	7,614	17,636	460,616

Corangamite Shire Council
2018-2019 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2019

Note 3 Funding for the delivery of our services	2019	2018
3.1 Rates and charges	\$'000	\$'000

Council uses capital improved value as the basis of valuation of all properties within the municipal district. The capital improved value of a property is its market value.

The valuation base used to calculate general rates for 2018-2019 was \$5.011 billion (2017-2018 \$4.771 billion).

General Rates	7,867	7,720
Municipal charge	1,677	1,629
Waste management charge	1,942	1,577
Farm/Rural	10,036	9,631
Vacant Industrial Land rates	15	15
Supplementary rates and rate adjustments	51	169
Cultural and recreational land rates	6	6
Revenue in lieu of rates	15	-
Total rates and charges	21,609	20,747

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2019, and the valuation will be first applied in the rating year commencing 1 July 2019.

Annual rates and charges are recognised as revenues when Council issues annual rates notices. Supplementary rates are recognised when a valuation and reassessment is completed and a supplementary rates notice issued.

3.2 Statutory fees and fines

Landfill Levy	111	116
Town Planning fees	258	177
Health Registrations	92	103
Permits	27	21
Infringements and costs	14	14
Total statutory fees and fines	502	431

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

3.3 User fees

Landfill	2,519	2,473
Family Day Care	842	863
Mobile Child Care	307	97
Saleyards	14	505
Aged & Disability Services	603	549
Kindergartens	257	229
Building services	331	245
Other fees and charges	1,320	1,551
Total user fees	6,193	6,512

User fees are recognised as revenue when the service has been provided or council has otherwise earned the income.

3.4 Funding from other levels of government	2019	2018
Grants were received in respect of the following :	\$'000	\$'000
Summary of grants		
Commonwealth funded grants	11,099	12,153
State funded grants	14,209	5,483
Total grants received	25,308	17,636
(a) Operating Grants		
Recurrent - Commonwealth Government		
Financial Assistance Grants	8,274	7,616
Family and children	387	587
Aged Services	745	752
Recurrent - State Government		
Aged & Disability Services	225	293
Community health	28	38
Environment	67	67
Families and children	1,024	1,054
Maternal and child health	248	206
School Crossings	49	23
Youth Services	55	60
Total recurrent operating grants	11,102	10,696
	2019	2018
	\$'000	\$'000
Non-recurrent - State Government		
Community Planning	17	-
Community Services	1	-
Economic Development	-	54
Environment	133	30
Emergency	59	-
Facilities Management	184	25
Kindergartens	-	24
Natural Disaster	4,788	934
Other Council Buildings	-	80
Recreation Projects	24	10
Recycling Grant	12	16
Rural Councils Transformation Program	4,595	-
Works & Services Management	105	70
Youth	71	75
Total non-recurrent operating grants	9,989	1,318
Total operating grants	21,091	12,014

Corangamite Shire Council
2018-2019 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2019

	2019	2018
	\$'000	\$'000
(b) Capital Grants		
Recurrent - Commonwealth Government		
Roads to recovery	1,585	1,591
Total recurrent capital grants	1,585	1,591
Non-recurrent - Commonwealth Government		
Roads to recovery	30	1,608
Buildings	54	-
Family and children	24	-
Non-recurrent - State Government		
Bridges	1,050	2,050
Buildings	82	-
Roads	1,279	184
Community Planning	8	-
Environment	38	-
Parks and Gardens	7	-
Streetscapes	-	90
Camperdown Clock Tower	-	100
Waste Management	60	-
Total non-recurrent capital grants	2,632	4,032
Total capital grants	4,217	5,623
(c) Unspent grants received on condition that they be spent in a specific manner		
Balance at start of year	138	266
Received during the financial year and remained unspent at balance date	4,560	138
Received in prior years and spent during the financial year	(138)	(266)
Balance at year end	4,560	138

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

Corangamite Shire Council
2018-2019 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2019

	2019	2018
	\$'000	\$'000
3.5 Contributions		
<i>Monetary</i>		
Community Services	100	48
Contributions - Special Charge Schemes	16	27
Works and Services	-	20
Footpaths	-	19
Council Buildings	-	10
Community Planning	-	9
Environmental Health	21	5
Environment	5	3
Community Centres	-	2
Other monetary contributions	41	14
	183	157
<i>Non Monetary</i>		
Land - Mount Noorat	1,267	
	1,267	-
Total contributions	1,450	157

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

3.6 Net gain/(loss) on disposal of property, infrastructure, plant and equipment

Proceeds of sale	440	857
Written down value of assets disposed	(5,024)	(973)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	(4,584)	(116)

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

3.7 Other income

Interest	579	472
Assets recognised for the first time - land recognised as controlled	639	-
Insurance reimbursement	89	142
Legal costs recovered	35	38
Fuel Tax Credits	189	167
Interest on rates	104	83
Other revenue	119	153
Total other income	1,754	1,055

Interest is recognised as it is earned.

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

Corangamite Shire Council
2018-2019 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2019

Note 4 The cost of delivering services	2019	2018
4.1 Employee costs	\$'000	\$'000
Wages and Salaries	10,999	11,214
Annual leave and long service leave	1,536	1,349
Superannuation	1,663	1,432
Workcover	303	300
Employee Benefits	135	159
Fringe Benefits Tax	187	176
Total employee costs	14,823	14,630

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	150	182
	<u>150</u>	<u>182</u>
Employer contributions payable at reporting date.	1	-

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1,018	1,032
Employer contributions - other funds	496	449
	<u>1,514</u>	<u>1,481</u>
Employer contributions payable at reporting date.	56	56

Refer to note 9.3 for further information relating to Council's superannuation obligations.

4.2 Materials and services

Contracts	7,699	6,157
Internal Recoveries	2,983	2,648
Fleet Costs	1,330	1,085
Utilities	466	644
Telephone and Internet	299	301
Subscriptions, Publications, Memberships	108	101
Printing and Stationery	76	65
Postage	51	51
Bank Charges	50	53
Total materials and services	13,062	11,105

Corangamite Shire Council
2018-2019 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2019

	2019	2018
	\$'000	\$'000
4.3 Depreciation and amortisation		
Property	1,508	938
Plant	1,401	1,098
Infrastructure	10,014	10,293
Total depreciation	12,923	12,329

Refer to note 6.1 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.

4.4 Bad and doubtful debts

Other debtors	104	2
Total bad and doubtful debts	104	2

Movement in provisions for doubtful debts

Balance at the beginning of the year	17	21
New Provisions recognised during the year	101	3
Amounts already provided for and written off as uncollectible	-	(6)
Amounts provided for but recovered during the year	-	(1)
Balance at end of year	118	17

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

4.5 Finance costs

Interest - Borrowings	-	104
Total borrowing costs	-	104

Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council.

4.6 Other expenses

Council Contributions	1,283	1,215
Derecognition of assets	917	-
Insurance	581	537
Councillor Allowances	246	270
Advertising	181	176
Rent, Rates and Charges	171	181
Legal Costs	309	108
Audit Expenses	66	75
Meals and Accommodation	66	54
Levies	21	24
Other expenses	91	130
Total other expenses	3,932	2,770

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Notes to the Financial Report
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Note 5 Our financial position	2019	2018
5.1 Financial assets	\$'000	\$'000
(a) Cash and cash equivalents		
Cash on hand	2	2
Cash at bank	2,289	4,538
Total cash and cash equivalents	2,291	4,540
(b) Other financial assets		
Term deposits - current	31,000	19,000
Economic Development Loans	38	101
Total other financial assets	31,038	19,101
Total financial assets	33,329	23,641

Councils cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:

- Trust funds and deposits (Note 5.3(b))	226	236
Total restricted funds	226	236
Total unrestricted cash and cash equivalents	2,065	4,304

Intended allocations

Although not externally restricted the following amounts have been allocated for specific future purposes by Council:

Open space developer contributions	43	67
Trust funds and deposits	226	75
Grants received but not acquitted	4,560	138
Total funds subject to intended allocations	4,829	280

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

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

	2019 \$'000	2018 \$'000
(c) Trade and other receivables		
Current		
<i>Statutory receivables</i>		
Rates debtors	943	841
Net GST Receivable	187	359
<i>Non statutory receivables</i>		
Loans and advances to community organisations	9	9
Other debtors	2,745	1,427
Provision for doubtful debts - other debtors	(118)	(17)
Total current trade and other receivables	<u>3,766</u>	<u>2,619</u>
Non-current		
<i>Statutory receivables</i>		
Special rate scheme	22	31
<i>Non statutory receivables</i>		
Loans and advances to community organisations	2	11
Total non-current trade and other receivables	<u>24</u>	<u>42</u>
Total trade and other receivables	<u>3,790</u>	<u>2,661</u>

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

(d) Ageing of Receivables

The ageing of the Council's trade & other receivables (excluding statutory receivables) that are not impaired was:

Current (not yet due)	2,625	1,099
Past due by up to 30 days	3	145
Past due between 31 and 180 days	3	103
Past due between 181 and 365 days	3	4
Past due by more than 1 year	121	97
Total trade & other receivables	<u>2,754</u>	<u>1,448</u>

(e) Ageing of individually impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of \$118,136 (2018: \$17,126) were impaired. The amount of the provision raised against these debtors was \$118,136 (2018: \$17,126). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

The ageing of receivables that have been individually determined as impaired at reporting date was:

Current (not yet due)	-	-
Past due by up to 30 days	-	-
Past due between 31 and 180 days	-	-
Past due between 181 and 365 days	-	-
Past due by more than 1 year	118	17
Total trade & other receivables	<u>118</u>	<u>17</u>

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**Notes to the Financial Report
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5.2 Non-financial assets	2019	2018
(a) Inventories	\$'000	\$'000
Inventories held for distribution	53	61
Inventories held for sale	11	17
Total inventories	<u>65</u>	<u>78</u>

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

(b) Other assets

Prepayments	358	350
Accrued income	612	196
Total other assets	<u>970</u>	<u>546</u>

(c) Intangible assets

Landfill air space	67	39
Total intangible assets	<u>67</u>	<u>39</u>

Landfill
\$'000

Gross carrying amount

Balance at 1 July 2018	39
Other Additions	28
Balance at 1 July 2019	<u>67</u>
Net book value at 30 June 2018	39
Net book value at 30 June 2019	<u>67</u>

Intangible assets with finite lives are amortised as an expense on a systematic basis over the asset's useful life. Amortisation is generally calculated on a straight line basis, at a rate that allocates the asset value, less any estimated residual value over its estimated useful life. Estimates of the remaining useful lives and amortisation method are reviewed at least annually, and adjustments made where appropriate.

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	2019	2018
	\$'000	\$'000
5.3 Payables		
(a) Trade and other payables		
Trade payables	1,489	2,582
Accrued expenses	622	679
Total trade and other payables	2,111	3,261
(b) Trust funds and deposits		
Refundable deposits	48	48
Fire services levy	69	77
Amounts held in trust	109	111
Total trust funds and deposits	226	236

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

Purpose and nature of items

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

Fire Services Property Levy - Council is the collection agent for fire services property levy on behalf of the State Government. Council remits amounts four times each financial year, within 28 days after the due date of each rates instalment. Amounts disclosed here will be remitted to the state government in line with that process.

5.4 Provisions

	Employee \$ '000	Landfill restoration \$ '000	Total \$ '000
2019			
Balance at beginning of the financial year	4,121	3,290	7,411
Additional provisions	1,758	-	1,758
Amounts used	(1,683)	-	(1,683)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	41	232	273
Balance at the end of the financial year	4,237	3,522	7,759
2018			
Balance at beginning of the financial year	4,159	5,379	9,538
Additional provisions	1,392	-	1,392
Amounts used	(1,430)	-	(1,430)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	-	(2,089)	(2,089)
Balance at the end of the financial year	4,121	3,290	7,411
		2019	2018
(a) Employee provisions		\$'000	\$'000
Current provisions expected to be wholly settled within 12 months			
Annual leave		866	1,013
Rostered Days Off		101	101
Long service leave		401	316
		1,368	1,430
Current provisions expected to be wholly settled after 12 months			
Annual leave		209	68
Long service leave		2,423	2,353
		2,632	2,421
Total current employee provisions		4,000	3,851
Non-current			
Long service leave		237	269
Total non-current employee provisions		237	269
Aggregate carrying amount of employee provisions:			
Current		4,000	3,851
Non-current		237	269
Total aggregate carrying amount of employee provisions		4,237	4,120

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

Wages and salaries and annual leave

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

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

Long service leave

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

	2019	2018
Key assumptions:		
- discount rate	1.32%	2.65%
- oncost rate	11.50%	11.50%
- inflation rate	3.00%	3.88%

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	2019 \$'000	2018 \$'000
(b) Landfill restoration		
Current	-	-
Non-current	3,522	3,290
	<u>3,522</u>	<u>3,290</u>

Council is obligated to restore Naroghid Landfill and Noorat Landfill site to a particular standard. The forecast life of the site is based on current estimates of remaining capacity and the forecast rate of infill. The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

Key assumptions:

- discount rate	2.4%	3.0%
- inflation rate	1.6%	2.1%
- estimated cost to rehabilitate	7,033	7,043

5.5 Financing arrangements

The Council has the following funding arrangements in place as at 30 June 2019.

Bank overdraft	960	960
Credit card facilities	1,000	1,000
Total facilities	<u>1,960</u>	<u>1,960</u>
Used facilities	37	36
Unused facilities	<u>1,923</u>	<u>1,924</u>

5.6 Commitments

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

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
2019					
Operating					
Recycling	384	-	-	-	384
Garbage collection	571	-	-	-	571
Green waste collection	459	-	-	-	459
Street litter bins	96	-	-	-	96
Skip bin transfer	106	-	-	-	106
Maintenance of Council buildings	84	-	-	-	84
Cleaning of Council buildings	74	77	-	-	151
Recreation facility management	702	403	-	-	1,105
Banking	52	4	-	-	56
Home care services	224	188	193	-	605
Water quality monitoring	43	45	143	-	231
Landfill Geosynthetics	365	232	91	-	688
Plant and Equipment	828	150	479	-	1,457
Photocopiers	28	29	61	-	118
Total	4,016	1,128	967	-	6,111
Capital					
Culverts	345	-	-	-	345
Streetscapes	1,775	-	-	-	1,775
Road sealing	1,047	-	-	-	1,047
Landfill and transfer stations	485	-	-	-	485
Total	3,652	-	-	-	3,652
2018					
Operating					
Recycling	227	231	-	-	458
Garbage collection	266	271	-	-	537
Green waste collection	180	184	-	-	363
Street litter bins	48	49	-	-	98
Skip bin transfer	95	97	-	-	193
Maintenance of Council buildings	82	83	-	-	165
Cleaning of Council buildings	125	-	-	-	125
Recreation facility management	423	-	-	-	423
Banking	54	55	5	-	113
Home care services	146	-	-	-	146
Water quality monitoring	43	44	138	48	273
Landfill Geosynthetics	283	-	-	-	283
Photocopiers	17	18	45	-	80
Total	1,989	1,032	188	48	3,257
Capital					
Buildings	226	-	-	-	226
Bridges	1,242	-	-	-	1,242
Streetscapes	346	-	-	-	346
Total	1,814	-	-	-	1,814

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**Notes to the Financial Report
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	2019	2018
	\$'000	\$'000
<i>Operating lease commitments</i>		
At the reporting date, the Council had the following obligations under non-cancellable operating leases for the lease of equipment and land and buildings for use within Council's activities (these obligations are not recognised as liabilities):		
Not later than one year	149	145
Later than one year and not later than five years	527	508
Later than five years	460	4,161
	<u>1,136</u>	<u>4,814</u>

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

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Note 6 Assets we manage

6.1 Property, infrastructure, plant and equipment
Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2018							At Fair Value 30 June 2019						
	Opening WIP \$'000	Additions \$'000	Revaluation \$'000	Depreciation \$'000	Disposal \$'000	Write-off \$'000	Transfers \$'000	Opening WIP \$'000	Additions \$'000	Revaluation \$'000	Depreciation \$'000	Disposal \$'000	Write-off \$'000	Transfers \$'000
Property	55,405	2,027	(484)	(1,508)	(971)	-	110	54,579						
Plant and equipment	10,017	1,387	-	(1,401)	(410)	-	108	9,702						
Infrastructure	389,529	3,799	-	(10,013)	(4,562)	-	9,798	388,546						
Work in progress	5,665	7,801	-	-	-	(1,033)	(10,012)	2,422						
	460,616	15,014	(484)	(12,922)	(5,943)	(1,033)	-	455,249						
Summary of Work in Progress														
	Opening WIP \$'000	Additions \$'000	Write-off \$'000	Transfers \$'000	Closing WIP \$'000									
Property	128	690	(434)	(110)	275									
Plant and equipment	246	64	(56)	(108)	146									
Infrastructure	5,290	7,048	(543)	(9,798)	2,001									
Total	5,665	7,801	(1,033)	(10,012)	2,422									

		(a) Property									
		Land - specialised	Land - non specialised	Total Land & Improvements	Heritage buildings	Buildings - specialised	Leasehold improvements - Buildings	Leasehold improvements - Waste	Total Buildings	Work In Progress	Total Property
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2018		1,983	8,088	9,971	17,211	41,502	537	1,578	60,828	128	70,927
Accumulated depreciation at 1 July 2018		-	-	-	(4,127)	(9,805)	(23)	(1,439)	(15,394)	-	(15,394)
		1,983	8,088	9,971	13,083	31,697	514	139	45,434	128	55,533
Movements in fair value											
Additions		-	1,906	1,906	69	52	-	-	121	690	2,717
Revaluation		-	(484)	(484)	-	-	-	-	-	-	(484)
Disposal		-	(917)	(917)	(49)	(11)	-	-	(61)	-	(978)
Write-off		-	-	-	-	-	-	-	-	(434)	(434)
Transfers		-	-	-	41	70	-	-	110	(110)	-
		-	505	505	60	110	-	-	170	146	821
Movements in accumulated depreciation											
Depreciation and amortisation		-	-	-	(394)	(1,030)	(15)	(70)	(1,508)	-	(1,508)
Accumulated depreciation of disposals		-	-	-	7	0	-	-	7	-	7
		-	-	-	(387)	(1,029)	(15)	(70)	(1,501)	-	(1,501)
At fair value 30 June 2019		1,983	8,593	10,476	17,271	41,613	537	1,578	60,998	275	71,749
Accumulated depreciation at 30 June 2019		-	-	-	(4,514)	(10,835)	(38)	(1,509)	(16,896)	-	(16,896)
		1,983	8,593	10,476	12,756	30,778	499	69	44,103	275	54,853

(b) Plant and Equipment

	Plant machinery and equipment \$'000	Fixtures fittings and furniture \$'000	Computers and telecomms \$'000	Other \$'000	Work in Progress \$'000	Total plant and equipment \$'000
At fair value 1 July 2018	15,789	726	1,534	111	246	18,386
Accumulated depreciation at 1 July 2018	(6,387)	(452)	(1,283)	-	-	(8,123)
	9,381	274	251	111	246	10,263
Movements in fair value						
Additions	1,065	12	311	-	64	1,451
Disposal	(1,075)	-	-	-	(56)	(1,075)
Write-off	-	-	-	-	(56)	(56)
Transfers	49	-	59	-	(108)	-
	39	12	370	-	(101)	320
Movements in accumulated depreciation						
Depreciation and amortisation	(1,183)	(59)	(159)	-	-	(1,401)
Accumulated depreciation of disposals	665	-	-	-	-	665
	(518)	(59)	(159)	-	-	(736)
At fair value 30 June 2019	15,808	738	1,904	111	146	18,706
Accumulated depreciation at 30 June 2019	(6,905)	(511)	(1,443)	-	-	(8,859)
	8,903	227	462	111	146	9,848

(c) Infrastructure

	Roads	Bridges	Footpaths and cyclevays	Drainage	Recreational, leisure and community	Parks open spaces and streetscapes	Keit and Channel	Culverts and Retaining Walls	Waste Management	Other Infrastructure	Work In Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2018	342,655	58,275	16,567	36,846	2,326	2,810	38,607	21,538	2,187	71	5,290	527,172
Accumulated depreciation at 1 July 2018	(79,571)	(4,505)	(2,022)	(16,865)	(937)	(1,591)	(12,070)	(13,723)	(1,257)	(13)	-	(132,353)
	263,084	53,770	14,545	20,182	1,388	1,219	26,537	7,815	930	58	5,290	394,819
Movements in fair value												
Additions	2,945	-	107	74	-	-	253	80	440	-	7,048	10,947
Disposal	(4,034)	(3,284)	(21)	(12)	-	-	(156)	(30)	-	-	-	(7,537)
Write off	-	-	-	-	-	-	-	-	-	-	(543)	(543)
Transfers	6,405	3,182	37	-	-	-	32	138	-	-	(9,793)	-
	5,216	(103)	124	62	-	-	129	188	440	-	(3,289)	2,766
Movements in accumulated depreciation												
Depreciation and amortisation	(7,281)	(546)	(350)	(328)	(84)	(135)	(454)	(290)	(542)	(3)	-	(10,014)
Accumulated depreciation of disposals	2,505	330	8	6	-	-	108	18	-	-	-	2,975
Transfers	-	5	-	-	-	-	-	(5)	-	(3)	-	-
	(4,777)	(211)	(341)	(321)	(84)	(135)	(347)	(277)	(542)	(3)	-	(7,039)
At fair value 30 June 2019	347,871	58,172	16,691	36,909	2,326	2,810	38,735	21,727	2,627	71	2,001	529,939
Accumulated depreciation at 30 June 2019	(84,348)	(4,716)	(2,363)	(16,986)	(1,021)	(1,726)	(12,416)	(13,999)	(1,799)	(15)	-	(139,391)
	263,522	53,456	14,328	19,922	1,305	1,084	26,319	7,727	828	56	2,001	390,548

Acquisition

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

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

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

	Depreciation Period	Threshold Limit \$'000
<i>Asset recognition thresholds and depreciation periods</i>		
Land & land improvements		
land	-	10
land improvements	25 years	10
Buildings		
buildings	100 years	10
building improvements	10 years	10
leasehold improvements	25 years	10
Plant and Equipment		
plant, machinery and equipment	10 years	10
fixtures, fittings and furniture	10 years	10
computers and telecommunications	3-5 years	10
motor vehicles	2-5 years	10
Infrastructure		
road pavements and seals	12-100 years	10
road formation and earthworks	100 years	10
road kerb, channel and minor culverts	80 years	10
bridges	80-100 years	10
footpaths and cycleways	8-50 years	10
drainage	100 years	10
recreational, leisure and community facilities	25 years	10
waste management	25 years	10
parks, open space and streetscapes	25 years	10

Land under roads

Council recognises land under roads it controls at fair value.

Depreciation and amortisation

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

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

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

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

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

Finance leases

Leases of assets where substantially all the risks and rewards incidental to ownership of the asset are transferred to the Council are classified as finance leases. Finance leases are capitalised, recording an asset and a liability at the lower of the fair value of the asset and the present value of the minimum lease payments, including any guaranteed residual value. Lease payments are allocated between the reduction of the lease liability and the interest expense. Leased assets are depreciated on a straight line basis over their estimated useful lives to the Council where it is likely that the Council will obtain ownership of the asset or over the term of the lease, whichever is the shorter. Council currently holds no finance leases.

Repairs and maintenance

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

Leasehold improvements

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

Valuation of land and buildings

Valuation of buildings were undertaken by a qualified independent valuer Bruce Phillips (Assetic Pty Ltd) in June 2018. Non Specialised land was revalued this year using data from the Valuer General.

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

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

The date of the current valuation is detailed in the following table. A full revaluation of these assets was undertaken in 2018.

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

	Level 1	Level2	Level 3	Date of Valuation
Land - specialised	-	-	1,883	Jun-18
Land - non specialised	-	8,593	-	Jun-19
Heritage buildings	-	-	12,756	Jun-18
Buildings - specialised	-	-	30,778	Jun-18
Leasehold Improvements	-	-	568	Jun-18
Total	-	8,593	45,985	

Valuation of infrastructure

Valuation of infrastructure assets has been determined in accordance with an independent valuation undertaken by Mr Ashay Prabhu CPEng of Assetic Pty Ltd

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

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

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

	Level 1	Level2	Level 3	Date of Valuation
Roads	-	-	263,522	Jun-17
Bridges	-	-	53,456	Jun-17
Footpaths and cycleways	-	-	14,328	Jun-17
Drainage	-	-	19,922	Jun-14
Recreational, leisure and community facilities	-	-	1,305	Jun-14
Waste management	-	-	828	Jun-14
Parks, open space and streetscapes	-	-	1,084	Jun-14
Culverts and Retaining Walls	-	-	7,727	Jun-17
Kerb and Channel	-	-	26,319	Jun-18
Other infrastructure	-	-	56	Jun-14
Total	-	-	388,547	

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values of 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$7 and \$80 per square metre.

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs is calculated on a square metre basis and ranges from \$2,250 to \$2,600 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 10 years to 50 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 10 years to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

	2019 \$'000	2018 \$'000
Reconciliation of specialised land		
Land under roads	1,883	1,883
Total specialised land	1,883	1,883

	2019	2018
	\$'000	\$'000
6.2 Investments in associates, joint arrangements and subsidiaries		
(a) Investments in associates		
Investments in associates accounted for by the equity method are:		
Corangamite Library Corporation	293	265
Corangamite Regional Library Corporation		
<i>Background</i>		
Council shares an interest in the Corangamite regional library corporation with the Colac Otway Shire, Moyné Shire and Warrnambool City Council. Council's share of the investment in the library is based on the census estimates of the Corangamite Shire's population as percentage of the total populations of the four Councils. The equity share is based on the audited accounts for the year ended 30 June 2019. Corangamite's share as at 30 June 2019 is 18.06% (2017-2018 18.63%)		
Fair value of Council's investment in Corangamite Regional Library Corporation	293	265
Council's share of accumulated surplus/(deficit)		
Council's share of accumulated surplus/(deficit) at start of year	198	199
Transfers (to) from reserves	56	(6)
Reported surplus/(deficit) for year	28	5
Council's share of accumulated surplus/(deficit) at end of year	282	198
Council's share of reserves		
Council's share of reserves at start of year	67	61
Transfers (to) from reserves	(56)	6
Council's share of reserves at end of year	11	67
Movement in carrying value of specific investment		
Carrying value of investment at start of year	265	260
Share of surplus/(deficit) for year	28	5
Carrying value of investment at end of year	293	265
Associates are all entities over which Council has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.		
6.3 Fair Value Adjustments		
(a) Landfill closure costs		
Balance at beginning of financial year	(3,290)	(5,379)
Fair value adjustments	(232)	2,089
Balance at end of financial year	(3,522)	(3,290)
(a) Landfill airspace asset		
Balance at beginning of financial year	39	-
Fair value adjustments	28	39
Balance at end of financial year	68	39

	2019	2018
	No.	No.
Note 7 People and relationships		
7.1 Council and key management remuneration		
(a) Related Parties		
<i>Parent entity</i>		
Corangamite Shire Council is the parent entity.		
<i>Subsidiaries and Associates</i>		
Interests in subsidiaries and associates are detailed in Note 6.2		
(b) Key Management Personnel		
Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are:		
Councillors		
Mayor Jo Beard (Mayor)		
Councillor Neil Trotter		
Councillor Ruth Gstrein		
Councillor Lesley Brown		
Councillor Helen Durant		
Councillor Simon Illingworth		
Councillor Beverley McArthur (ceased in November 2018)		
Councillor Wayne Oakes (appointed in November 2018)		
Total Number of Councillors	8	7
Chief Executive Officer and other Key Management Personnel		
Andrew Mason, Chief Executive Officer		
David Rae, Director Corporate and Community Services		
Ian Gibb, Director Sustainable Development		
Brooke Love, Director Works and Services		
Chief Executive Officer and other Key Management Personnel	4	4
Total Key Management Personnel	12	11
(c) Remuneration of Key Management Personnel		
	2019	2018
Total remuneration of key management personnel was as follows:	\$'000	\$'000
Short-term benefits	937	919
Post Employment Benefits	69	87
Long-term benefits	16	(9)
Total	1,022	997
The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:		
\$10,000 - \$19,999	2	-
\$20,000 - \$29,999	4	1
\$30,000 - \$39,999	-	5
\$40,000 - \$49,999	1	-
\$50,000 - \$59,999	1	-
\$100,000 - \$109,999	-	1
\$160,000 - \$169,999	-	1
\$170,000 - \$179,999	2	1
\$180,000 - \$189,999	1	1
\$240,000 - \$249,999	1	-
\$250,000 - \$259,999	-	1
	12	11

(d) Senior Officer Remuneration

A Senior Officer is an officer of Council, other than Key Management Personnel, who:

- a) has management responsibilities and reports directly to the Chief Executive; or
- b) whose total annual remuneration exceeds \$148,000

The number of Senior Officers are shown below in their relevant income bands:

Income Range:	2019 No.	2018 No.
<\$148,000	-	-
	-	-
Total Remuneration for the reporting year for Senior Officers included above, amounted to	-	-

7.2 Related party disclosure

(a) Transactions with related parties

During the period Council entered into the following transactions with related parties.

Councillor	Related Party	Nature of relationship	Terms and conditions	Aggregated Total
Cr Gstrein	Rustic Tarts Food	Business partner	Commercial	\$418

(b) Outstanding balances with related parties

The following balances are outstanding at the end of the reporting period in relation to
Nil

(c) Loans to/from related parties

The aggregate amount of loans in existence at balance date that have been made, guaranteed or secured by the council to a related party as follows:

Nil

(d) Commitments to/from related parties

The aggregate amount of commitments in existence at balance date that have been made, guaranteed or secured by the council to a related party are as follows:

Nil

Note 8 Managing uncertainties

8.1 Contingent assets and liabilities

(a) Contingent assets

Nil

Operating lease receivables

The Council has entered into commercial property leases on its investment property, consisting of surplus freehold office complexes. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 10 years. All leases include a CPI based revision of the rental charge annually.

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

	2019	2018
	\$'000	\$'000
Not later than one year	60	72
Later than one year and not later than five years	180	197
Later than five years	447	219
	<u>687</u>	<u>488</u>

(b) Contingent liabilities

Superannuation

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

Future superannuation contributions

In addition to the disclosed contributions, Corangamite Shire Council has paid unfunded liability payments to Vision Super totalling \$Nil (2017-2018 \$Nil) There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2019. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2020 are \$145,000

Landfill

Council operates a landfill at Naroghid. Council will have to carry out further site rehabilitation works in the future, however rehabilitates to current EPA requirements each cell as it is completed. A provision is made for ongoing site rehabilitation provision is maintained to current EPA requirements.

(c) Guarantees for loans to other entities

Guarantee - Camperdown Football Netball Club - Original Loan \$300,000

The amount outstanding as at 30 June 2019 is \$Nil (2018 \$Nil)

Guarantee is in respect of a loan from the ANZ bank

Security Deposit Guarantee - National Australia Bank

This guarantee has been in place since 9 February 1996 for \$45,000

Contract Performance Guarantee - Department of Natural Resources and Environment

This guarantee has been in place since 24 March 1999 for \$42,500

Contract Performance Guarantee - State of Victoria - Environment Protection Authority

This guarantee has been in place since 30 April 2008 for \$728,000. The guarantee is in respect of remedial action for the Corangamite Regional Landfill at Naroghid

The amount disclosed for financial guarantee in this note is the nominal amount of the underlying loan that is guaranteed by the Council, not the fair value of the financial guarantee.

Financial guarantee contracts are not recognised as a liability in the balance sheet unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probable that the right will be exercised.

8.2 Change in accounting standards

The following new AAS's have been issued that are not mandatory for the 30 June 2019 reporting period. Council has assessed these pending standards and has identified the following potential impacts will flow from the application of these standards in future reporting periods.

Revenue from contracts with customers (AASB 15) (applies 2019-2020 for Local Government sector)

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

Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities (AASB 2016-7) (applies 2019-2020)

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

Leases (AASB 16) (applies 2019-2020)

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

Council has elected to adopt the modified retrospective approach to the transition to the new lease standard. This will mean that only existing operating leases for non low value assets, with remaining terms greater than 12 months, will be recognised on transition (1 July 2019). Based on our current lease commitments and an assumption of a continuation of the current leasing arrangements Council expects that the transition to the new standard will see the initial recognition of \$1,100,000 in lease related assets and an equivalent liability

Income of Not-for-Profit Entities (AASB 1058) (applies 2019-2020)

This standard is expected to apply to certain transactions currently accounted for under AASB 1004 Contributions and establishes revenue recognition principles for transactions where the consideration to acquire an asset is significantly less than fair value to enable a not-for-profit entity to further its objectives. Council expects that this will have an immaterial effect on the financial statements

8.3 Financial instruments**(a) Objectives and policies**

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

(b) Market risk

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

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes council to fair value interest rate risk / Council does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

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

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

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

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

(c) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause Council to make a financial loss. Council have exposure to credit risk on some financial assets included in the balance sheet. Particularly significant areas of credit risk exist in relation to outstanding fees and fines as well as loans and receivables from sporting clubs and associations. To help manage this risk:

- council have a policy for establishing credit limits for the entities council deal with;
- council may require collateral where appropriate; and
- council only invest surplus funds with financial institutions which have a recognised credit rating specified in council's investment policy.

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

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

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

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

(d) Liquidity risk

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

To help reduce these risks Council:

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

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 8.1(c), and is deemed insignificant based on prior periods' data and current assessment of risk.

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

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade.

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

(e) Sensitivity disclosure analysis

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

- A parallel shift of + 1% and -1% in market interest rates (AUD) from year-end rates of 2.5%.

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

8.4 Fair value measurement

Fair value hierarchy

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

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

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

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

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

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

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

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

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

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value, being the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date.

At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date, the class of asset was revalued.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 2 to 5 years. The valuation is performed either by experienced council officers or independent experts.

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

Impairment of assets

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

8.5 Events occurring after balance date

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

Note 9 Other matters

9.1 Reserves	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Share of increment (decrement) on revaluation of library books by Associate \$'000	Balance at end of reporting period \$'000
(a) Asset revaluation reserves				
2019				
Property				
Land & land improvements	6,046	(484)	-	5,562
Buildings	32,024	-	-	32,024
	<u>38,070</u>	<u>(484)</u>	<u>-</u>	<u>37,586</u>
Infrastructure				
Roads	146,853	-	-	146,853
Bridges	46,303	-	-	46,303
Footpaths and cycleways	14,788	-	-	14,788
Drainage	16,323	-	-	16,323
Kerb and channel	22,897	-	-	22,897
Recreational, leisure and community facilities	58	-	-	58
Parks, open space and streetscapes	26	-	-	26
Culverts and retaining walls	5,288	-	-	5,288
Furniture and equipment	141	-	-	141
Library	-	-	-	-
Bus shelters	1	-	-	1
Other infrastructure	-	-	-	-
	<u>252,678</u>	<u>-</u>	<u>-</u>	<u>252,678</u>
Total asset revaluation reserves	<u>290,748</u>	<u>(484)</u>	<u>-</u>	<u>290,264</u>
2018				
Property				
Land & land improvements	6,223	(177)	-	6,046
Buildings	10,963	21,061	-	32,024
	<u>17,186</u>	<u>20,884</u>	<u>-</u>	<u>38,070</u>
Infrastructure				
Roads	146,853	-	-	146,853
Bridges	46,303	-	-	46,303
Footpaths and cycleways	14,788	-	-	14,788
Drainage	16,323	-	-	16,323
Kerb and channel	20,234	2,663	-	22,897
Recreational, leisure and community facilities	58	-	-	58
Parks, open space and streetscapes	26	-	-	26
Culverts and retaining walls	5,288	-	-	5,288
Furniture and equipment	141	-	-	141
Library	-	-	-	-
Bus shelters	1	-	-	1
Other infrastructure	-	-	-	-
	<u>250,015</u>	<u>2,663</u>	<u>-</u>	<u>252,678</u>
Total asset revaluation reserves	<u>267,201</u>	<u>23,547</u>	<u>-</u>	<u>290,748</u>

The asset revaluation reserve is used to record the movement in fair value of Council's assets over time.

Corangamite Shire Council
2018-2019 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2019

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
(b) Other reserves				
2019				
Open space developer contributions	67	4	(28)	43
Landfill rehabilitation reserve	382	99	-	481
Superannuation reserve	1,248	30	-	1,278
Infrastructure Reserve	-	6,065	-	6,065
Other reserves	323	64	(74)	313
Total Other reserves	2,020	6,262	(102)	8,180
2018				
Open space developer contributions	62	5	-	67
Landfill rehabilitation reserve	293	88	-	382
Superannuation reserve	1,200	48	-	1,248
Infrastructure Reserve	1,000	-	(1,000)	-
Other reserves	172	186	(36)	323
Total Other reserves	2,728	328	(1,036)	2,020

	2019 \$'000	2018 \$'000
9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)		
Surplus/(deficit) for the year	7,212	7,614
Depreciation/amortisation	12,923	12,329
(Profit)/loss on disposal of property, infrastructure, plant and equipment	4,584	116
Contributions - non monetary	(1,267)	-
Assets recognised for the first time - land recognised as controlled	(639)	-
Derecognition of assets	917	-
Borrowing costs in finance activities	-	104
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	(1,128)	48
(Increase)/decrease in other assets	(424)	(101)
Increase/(decrease) in trade and other payables	(1,150)	971
Increase/(decrease) in trust fund and deposits	(10)	32
(Increase)/decrease in inventories	13	4
Increase/(Decrease) in provisions	348	(2,128)
(Increase)/Decrease in Library Corporation	(28)	(5)
(Increase)/Decrease in Intangible asset	(28)	-
Net cash provided by/(used in) operating activities	21,323	18,984

9.3 Superannuation

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

Accumulation

The Fund's accumulation categories, Vision MySuper/Vision Super Saver, receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2018, this was 9.5% as required under Superannuation Guarantee legislation).

Defined Benefit

Council does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a pooled multi-employer sponsored plan. There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

Funding Arrangements

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary. As at 30 June 2018, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 106.0%. The financial assumptions used to calculate the VBIs were:

Net investment returns 6.5% pa
Salary information 3.5% pa
Price inflation (CPI) 2.5% pa.

Vision Super has advised that the estimated VBI at 30 June 2019 was 107.1%.

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

Employer Contributions

Regular Contributions

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

Funding Calls

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

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

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

The 2018 interim actuarial investigation surplus amounts

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

The Fund's actuarial investigations identified the following for the Defined Benefit category of which Corangamite Shire Council is a contributing employer:

- A VBI surplus of \$131.9 million
- A total service liability surplus of \$218.3 million.
- A discounted accrued benefits surplus of \$249.1 million

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

The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2018.

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2018.

Council was notified of the 30 June 2018 VBI during August 2018 (2017: August 2017).

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2019 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2019.



**CORANGAMITE
SHIRE**

Corangamite Shire Council
Performance Statement
For the year ended 30 June 2019

Performance Statement

For the year ended 30 June 2019

Description of municipality

Corangamite Shire is located 180 kilometres south-west of Melbourne in the Great South Coast. The municipality is approximately 4,600 square kilometres and stretches from the Great Ocean Road in the south to the pastoral area of Skipton to the north.

The topography of the Shire is diverse, including flat plains in the north with large numbers of lakes of international significance and volcanic cones in the centre of the Shire. Highly productive agricultural land also characterises the north of the Shire with sheep and cattle grazing prevalent. The coastline along the southern border includes a section of the Great Ocean Road tourist route, attracting a large number of tourists annually. Numerous offshore rock formations, including the Twelve Apostles, are a major tourist attraction.

Geographically, Corangamite Shire comprises twelve townships that act as service centres for the surrounding areas, namely Camperdown, Terang, Timboon, Port Campbell, Cobden, Lismore, Derrinallum, Skipton, Princetown, Simpson, Noorat and Darlington. The townships of Camperdown, Terang and Cobden have the largest populations. The coastal townships of Princetown and Port Campbell predominantly service the tourism industry.

In 2019, the estimated resident population of Corangamite Shire was 16,140 with 3.6 people per square kilometre. The population remains relatively stable with a projected average annual growth rate of 0.2%.

Sustainable Capacity Indicators

For the year ended 30 June 2019

PERFORMANCE STATEMENT

Sustainable Capacity Indicators					
Indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations and Comments
Population					
<i>Expenses per head of municipal population</i>	\$2,536.92	\$2,516.70	\$2,420.05	\$3,075.09	The increase relates to a change in method for asset disposals and additional costs as a result of extraordinary events
[Total expenses / Municipal population]					
<i>Infrastructure per head of municipal population</i>	\$22,982.58	\$26,293.06	\$28,014.73	\$27,673.73	
[Value of infrastructure / Municipal population]					
<i>Population density per length of road</i>	6.61	6.82	6.79	6.82	
[Municipal population / Kilometres of local roads]					
Own-source revenue					
<i>Own-source revenue per head of municipal population</i>	\$1,687.70	\$1,675.39	\$1,787.27	\$1,863.97	
[Own-source revenue / Municipal population]					
Recurrent grants					
<i>Recurrent grants per head of municipal population</i>	\$565.18	\$951.65	\$763.83	\$786.06	
[Recurrent grants / Municipal population]					
Disadvantage					
<i>Relative Socio-Economic Disadvantage</i>	5.00	5.00	5.00	4.00	
[Index of Relative Socio-Economic Disadvantage by decile]					

Definitions

"adjusted underlying revenue" means total income other than:

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

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

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

"population" means the resident population estimated by council

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

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

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

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

**Service Performance Indicators**

For the year ended 30 June 2019

Service Performance Indicators					
Service/indicator /measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations and Comments
Aquatic Facilities					
Utilisation					
<i>Utilisation of aquatic facilities</i>	3.46	3.15	2.90	2.86	
[Number of visits to aquatic facilities / Municipal population]					
Animal Management					
Health and safety					
<i>Animal management prosecutions</i>	4.00	18.00	12.00	12.00	
[Number of successful animal management prosecutions]					
Food Safety					
Health and safety					
<i>Critical and major non-compliance outcome notifications</i>	100.00%	100.00%	95.45%	100.00%	All critical and major non-compliance issues were resolve during the year
[Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100					
Governance					
Satisfaction					
<i>Satisfaction with council decisions</i>	61.00	61.00	64.00	65.00	
[Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]					



Home and Community Care (HACC) Participation					
<i>Participation in HACC service</i>	25.80%	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
[Number of people that received a HACC service / Municipal target population for HACC services] x100					
Participation					
<i>Participation in HACC service by CALD people</i>	7.69%	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
[Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100					
Libraries Participation					
<i>Active library members</i>	14.03%	13.39%	12.91%	12.47%	
[Number of active library members / Municipal population] x100					
Maternal and Child Health (MCH) Participation					
<i>Participation in the MCH service</i>	82.92%	78.61%	84.78%	86.48%	Pleasingly, there continues to be an increase in participation. The result reflects the impact of a number of initiatives, particularly the existing strong relationships with health services and service promotion
[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100					
Participation					
<i>Participation in the MCH service by Aboriginal children</i>	93.33%	66.67%	88.24%	81.82%	No new Aboriginal children enrolled with the service during the year. In addition, some children attained preschool age during the year. Both resulted in an overall decrease to participation rates
[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100					

Roads					
Satisfaction					
Satisfaction with sealed local roads	36.00	37.00	37.00	44.00	A significant increase in the level of satisfaction for sealed local roads was experienced during the year. The result reflects Council's continuation of providing more funding for the renewal and maintenance of its road
[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]					
Statutory Planning					
Decision making					
Council planning decisions upheld at VCAT	0.00%	0.00%	0.00%	0.00%	
[Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100					
Waste Collection					
Waste diversion					
Kerbside collection waste diverted from landfill	60.92%	63.94%	64.65%	63.11%	
[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100					
Economic Development (optional)					
Economic activity					
Change in number of businesses	-2.43%	-0.40%	7.02%	-1.69%	
[Number of businesses with an ABN in the municipality at the end of the financial year less the number of businesses at the start of the financial year / Number of businesses with an ABN in the municipality at the start of the financial year] x100					



Definitions

- "Aboriginal child" means a child who is an Aboriginal person
- "Aboriginal person" has the same meaning as in the Aboriginal Heritage Act 2006
- "active library member" means a member of a library who has borrowed a book from the library
- "annual report" means an annual report prepared by a council under sections 131, 132 and 133 of the Act
- "CALD" means culturally and linguistically diverse and refers to persons born outside Australia in a country whose national language is not English
- "class 1 food premises" means food premises, within the meaning of the Food Act 1984, that have been declared as class 1 food premises under section 19C of that Act
- "class 2 food premises" means food premises, within the meaning of the Food Act 1984, that have been declared as class 2 food premises under section 19C of that Act
- "Community Care Common Standards" means the Community Care Common Standards for the delivery of HACCC services, published from time to time by the Commonwealth
- "critical non-compliance outcome notification" means a notification received by council under section 19N(3) or (4) of the Food Act 1984, or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health
- "food premises" has the same meaning as in the Food Act 1984
- "HACC program" means the Home and Community Care program established under the Agreement entered into for the purpose of the Home and Community Care Act 1985 of the Commonwealth
- "HACC service" means home help, personal care or community respite provided under the HACC program
- "local road" means a sealed or unsealed road for which the council is the responsible road authority under the Road Management Act 2004
- "major non-compliance outcome notification" means a notification received by a council under section 19N(3) or (4) of the Food Act 1984, or advice given to council by an authorized officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken
- "MCH" means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age
- "population" means the resident population estimated by council
- "target population" has the same meaning as in the Agreement entered into for the purposes of the Home and Community Care Act 1985 of the Commonwealth
- "WorkSafe reportable aquatic facility safety incident" means an incident relating to a council aquatic facility that is required to be notified to the Victorian WorkCover Authority under Part 5 of the Occupational Health and Safety Act 2004.

Financial Performance Indicators

For the year ended 30 June 2019

Financial Performance Indicators		Results	Results	Results	Results	Forecasts			Material Variations and Comments
Dimension/Indicator /measure	2016	2017	2018	2019	2020	2021	2022	2023	
Efficiency									
Revenue level									
Average residential rate per residential property assessment	\$1,177.46	\$1,204.00	\$1,242.47	\$1,344.80	\$1,365.33	\$1,399.46	\$1,434.45	\$1,470.31	This reflects an increase in the valuations of residential property in comparison to other property classes
Residential rate revenue / (Number of residential property assessments)									
Expenditure level									
Expenses per property assessment	\$4,099.40	\$4,175.44	\$3,995.59	\$5,082.12	\$4,569.59	\$4,390.94	\$4,514.64	\$4,642.50	The increase relates to a change in the method for asset disposals and additional costs as a result of extraordinary events
[Total expenses / Number of property assessments]									
Workforce turnover									
Resignations and terminations compared to average staff	9.45%	8.71%	11.16%	8.40%	8.33%	8.33%	8.33%	8.33%	Fewer resignations received during the year resulted in a decrease
Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100									
Liquidity									
Working capital									
Current assets compared to current liabilities	276.53%	296.41%	366.45%	602.57%	313.83%	274.16%	251.95%	240.09%	The strong results reflect advanced payment of Victorian Grants Commission Funding for 2019-2020, receipt of grant funding for a major project, and committed funds for carried forward projects that will be completed in future years
[Current assets / Current liabilities] x100									
Unrestricted cash									
Unrestricted cash compared to current liabilities	218.32%	253.49%	316.35%	521.13%	268.30%	228.57%	206.42%	194.52%	The strong results reflect advanced payment of Victorian Grants Commission Funding for 2019-2020, receipt of grant funding for a major project, and committed funds for carried forward projects that will be completed in future years
[Unrestricted cash / Current liabilities] x100									

Obligations											
Asset renewal											
Asset renewal / compared to depreciation	117.44%	91.79%	74.78%	79.22%	83.56%	96.34%	107.07%	110.01%			
[asset renewal expense / Asset depreciation] x100											
Loans and borrowings											
Loans and borrowings compared to rates	16.32%	11.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			Council has been debt free since 2017-2018
[interest bearing loans and borrowings / Rate revenue] x100											
Loans and borrowings repayments compared to rates	8.06%	5.51%	11.22%	0.00%	0.00%	0.00%	0.00%	0.00%			All borrowings were repaid in 2017-2018
[interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100											
Indebtedness											
Non-current liabilities compared to own source revenue	28.71%	21.06%	12.38%	12.49%	12.13%	11.85%	11.58%	11.31%			
[Non-current liabilities / Own source revenue] x100											
Operating position											
Adjusted underlying result											
Adjusted underlying surplus (or deficit)	-11.85%	5.55%	8.43%	5.93%	-3.31%	2.04%	1.67%	1.28%			An increase in expenditure due to fire and flood recovery and a change in accounting treatment for disposal of assets have caused this measure to decrease
[Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100											
Stability											
Rates concentration											
Rates compared to adjusted underlying revenue	55.06%	46.89%	48.80%	40.96%	51.74%	52.33%	52.37%	52.41%			An increase in expenditure due to fire and flood recovery and a change in accounting treatment for disposal of assets have caused this measure to decrease
[Rate revenue / Adjusted underlying revenue] x100											
Rates effort											
Rates compared to property values	0.41%	0.43%	0.43%	0.43%	0.46%	0.47%	0.48%	0.50%			
[Rate revenue / Capital improved value of rateable properties in the municipality] x100											

Definitions

- "adjusted underlying revenue" means total income other than:
- (a) non-recurrent grants used to fund capital expenditure; and
 - (b) non-monetary asset contributions; and
 - (c) contributions to fund capital expenditure from sources other than those referred to above
- "adjusted underlying surplus (or deficit)" means adjusted underlying revenue less total expenditure
- "asset renewal expenditure" means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability
- "current assets" has the same meaning as in the AAS
- "current liabilities" has the same meaning as in the AAS
- "non-current assets" means all assets other than current assets
- "non-current liabilities" means all liabilities other than current liabilities
- "non-recurrent grant" means a grant obtained on the condition that it be expended in a specified manner and is not expected to be received again during the period covered by a council's Strategic Resource Plan
- "own-source revenue" means adjusted underlying revenue other than revenue that is not under the control of council (including government grants
- "population" means the resident population estimated by council
- "rate revenue" means revenue from general rates, municipal charges, service rates and service charges
- "recurrent grant" means a grant other than a non-recurrent grant
- "residential rates" means revenue from general rates, municipal charges, service rates and service charges levied on residential properties
- "restricted cash" means cash and cash equivalents, within the meaning of the AAS, that are not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year
- "unrestricted cash" means all cash and cash equivalents other than restricted cash.

Other Information

For the year ended 30 June 2019

1. Basis of preparation

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

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

The performance statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by the council's strategic resource plan. The Local Government (Planning and Reporting) Regulations 2014 requires explanation of any material variations in the results contained in the performance statement. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.

The forecast figures included in the performance statement are those adopted by council in its strategic resource plan on 11 June 2019 and which forms part of the council plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The strategic resource plan can be obtained by contacting council.

Certification of the Performance Statement

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

Adam Taylor, CPA
Principal Accounting Officer
Dated: 24 September 2019

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

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

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

We have been authorised by the council and by the Local Government (Planning and Reporting) Regulations 2014 to certify this performance statement in its final form.

Cr Lesley Brown
Councillor
Dated: 24 September 2019

Cr Helen Durant
Councillor
Dated: 24 September 2019

David Rae
Acting Chief Executive Officer
Dated: 24 September 2019

9.2 Procurement Policy Review 2019-2020

Author: Adam Taylor, Manager Finance

File No:

Previous Council Reference: Nil

Declaration

Acting Chief Executive Officer – David Rae

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

Author - Adam Taylor

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

Summary

Council is required to annually review its Procurement Policy under the *Local Government Act 1989* (the Act). The Policy has been reviewed and is recommended for approval.

Introduction

Council's Procurement Policy is an important control for ensuring procurement practices are delivered consistently and in a manner that demonstrates good practice and accountability. The Policy is also important for establishing the standards required for operating in an ethical manner free of conflicts of interests and is binding on Councillors, Council officers, contractors and others involved in procurement activities undertaken by Council.

Issues

Section 186A of the *Local Government Act 1989* (the Act) requires Council, at least once in each financial year, to review its procurement policy and amend it if appropriate. The Act also requires Council to comply with its procurement policy.

A procurement policy defines the principles, processes and procedures that will apply to all purchases of goods, services and works by Council. The purpose of Council's Procurement Policy is to:

- provide policy and guidance to Council to allow consistency and control over procurement activities
- demonstrate accountability to rate payers
- provide guidance on ethical behaviour in public sector purchasing
- demonstrate the application of elements of best practice in purchasing
- increase the probability of obtaining the best value outcome when purchasing goods and services.

The Policy also defines the delegation limitations within which Council staff are permitted to undertake procurement activities. Delegation of procurement authority allows Council staff to approve purchases, quotation, tender and contractual processes without prior referral to Council. This enables Council to conduct procurement activities in an efficient manner whilst maintaining transparency and integrity. The Policy also provides minimum spend thresholds for obtaining quotations and reflects the relevant tender thresholds according to the *Local Government Act 1989*.

In 2017-2018 Council made significant changes to the policy after a comprehensive review by Council's internal auditor Crowe Horwath. Accordingly, there are only minor changes to the Policy document and delegations. One amendment incorporates a statement with respect to public accountability (clause 2.1.7).

Officers also considered the recent Victorian Auditor General's Office report *Fraud and Corruption Control – Local Government (June 2019)* during the review of the Policy.

Policy and Legislative Context

The annual review of the Procurement Policy is in accordance with the following 2017-2021 Council Plan commitments:

We are committed to ensuring the ethical behaviour of Councillors and staff, maintaining good governance and remaining financially sustainable.

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

Council will make budgetary decisions that ensures Council remains in a strong financial position now and into the future.

Council will deliver value for money by ensuring that services are required and delivered efficiently and sustainably.

Achieve improved efficiencies through shared services, innovative practices and joint procurement.

Under the *Local Government Act 1989* Council is also required to review its Procurement Policy at least once every financial year. It requires approval of Council. The Audit Committee, in accordance with its Annual Work Plan, considered the draft revised policy on 12 September 2019.

Internal / External Consultation

The Manager Finance and Contracts Administration Co-ordinator have reviewed the Policy. All officers based within the Civic Centre had the opportunity to contribute to the 2019 review of the policy. The draft Policy was considered by Council's Audit Committee on 12 September 2019.

Financial and Resource Implications

The proposed amendments will not have any significant financial or resource implications.

Conclusion

Council made significant changes to the Procurement Policy in 2017-2018 following a review from the internal auditor. There are only minor changes proposed in the updated policy. Council is required to approve the revised Policy.

RECOMMENDATION

That Council:

- 1. Revokes the previous Procurement Policy dated September 2018.**
- 2. Adopts the Procurement Policy dated September 2019.**

COUNCIL RESOLUTION

MOVED: *Cr Durant*
SECONDED: *Cr Gstrein*

That the recommendation be adopted.

CARRIED

Attachments

- 1. Draft Procurement Policy 2019 - Tracked Changes - Under Separate Cover**
- 2. Draft Procurement Policy 2019**

Corangamite Shire Council Policy - Procurement

All Council contracts are to include contract management requirements in accordance with the Contract Management Manual. Furthermore, contracts are to be proactively managed by the member of Council staff responsible for the delivery of the contracted goods, services or works to ensure Council receives value for money.

2.11 Purchase Order Variations

Purchase order variations are permissible. However, the variation should be disclosed as a separate item on the purchase order.

2.12 Contract Variations

Contract Variations should be pre-approved by Council at the time of awarding the original Contract, with CEO being authorised to approve amounts up to \$250,000. When awarding a variation, this should be approved according to officer delegation. Contract variations greater than \$250,000 will need to be approved by Council.

Where variations are awarded that are greater than 20% of the original contract sum, these will need to be reported to the Audit Committee annually.

2.13 CEO Additional Procurement Delegation

The Chief Executive Officer has an additional delegation up to an amount of \$500,000 in relation to the following procurement activities:

- Payment of all Council insurances;
- Purchase of heavy fleet that has been approved through the annual budget and procured in accordance with this policy;
- Schedule of Rates contracts up to an anticipated amount not exceeding \$500,000 for the term of the contract. Prior to approving a Schedule of Rates contract the Director of Corporate and Community Services or Manager Finance must review the associated financial costings before consideration by the Chief Executive Officer.

Adopted by Council on:
Agenda Item:
Responsibility: Manager Finance

Department: Finance
To be reviewed:
File Number:

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**CORANGAMITE
SHIRE**

Procurement Policy

Corangamite Shire

September 2019

Council Policy



Procurement Policy

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Corangamite Shire Council Policy - Procurement

1 Principles

1.1 Background

Corangamite Shire Council recognises that developing a procurement policy and adopting appropriate best practice contracting and procurement principles, policies, processes and procedures for all goods, services and works by Council, will enhance achievement of Council objectives such as bottom-line cost savings, giving the opportunity to support local economies, achieving innovation, better services for communities and sustainable procurement.

The elements of best practice applicable to local government procurement incorporate:

- broad principles covering ethics, value for money, responsibilities and accountabilities;
- guidelines giving effect to those principles;
- a system of delegations (i.e. the authorisation of officers to approve and undertake a range of functions in the procurement process);
- procurement processes, with appropriate procedures covering minor, simple procurement to high value, more complex procurement; and,
- a professional approach.

Best practice procurement requires that Council's contracting, purchasing and contract management activities:

- support Council's corporate strategies, aims and objectives including, but not limited to those related to sustainability, protection of the environment, and corporate social responsibility;
- span the whole life cycle of an acquisition from initial concept to the end of the useful life of an asset, including its disposal, or the end of a service contract;
- achieve value for money and quality in the acquisition of goods, services and works by Council;
- can demonstrate that public money has been well spent;
- are conducted, and are seen to be conducted, in an impartial, fair and ethical manner;
- seek continual improvement including the embrace of innovative and technological initiatives such as electronic tendering processes to reduce activity cost; and,
- generate and support business in the local community.

1.2 Scope

This Procurement Policy is made under Section 186a of the *Local Government Act 1989*.

This section of the Act requires Council to prepare, approve and comply with a Procurement policy encompassing the principles, processes and procedures applied to all purchases of goods, services and works by Council.

This policy applies to all contracting and procurement activities at Council and is binding upon Councillors, Council officers and temporary employees, contractors and consultants whilst engaged by Council.

Adopted by Council on:
Agenda Item:
Responsibility: Manager Finance

Department: Finance
To be reviewed:
File Number:

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Corangamite Shire Council Policy - Procurement

This policy does not apply to investment of Council funds which are not considered to be purchases of “goods, services or works” pursuant to Section 186A of the Act. Investments are made under Council’s Investment Policy and comply with Section 143 of the Act.

Councils Procurement Policy should not be read in isolation as it has impact across a broad range of policies and practices within Council. These include but are not limited to Code of Conduct for Staff, Asset Management Policies, and Corporate Purchase Card Policy.

1.3 Purpose

The purpose of this Policy is to:

- provide policy and guidance to Council to allow consistency and control over procurement activities;
- demonstrate accountability to rate payers;
- provide guidance on ethical behaviour in public sector purchasing;
- demonstrate the application of elements of best practice in purchasing; and,
- increase the probability of obtaining the best value outcome when purchasing goods and services.

1.4 Treatment of GST

All monetary values stated in this policy include GST.

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1.5 Definitions and Abbreviations

Term	Definition
Act	Local Government Act 1989.
Commercial in Confidence	Information that, if released, may prejudice the business dealings of a party. For example, prices, discounts, rebates, profits, methodologies or process information.
Contract Management	The process that ensures both parties to a contract fully meet their respective obligations as efficiently and effectively as possible, in order to deliver the business and operational objectives required from the contract and in particular to provide value for money.
Council Staff	Includes full-time and part-time Council officers, and temporary employees, contractors and consultants while engaged by Council.
Probity	A Procurement process that conforms to the expected standards of probity is one in which clear procedures that are consistent with Council's policies and legislation are established, understood and followed from the outset. These procedures need to consider the legitimate interests of suppliers and ensure that all potential suppliers are treated equitably.
Standing Offer Arrangements (SOA)	A contract that sets out rates for goods and services which are available for the term of the agreement. However, no commitment is made under the agreement to purchase a specified value or quantity of goods or services.
Sustainability	Activities that meet the needs of the present without compromising the ability of future generations to meet their needs.

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Procurement	Procurement is the whole process of acquisition of external goods, services and works. This process spans the whole life cycle from initial concept through to the end of the useful life of an asset (including disposal) or the end of a service contract.
Tender Process	The process of inviting parties to submit a quotation by tender using public advertisement, followed by evaluation of submissions and selection of a successful bidder or tenderer.
Value for money	Value for money in Procurement is about selecting the supply of goods, services and works taking into account both cost and non-cost factors including: <ul style="list-style-type: none">- contribution to the advancement of Council's priorities;- non-cost factors such as fitness for purpose, quality, service and support; and- cost-related factors including whole-of-life costs and transaction costs associated with acquiring, using, holding, maintaining and disposing of the goods, services or works.

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2 Effective Legislation and Policy Compliance and Control

2.1 Ethics and Probity

2.1.1 Requirement

Council's procurement activities shall be performed with integrity and in a manner able to withstand the closest possible scrutiny.

2.1.2 Conduct of Councillors and Staff

2.1.2.1 General

Councillors and Council staff shall at all times conduct themselves in ways that are, and are seen to be, ethical and of the highest integrity and *will*:

- treat potential and existing suppliers with equality and fairness;
- not seek or receive personal gain;
- maintain confidentiality of Commercial in Confidence information;
- present the highest standards of professionalism and probity;
- deal with suppliers in an honest and impartial manner;
- provide all suppliers and tenderers with the same information and equal opportunity;
- and,
- be able to account for all decisions.

At the commencement of employment with the Corangamite Shire, new employees shall be inducted to this Policy by either the CEO, the Director of Corporate and Community Services, or the Manager of Finance.

Council staff who are accountable for, responsible for managing or supervising contracts are prohibited from performing any works under the contract they are supervising.

2.1.2.2 Members of Professional Bodies

Councillors and Council staff belonging to professional organisations shall, in addition to the obligations detailed in this policy, ensure that they adhere to any code of ethics or professional standards required by that body.

2.1.3 Tender Processes

All tender processes shall be conducted in accordance with the requirements of this policy, applicable procedures and guidelines, relevant Australian Standards and the Act. Late tenders will not be considered and will be disqualified.

2.1.4 Conflict of Interest

Councillors and Council staff shall at all times avoid situations in which private interests conflict, or might reasonably be thought to conflict, or have the potential to conflict, with their Council duties.

Councillors and Council staff are subject to conflict of interest provisions in:

- The Act: [Division 1A - Conduct and Interests](#);
- [Conflict of Interest in Local Government – October 2011](#) guidelines;

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- Councillor Code of Conduct; and,
- Staff Code of Conduct.

Councillors and Council staff must refrain from procurement activities where they have a conflict of interest. Where a conflict exists this must be declared to the Chief Executive Officer and the Councillor and/or Council staff member must excuse themselves from participating in the associated procurement activity.

Councillors, Council staff and third party individuals involved in the evaluation of technical assessments, whether or not as part of an evaluation panel, associated with Quotations or Tenders must declare they do not have a conflict of interest. This must be certified by the Chief Executive Officer or Director Corporate and Community Services.

2.1.5 Fair and Honest Dealing

All prospective contractors and suppliers must be afforded an equal opportunity to tender or quote.

Impartiality must be maintained throughout the procurement process so it can withstand public scrutiny.

The commercial interests of existing and potential suppliers must be protected.

Confidentiality of information provided by existing and prospective suppliers must be maintained at all times, particularly commercially sensitive material such as, but not limited to prices, discounts, rebates, profit, manufacturing and product information.

In-house bids (tenders) are not permitted for tenders.

2.1.6 Accountability and Transparency

Accountability in procurement means being able to explain and provide evidence of the process followed. The test of accountability is that an independent third party must be able to see clearly that a process has been followed and that the process is fair and reasonable.

The processes by which all procurement activities are conducted will be in accordance with Council's procurement policies and procedures as set out in this policy and related, relevant Council policies and procedures.

Additionally:

- all Council staff must be able to account for all procurement decisions made over the lifecycle of all goods, services and works purchased by Council and provide feedback on them; and,
- all procurement activities are to provide for an audit trail for monitoring and reporting purposes.

2.1.7 Maintaining Public Trust

- Councils are accountable to the communities they serve and those who fund their services, particularly ratepayers. To properly manage fraud and corruption risks in procurement all employees should be aware how all stakeholders may perceive their

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actions and expenditure of behalf of Council. Corangamite Shire has a zero tolerance to fraud, corruption and the inappropriate use of council funds. Employees must act in a manner that demonstrates they are managing fraud and corruption risks in procurement, are upholding public trust and are protecting Council's (public) resources. In doing so all staff engaged in procurement activities must:

- identify and manage conflicts of interest and associated risks;
- effectively manage and be prepared to report and explain all expenditure;
- ensure fraud and corruption mitigation measures are considered; and
- be mindful of community perceptions and ensure expenditure is ultimately of benefit to residents and ratepayers.

2.1.8 Disclosure of Information

Commercial in-confidence information received by Council must not be disclosed and is to be stored in a secure location.

Councillors and Council staff are to protect, by refusing to release or discuss the following:

- information disclosed by organisations in tenders, quotation or during tender negotiations;
- all information that is Commercial in Confidence information; and
- pre-contract information including but not limited to information provided in quotes and tenders or subsequently provided in pre-contract negotiations.
- Councillors and Council staff are to avoid references to current or proposed contracts in discussion with acquaintances or outside interests.

Details of the winning price will be released to improve the tender and quotation process and value for money. This will be done with the following conditions:

winning price will only be disclosed to unsuccessful tenderers upon request. Discussion with potential suppliers during tender evaluations should not go beyond the extent necessary to resolve doubt on what is being offered by that supplier.

At no stage should any discussion be entered into which could have potential contractual implications prior to the contract approval process being finalised other than authorized pre-contract negotiations.

2.2 Governance

2.2.1 Structure

The CEO is accountable for organisational procurement.

Management of the procurement policy is the responsibility of the Director of Corporate and Community Services.

Implementation of the policy throughout departments is the responsibility of the respective Director.

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The Contracts Administration Officer is responsible for ensuring probity in procurement and monitoring and reporting against the procurement policy.

Council's procurement structure:

- is flexible enough to purchase in a timely manner the diverse range of material, goods, works and services required by Council;
- ensures that prospective contractors and suppliers are afforded an equal opportunity to tender/quote;
- encourages competition; and,
- is communicated to and implemented by all Councillors and Council staff.

Delegated officers are responsible for application of the policy in their respective areas.

2.2.2 Standards

Council's procurement activities shall be carried out to the professional standards required by best practice and in compliance with:

- The *Local Government Act 1989*;
- *Council's Corporate Purchase Card Policy*;
- *Contract Management Manual*;
- Councillor Code of Conduct
- Code of Conduct for Staff; and,
- Other relevant legislative requirements such as but not limited to the *Trade Practices Act*, *Goods Act* and the *Environmental Protection Act*.

2.2.3 Methods

Council's standard methods for purchasing goods, services and works shall be by:

- Corporate purchase card;
- purchase order following a quotation process from suppliers for goods or services that represent best value for money under directed quotation thresholds;
- under contract following a tender process; or,
- using aggregated purchasing arrangements with other Councils, MAV Procurement, Victorian Government, or other bodies.

2.2.4 Exemptions from purchases requiring a purchase order

Some purchases do not require a purchase order to be provided. These exceptions are contained within attachment three.

Other arrangements can only be authorised by Council or the CEO under emergency circumstances, as defined in the Act.

Council may, at its discretion and based on the complexity and cost of the project, conduct one stage or multi-stage tenders.

Typically a multi-stage tender process will commence with a registration of interest stage followed by a tender process involving the organisations selected as a consequence of the registration of interest stage.

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Registrations of interest (ROI) may be appropriate where:

- the requirement is complex, difficult to define, unknown or unclear;
- the requirement is capable of several technical solutions;
- Council wishes to consider ahead of a formal tender processes such issues as whether those tendering possess the necessary technical, managerial and financial resources to successfully complete the project;
- tendering costs are likely to be high and Council seeks to ensure that companies incapable of supplying the requirement don't incur unnecessary expense;
- it is necessary to pre-qualify suppliers and goods to meet defined standards; or,
- the requirement is generally known but there is still considerable analysis, evaluation and clarification required (both of the objective and the solution).

Additionally, Council may run sequential tenders, the first to solicit solutions, the second to compete to provide the solution selected by Council. Such sequential tenders may or may not be preceded by the registration of interest phase as required by Council based on the actual needs of the project.

2.2.5 Responsible Financial Management

The principle of responsible financial management shall be applied to all procurement activities.

Accordingly, to give effect to this principle, the availability of existing funds within an approved budget, or source of funds, shall be established prior to the commencement of any procurement action for the supply of goods, services or works.

This policy applies to all Council expenditure, with the exception of grant monies for and on behalf of community groups (refer to section 2.3.2.5).

Self-authorized purchase orders within delegation and to maximum value of \$5,000, including GST, is permissible. Amounts exceeding \$5,000, including GST, will need to be referred to a higher authority for authorisation.

The use of Corporate Purchase Cards must be in accordance with this policy and Council's Corporate Purchase Card Policy.

2.3 Procurement Thresholds and Competition

2.3.1 Requirement

Council will publish in this policy clear guidelines for minimum spend competition thresholds. These will be decided by Council by analysing the historical size and complexity of the procurement activity and of proposed procurement activities.

2.3.2 Minimum Spend Competition Thresholds

2.3.2.1 Tenders

Purchase of all goods and services for which the estimated expenditure exceeds the following amounts must be undertaken by public tender as per the thresholds contained in the Act:

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- \$150,000 for all purchases, except building and construction works; and,
- \$200,000 for building and construction works.

Should the CEO, or their delegate, consider that the nature of the requirement and the characteristics of the market are such that the public tender process would lead to a better result for Council, public tenders may be called for purchase of goods, services and works for which the estimated expenditure is below these thresholds, having regard to best value principles.

The tendering process should comprise the following:

Obtain appropriate approval to tender for Goods/Services from Director
Develop a service specification that accurately and clearly defines the service requirements. This also needs to include the criteria by which tenders will be evaluated, including weightings. A strategic procurement plan, based on the Local Government Victoria template, must be completed for procurement amounts, excluding Schedule of Rates contracts, expected to be equal to or greater than \$500,000 prior to advertisement.
Prepare tender documentation that includes: <ul style="list-style-type: none"> • Invitation to tender; • Information to tenderers; • Schedules for the tenderers to complete; • Specification; • Contract Documentation, including drawings maps etc
Advertise inviting tenders in newspapers circulating throughout the municipality
If necessary conduct a pre-tender briefing
Close tenders on advertised date
Arrange a meeting of the Technical Evaluation Panel (at least 3 people), with at least one independent member to the Department undertaking the procurement and preferably a representative from the Finance Department. Where the panel does not contain representation from the Finance Department the technical evaluation must be independently reviewed by the Finance Department.
Assess against evaluation criteria
Prepare Technical Evaluation Report recording evaluation of tenders received; date and time of Technical Evaluation Panel Meeting. Members of the Panel should sign off on the final report. The Technical Evaluation Report is also a minuted record of the evaluation panel and should contained additional information as appropriate.
Select preferred tenderer and commence negotiations to clarify any uncertainties. Prepare appropriate Council report, attaching Technical Evaluation Report.
Formalize and award contract with service provider, once approved by Council.

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2.3.2.2 Quotation and Tender Thresholds

Purchase of goods, services having a total \$150,000 or less (building and construction works having a total of \$200,000 or less) may be undertaken using the procurement by quotation method as described below. A purchase order must be raised and forwarded to the supplier at the time of purchase/award and prior to receiving the works/services unless exempted by this Policy.

- **Items with a value up to \$5,000**

A quotation may be obtained before placing an order.

If more than one supplier has quoted all quotations should be documented.

- **Items with a value of \$5,001 up to \$10,000**

One written quotation must be obtained before placing an order.

Verbal quotations are not acceptable.

- **Items with a value of \$10,001 up to \$150,000 (\$200,000 building and construction works)**

Council's Officer must seek minimum of three written quotations before placing an order.

The quotation offering the best value for money must be confirmed by the supplier in writing and the order placed with that firm. If there is a difference of more than 10% between the lowest quotation and the recommended quotation, this procurement must be approved by a Director/CEO.

Once the three quotation process is undertaken, the Officer will then enter the quotation information into TechOne and then seek approval in accordance with the relevant Officer's purchasing limits under delegation.

Verbal quotations are not acceptable.

- **Items with a value of \$150,000 and over (\$200,000 and over for building and construction works).**

A full public tender must be conducted before placing an order.

Public advertising of works is required.

The use of public advertising may be applied to items with a value up to \$150,000 (\$200,000 building and construction works) at the CEO's, or delegated officer's, discretion. This may occur when a field of potential tenderers has not been established, or an innovative approach is required, or the project has broad appeal that may attract keen prices.

Where Council appoints a tendering agent in accordance with Section 186 of the *Local Government Act*, when the tendering process is completed on behalf of Council, that matter needs to be awarded in accordance with this policy.

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2.3.2.3 Procedural Exceptions

The situation may arise where the officer is unable to seek 3 quotations to satisfy the above requirements.

This may occur for a number of reasons. It may include where there are few suppliers for the goods, services or works being sought or the work is highly specialised or of an urgent nature.

In this case, approval from the CEO or relevant Director is required, prior to proceeding with the purchase. Records and supporting evidence must be kept for procedural exceptions.

A copy of approved procedural exceptions memos will be provided to Contracts Administration Officer for storing in Council's Enterprise Resource System.

Refer to Attachment 1 for Procedural Exceptions Memo.

2.3.2.4 Determining Value of Procurement

In order to determine whether a procurement exceeds the relevant procurement threshold, its value must be estimated at the start of the procurement process.

The value of a procurement must include:

- all forms of remuneration, including any premiums, fees, commissions, interest and other revenue streams that may be provided for in the final contract;
- all taxes and charges, including GST;
- the total maximum value of the property or services being procured, including the value of any options or extensions that may be provided for in the proposed contract; and,
- the total value of the proposed contract over the contracted term.

If it is anticipated that a procurement will be close to the relevant threshold, or if it is likely that the final value of a procurement may exceed the relevant threshold, it should be treated as if it exceeds the threshold

It is not permissible to divide a contract into separate smaller procurements to avoid the procurement thresholds. There shall be no splitting of purchase orders to avoid thresholds.

The time period for calculation of cumulative spend shall be a financial year.

2.3.2.5 Dealing with Grant Monies

Where Council is disbursing grant monies directly to a Club or Community Group:

- There is no requirement to follow Council's procurement process or delegation limits. Compliance with good governance regarding purchasing is the responsibility of the Club or Community Group.
- The Club or Community Group will be required to provide an acquittal to account for the funds at the completion of the project.

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- If a third party organisation is providing the funds and requiring Council to manage funds on behalf of Club or Community Group they be made aware of this section of Council's procurement policy.

Where Council is paying for goods and services on behalf of a Club or Community Group:

- Council's procurement policy will apply in all circumstances.

2.3.2.6 Collaborative Procurement

Under Section 186 of the Local Government Act 1989, Council has the ability to authorise procurement agencies to act on its behalf to undertake collaborative procurement by way of public tender. There are two agencies that offer this service to Council, those being the Municipal Association of Victoria and Procurement Australia. Those agencies undertake the collaborative process to achieve the best outcomes for Councils, as its appointed agent.

The Minister for Local Government has granted an exemption to allow Councils to access all MAV and Procurement Australia contracts. When utilising Collaborative Procurement, all contracts must be awarded in accordance with Council's procurement thresholds and delegation of authority

2.3.3 Requirement

Delegations define the limitations within which Council staff are permitted to undertake procurement activities. Delegation of procurement authority allows Council staff to approve purchases, quotation, tender and contractual processes without prior referral to Council. This enables Council to conduct procurement activities in an efficient manner whilst maintaining transparency and integrity.

Procurement delegations ensure accountability and provide confidence to Council and the public that purchasing activities are dealt with at the appropriate level.

As such, Council has delegated responsibilities as detailed below relating to:

- the expenditure of funds for the purchase of goods, services and works;
- the acceptance of quotes and tenders; and,
- for Contract Management activities.

Refer to Attachment 2.

2.3.4 Delegations

2.3.4.1 Council Staff

Council shall maintain a documented scheme of procurement delegations, identifying Council staff authorised to make such procurement commitments in respect of goods, services and works on behalf of Council and their respective delegations contained in Financial Delegations policies:

- Acceptance of tenders
- Acceptance of quotes
- Contract term extensions (within authorised budget)
- Contract amendment (non-financial)

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- Contract amendment (financial)
- Register of pre-qualified suppliers
- Corporate Purchase Card purchases
- Procedural exceptions

Staff may seek reimbursement for minor out of pocket expenses, including licenses, memberships, subscriptions, material expenses and pre- approved study and travel expenses. All approvals must be by their Manager or Director.

2.3.4.2 Delegations Reserved for Council

Commitments and processes which exceed the CEO's delegation and which must be approved by Council are:

- Signing and sealing of contract documents.
- Tender recommendations and contract approval for all expenditure over \$150,000 for goods and services (\$200,000 for building and construction works and which the exceeds the CEO's delegation).
- Contract term extensions requiring additional budget.

2.4 Internal Controls

Delegated officers involved in procurement will adhere to a framework of internal controls over procurement processes that will ensure:

- transparency in the procurement process;
- a clearly documented audit trail exists for procurement activities;
- appropriate authorisations are obtained and documented; and,
- systems are in place for appropriate monitoring and performance measurement.

2.5 Commercial Information

Procurement activities will be carried out in a way that supports Council staff in meeting their obligations - to ensure information of a commercially sensitive or confidential nature is obtained, stored, processed, published (where applicable) in an appropriate manner in accordance with the relevant Council guidelines.

2.6 Risk Management

2.6.1 General

Risk Management is to be appropriately applied at all stages of procurement activities which will be properly planned and carried out in a manner that will protect and enhance Council's capability to prevent, withstand and recover from interruption to the supply of goods, services and works.

2.6.2 Occupational Health and Safety

Health & Safety requirements throughout the lifecycle of the product or service being purchased shall be addressed prior to procurement in accordance with the Council Health & Safety Management System. Lifecycle includes usage of the plant/equipment or substance including maintenance and disposal. Reference should also be made to Council's Health & Safety Management System for additional requirements.

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2.6.3 Supply by Contract

The provision of goods, services and works by contract or quotation potentially exposes Council to risk.

Council will minimise its risk exposure by measures such as:

- standardising contracts to include current, relevant clauses;
- requiring security deposits where appropriate;
- referring specifications to relevant experts;
- requiring contractual agreement before allowing the commencement of work;
- use of or reference to relevant Australian Standards (or equivalent);
- effectively managing the contract including monitoring and enforcing performance;
- undertaking relevant financial checks of companies to ensure they are viable to undertake the contract; and,
- and obtaining copies of certificates of currency for relevant insurances.

2.7 Contract Terms

All contractual relationships must be documented in writing based on standard terms and conditions.

Where this is not possible, approval must be obtained from the appropriate member of Council staff listed in Council Delegations. A request for such an approval should be supported with procurement and legal advice as relevant.

Terms and conditions with a supplier must be settled in advance of any commitment being made. Any exceptions to doing this must be authorised by the appropriate member of Council staff listed in Council Delegations.

2.8 Endorsement

Council staff must not endorse any products or services. Individual requests received for endorsement must be referred to CEO or relevant Director.

2.9 Dispute Resolution

All Council contracts shall incorporate dispute management and alternative dispute resolution provisions, to minimise the risk to both parties of disputes leading to legal action.

2.10 Contract Management

The purpose of contract management is to ensure that Council, and where applicable its clients, receive the goods, services or works provided to the required standards of quality and quantity as intended by the contract by:

- establishing a system monitoring and achieving the responsibilities and obligations of both parties' under the contract;
- providing a means for the early recognition of issues and performance problems and the identification of solutions; and,
- adhering to Council's Risk Management Framework and adhering to relevant Occupational Health and Safety Contractor Compliance Procedures.

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3 Demonstrated Sustained Value

3.1 Integration with Council Strategy

Council procurement strategy shall support the Council Plan, aims and objectives, meeting the needs of the local community in the areas of:

- governance;
- prosperity;
- environment;
- community wellbeing;
- lifestyle; and,
- infrastructure.

3.2 Achieving value for money

3.2.1 Requirement

Council's procurement activities will be carried out on the basis of obtaining value for money.

This means minimising the total cost of ownership over the lifetime of the requirement consistent with acceptable quality, reliability and delivery considerations.

Lowest price is not the sole determinate of value for money.

In practice this means weighing up the benefits of the purchase against the cost of the purchase. Value for money factors needs to be specifically included in evaluation criteria and may include:

- fitness for purpose;
- maintenance and running costs over the lifetime of the product;
- the advantages of buying locally:
 - shorter delivery times;
 - local backup and servicing;
 - the availability of spare parts;
 - the contribution to the achievement of other government policy objectives, such as industry development and employment creation;
 - the potential for creating strategic partnerships and cooperative product development;
- quality assurance;
- risks;
- the capacity of the supplier;
- environmental considerations;
- energy conservation;
- ability to meet specified timelines; and,
- disposal value.

3.2.2 Approach

This will be facilitated by:

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- developing, implementing and managing procurement strategies that support the co-ordination and streamlining of activities throughout the lifecycle;
- effective use of competition;
- using aggregated contracts and SOA where appropriate;
- identifying and rectifying inefficiencies in procurement processes;
- developing cost efficient tender processes including appropriate use of e-solutions; and,
- Council staff responsible for providing procurement being acquired.

3.2.3 Role of Specifications

Specifications used in quotations, tenders and contracts are to support and contribute to Council's value for money objectives through being written in a manner that:

- ensures impartiality and objectivity;
- encourages the use of standard products;
- encourages sustainability;
- provides a clear understanding of the works required or goods to be supplied; and,
- eliminates unnecessarily stringent requirements.

3.3 Sustainability

3.3.1 General

Council is committed to achieving sustainability and ensuring it monitors and reports on Council activities and programs that have an impact on or contribute to the environment including but not limited to the following:

- waste management;
- recycling;
- energy management;
- emission management;
- water conservation;
- green building design; and,
- procurement.

3.3.2 Sustainable Procurement

Council is committed to adopting a Green Procurement approach by supporting the principles of sustainable procurement within the context of purchasing on a value for money basis.

Value for money purchasing decisions made by Council are made on the basis of whole-of-life cost and non-price factors including contribution to Council's sustainability objectives

Council prefers to purchase environmentally preferred products whenever they achieve the same function and value for money outcomes.

Council will therefore consider the following environmental sustainability criteria:

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- **Reduce, Reuse, and Recycle:**
Council is committed to reduce resources, consumption and minimise waste during the procurement life cycle including:
 - Council shall encourage and prefer Eco-friendly products which are more power efficient.
 - Selecting energy, fuel and water efficient products (ideally Energy and Water Star Ratings of 4 Star and above, and the highest Green Vehicle Guide star rating)
 - Council shall prefer to purchase from a source which is less polluting or uses clean technology
 - Council's procurement projects should automatically consider the provision of re-usable products and recycling as part of the project planning process, including the consideration of whole-life costs and disposal considerations.
- **Buy Recycled:**
Council is committed to buy recycled/part recycled products to optimise consumption and stimulate demand for recycled products, promoting the collection and reprocessing of waste and working towards zero discharge to landfill.
- **Green the Supply Chain:**
Council will encourage suppliers to adopt good environmental practices. Council will promote green procurement throughout its supply chain and will give preference to selection which has minimum environmental impact.

3.4 Diversity

Promoting equality through procurement can improve competition, value for money, the quality of public services, satisfaction among users, and community relations.

Diversity should be a consideration in every procurement project and reflect corporate commitment to diversity and equal opportunities.

The Victorian *Charter of Human Rights* will be considered as part of the procurement process. Successful suppliers will be asked to show compliance with the Charter.

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3.5 Support of Local Business

Council is committed to buying from local business where such purchases may be justified on value for money grounds.

In the evaluation of all public tenders a 5% weighting shall be given to suppliers who demonstrate how they intend to support local suppliers, contractors and services.

This condition is mandatory for all public tenders. It should be considered as a criterion for quotes.

Local is defined as within the Corangamite Shire.

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Corangamite Shire Council Policy - Procurement

4 Apply a Consistent and Sustained Approach

4.1 Standard Processes

Council will provide effective commercial arrangements covering standard products and provision of standard services across Council to enable employees to source requirements in an efficient manner.

This will be achieved via establishing the following:

- pricing where relevant;
- processes, procedures and techniques;
- tools and business systems (e.g. implementing appropriate e-tendering, e-evaluation; e-catalogue or e-sourcing arrangements);
- reporting requirements; and,
- application of standard contract terms and conditions.

4.2 Management Information

Council seeks to improve its' performance by capturing and analysing procurement management information in a variety of areas, including:

- volume of spend;
- number of transactions per supplier;
- supplier performance;
- user satisfaction;
- category management; and,
- green spend.

The Contracts Administration Officer will complete desktop audits of organisational purchasing. Reports will be provided to the Senior Officer Group monthly including information on:

- dollar value by supplier;
- if purchasing process is compliant , requires investigation, non-compliant or is a procedural exemption;
- purchases without purchase orders; and
- purchases from suppliers approaching tender thresholds,
- all approved procedural exemptions.

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Corangamite Shire Council Policy - Procurement

5 Build and Maintain Supply Relationships

5.1 Developing and Managing Suppliers

Council recognises that in order to achieve value for money, a strategic assessment of the appropriate 'channel to market' should be undertaken – whether to go to market on its own, participate in regional or sector aggregated projects or panels, access State Government panel agreements or other means.

Council will consider supply arrangements that deliver the best value outcomes in terms of time, expertise, cost, value and outcome.

Council recognises the importance of effective and open working relationships with its suppliers and is committed to:

- managing existing suppliers, via the appropriate development programmes and performance measurements;
- developing new suppliers and improving the capability of existing suppliers where appropriate.

5.2 Supply Market Development

A wide range of suppliers should be encouraged to compete for Council work. The focus for new work need not always be with the larger more familiar businesses. Other types of organisations offering business diversity include:

- Local businesses
- Green suppliers
- Small to medium sized enterprises (SME's)
- Social enterprises
- Ethnic and minority business

5.3 Relationship Management

Council is committed to developing constructive long-term relationships with suppliers.

It is important that Council identifies its key suppliers so that its efforts are focused to best effect. Such areas may include:

- size of spend across Council;
- criticality of goods / services, to the delivery of Council's services;
- availability of substitutes; and,
- market share and strategic share of suppliers

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Corangamite Shire Council Policy - Procurement

6 Continual Improvement

Council is committed to continuous improvement and will review the procurement policy on an annual basis in line with the Act and to ensure that it continues to meet its wider strategic objectives.

7 Policy Owner

Manager Finance

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

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Corangamite Shire Council Policy - Procurement

Attachment 1- Procedural Exceptions Memo

Part of the goals of Corangamite's procurement policy is to:

- Achieve value for money and quality in the acquisition of goods, services and works by Council;
- demonstrate that public money has been well spent;
- procurements are conducted, and are seen to be conducted, in an impartial, fair and ethical manner.

There are limited circumstances in which there may be legitimate reasons compliance with the minimum spend competition thresholds are not met. This manifests itself by negotiation directly with suppliers without the prescribed competitive quotations or tender process.

The following factors provide guidance in identifying and documenting such circumstances:

1. Emergency – applies when there is extreme urgency brought about by events unforeseen by the organisation and the property or services cannot be obtained in time through an open tender or quotation process.
2. Sole Supplier / Insufficient Quotes – when it is clear beyond doubt that there are not sufficient suppliers to provide requisite quotes. Documentation of recent market testing and well defined specifications of the goods and services sought is required.
3. Scope Change – when there is unforeseen need to alter the scope of the project in a minor way and the cost of obtaining further quotations or retendering will outweigh the potential benefits.
4. Exceptionally Advantageous Time-limited Conditions – this includes unusual disposals by suppliers, unsolicited innovative proposals, liquidation, bankruptcy, or receivership and which are not routine purchases from regular suppliers.
5. Intellectual Property – where the property or services can only be supplied by a particular business and no other reasonable alternative or substitute exists, namely for a work of art; or to protect patent, copyright, or other exclusive right, proprietary information, software as some examples.
6. Absence of Competition – for technical reasons where products are limited by patents or licences. To be supported by comprehensive market research and demonstrated organisational benefits.
7. Support From Original Supplier – for additional property or services by the original supplier or authorised representative where a change in supplier would compel the agency to procure property or services that do not meet the requirements of compatibility with existing services. For example spare parts for vehicles and plant.

The following factors are not reasons that justify seeking a procedural exception:

- Completion of projects prior to end of financial year. Projects should be well planned to avoid end of year deadlines.
- Use of the “emergency” category should not substitute for good project planning.
- Desire to include only certain suppliers because of previous relationships.
- Working with and expending Council funds through a community group.

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CORANGAMITE
SHIRE

To:	Choose an item.
From:	Click here to enter Name, Title.
CC:	Contracts Administration Officer
Date:	Click here to enter a date.
Topic:	Click here to enter text.

Purpose

To seek an exemption from the Procurement Policy on the following grounds:

- 1. Emergency
- 2. Sole Supplier / Insufficient Quotes (document market testing)
- 3. Scope Change
- 4. Exceptionally Advantageous Time-limited Conditions
- 5. Intellectual Property
- 6. Absence of Competition
- 7. Support From Original Supplier

Supplier: Click here to enter text.

Value: Click here to enter text.

Approval for this exemption must be gained prior to the procurement being undertaken.

Background

Issue

Adopted by Council on:
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Recommendation

Prepared by:

[Click here to enter Name, Title.](#)

[Click here to enter a date.](#)

Signature:

Approved by:

[Choose an item.](#)

[Click here to enter a date.](#)

Signature:

Adopted by Council on:
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Attachment 2 – Delegations

Position Title	Purchasing Limit	Acceptance of Tenders	Acceptance of Quotes	Extensions Works Within Budget	Amendment - Non-financial	Amendment – Financial	Procedural Exceptions	Comments
Accountant	\$1,000	No	Yes	No	No	No	No	Term Deposits & EFT transfer authorisation up to \$2 million with a 2 nd authorisation
Accounting Officer	\$1,000	No	Yes	No	No	No	No	EFT transfer authorisation up to \$2 million with a 2 nd authorisation.
Accounts Receivable Officer	\$1,000	No	Yes	No	No	No	No	Debt collection charges & EFT transfer authorisation up to \$2 million with a 2 nd authorisation.
Administration Officer – Building and Planning	\$1,000	No	Yes	No	No	No	No	
Administration Officer – Community Services	\$1,000	No	Yes	No	No	No	No	
Administration Officer – Governance	\$2,000	No	Yes	No	No	No	No	
Administration Coordinator – Home and Community Care	\$5,000	No	Yes	No	No	No	No	
Administration Officer – Environment and Emergency	\$1,000	No	Yes	No	No	No	No	
Administration Coordinator – Works and Services	\$10,000	No	Yes	No	No	No	No	\$50K for works awarded under tender and relevant to works and services area

Adopted by Council on:

Agenda Item:

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Department: Finance

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Position Title	Purchasing Limit	Acceptance of Tenders	Acceptance of Quotes	Extensions Works Within Budget	Amendment - Non-financial	Amendment - Financial	Procedural Exceptions	Comments
Administration Officer – Works and Services	\$10,000	No	Yes	No	No	No	No	
Administration Officer – Sustainable Development	\$1,000	No	No	No	No	No	No	
Aged and Disabled Services Coordinator	\$10,000	No	Yes	No	No	No	No	
Assessment Officer	\$1,000	No	Yes	No	No	No	No	
Assets Field Officer	\$1,000	No	Yes	No	No	No	No	
Assets/GIS Officer	\$1,000	No	Yes	No	No	No	No	
Bridge Technician	\$5,000	No	No	No	No	No	No	
Carpenters	\$5,000	No	No	No	No	No	No	
Chief Executive Officer	\$250,000 or \$500,000	Yes	Yes	Yes	Yes	Yes	Yes	Unlimited if approved by Council or in an emergency. Up to \$500,000 for procurement activity in accordance with clause 2.13 of this policy.
Communications Officer	\$10,000	No	Yes	No	No	No	No	
Community Care Respite Worker – Respite	\$1,000	No	No	No	No	No	No	
Contracts Administration Coordinator	\$10,000	No	Yes	Yes	Yes	No	No	

Adopted by Council on:
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Position Title	Purchasing Limit	Acceptance of Tenders	Acceptance of Quotes	Extensions Works Within Budget	Amendment - Non-financial	Amendment - Financial	Procedural Exceptions	Comments
Community Relations Officer	\$1,000	No	Yes	No	No	No	No	
Community Development Officer	\$10,000	No	Yes	Yes	Yes	No	No	
Director Corporate and Community Services	\$75,000	Yes	Yes	Yes	Yes	Yes	Yes	Term deposits & EFT transfer authorisations up to \$5 Million with a 2nd authorisation. Payment of Fire Services Levies for all amounts due to the State Government are permitted. Up to \$5M for the approval of contracts and purchase orders created using the Contracts Module in Techone and that have been approved by Council previously.
Director Sustainable Development	\$75,000	Yes	Yes	Yes	Yes	Yes	Yes	
Director Works and Services	\$75,000	Yes	Yes	Yes	Yes	Yes	Yes	
Early Years Coordinator	\$10,000	No	Yes	No	No	No	No	
Economic Development Officer	\$5,000	No	Yes	No	No	No	No	
Emergency Management Officer	\$10,000	No	No	No	No	No	No	
Engineer – Assets and Design	\$1,000	No	Yes	No	No	No	No	

Adopted by Council on:
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Position Title	Purchasing Limit	Acceptance of Tenders	Acceptance of Quotes	Extensions Works Within Budget	Amendment - Non-financial	Amendment - Financial	Procedural Exceptions	Comments
Engineer – Works	\$10,000	Yes	Yes	Yes	Yes	No	No	\$50K for works awarded under tender and relevant to Works Area
Environment Coordinator	\$10,000	No	Yes	Yes	Yes	No	No	
Environmental Health Officer	\$1,000	No	No	No	No	No	No	
Environment Officer	\$10,000	No	Yes	Yes	No	No	No	
Environment Project Officer	\$10,000	No	Yes	Yes	Yes	No	No	
Executive Services and Governance Co-ordinator	\$10,000	No	Yes	No	No	No	No	
Family Day Care Coordinator	\$5,000	No	Yes	Yes	Yes	No	No	
ICT/GIS Officer	\$10,000	No	Yes	No	No	No	No	
Human Resource Officer	\$1,000	No	Yes	No	No	No	No	
Immunisation and Maternal & Child Health Coordinator	\$10,000	No	Yes	No	No	No	No	
Infrastructure Projects Officer	\$10,000	No	Yes	Yes	No	No	No	
IT Network Support Officer	\$10,000	No	Yes	Yes	Yes	No	No	
IT Officer	\$10,000	No	Yes	Yes	No	No	No	
Kindergarten Educator	\$1,000	No	Yes	No	No	No	No	
Local Laws Officer	\$1,000	No	Yes	No	No	No	No	

Adopted by Council on:

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Position Title	Purchasing Limit	Acceptance of Tenders	Acceptance of Quotes	Extensions Works Within Budget	Amendment - Non-financial	Amendment - Financial	Procedural Exceptions	Comments
Manager – Assets Planning	\$25,000	Yes	Yes	Yes	Yes	Yes	No	
Manager – Growth and Engagement	\$25,000	Yes	Yes	Yes	Yes	Yes	No	
Manager – Finance	\$25,000	Yes	Yes	Yes	Yes	Yes	No	Term deposits & EFT transfer authorisations up to \$5 Million with a 2nd authorisation. Payment of Fire Services Levies for all amounts due to the State Government are permitted. Up to \$5M for the approval of contracts and purchase orders created using the Contracts Module in Techone and that have been approved by Council previously.
Manager – Human Resources and Risk	\$25,000	Yes	Yes	Yes	Yes	Yes	No	
Manager – Community Services	\$25,000	Yes	Yes	Yes	Yes	Yes	No	
Manager – Information	\$25,000	Yes	Yes	Yes	Yes	Yes	No	
Manager – Environment and Emergency	\$25,000	Yes	Yes	Yes	Yes	Yes	No	
Manager – Facilities and Recreation	\$25,000	Yes	Yes	Yes	Yes	Yes	No	

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Corangamite Shire Council Policy - Procurement

Position Title	Purchasing Limit	Acceptance of Tenders	Acceptance of Quotes	Extensions Works Within Budget	Amendment - Non-financial	Amendment - Financial	Procedural Exceptions	Comments
Manager – Planning and Building	\$25,000	Yes	Yes	Yes	Yes	Yes	No	
Manager – Works	\$25,000	Yes	Yes	Yes	Yes	Yes	No	
Manager – Works (Vehicle Purchases Only)	\$50,000	Yes	Yes	Yes	Yes	Yes	No	Vehicle Purchases Only
Mobile Child Care Coordinator	\$10,000	No	Yes	No	No	No	No	
Municipal Building Surveyor	\$1,000	No	No	No	No	No	No	
Occupational Health and Safety Officer	\$1,000	No	Yes	No	No	No	No	
Parks and Gardens Co-ordinator	\$10,000	No	No	No	No	No	No	
Payroll Officer	\$2,000	No	Yes	Yes	Yes	No	No	Payroll related issues only & EFT transfer authorisation up to \$2 million with a 2nd authorisation
Plant Maintenance Co-ordinator	\$5,000	No	Yes	No	No	No	No	
Projects Support Officer	\$1,000	No	Yes	No	No	No	No	
Property Officer	\$10,000	No	Yes	No	No	No	No	
Rates Revenue Coordinator	\$10,000	No	Yes	No	No	No	No	Payment of Fire Services Levies for all amounts due to the State Government are permitted.
Records Coordinator	\$1,000	No	Yes	No	No	No	No	

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Position Title	Purchasing Limit	Acceptance of Tenders	Acceptance of Quotes	Extensions Works Within Budget	Amendment - Non-financial	Amendment - Financial	Procedural Exceptions	Comments
Recreation Officer – Camperdown Stadium	\$1,000	No	No	No	No	No	No	
Recreation Officer – Timboon Stadium	\$1,000	No	No	No	No	No	No	
Risk Management Coordinator	\$1,000	No	Yes	No	No	No	No	
Sport and Recreation Coordinator	\$10,000	No	Yes	Yes	Yes	No	No	
Statutory Planner	\$1,000	No	Yes	No	No	No	No	
Strategic System Analyst	\$5,000	No	Yes	No	No	No	No	
Store Clerk	\$10,000	No	Yes	Yes	Yes	No	No	
Team Leader – Building Works Officer	\$10,000	No	Yes	Yes	Yes	No	No	
Team Leader – Landfill	\$10,000	No	Yes	Yes	Yes	No	No	
Team Leader – Parks and Gardens	\$10,000	No	Yes	Yes	Yes	No	No	
Team Leader – Plant Maintenance	\$10,000	No	Yes	Yes	Yes	No	No	
Team Leader – Plant Maintenance	\$50,000	No	Yes	Yes	Yes	No	No	Spare parts

Adopted by Council on:

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Department: Finance

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Corangamite Shire Council Policy - Procurement

Attachment 3 – Exemptions from purchase orders requirements.

- Legal advice or legal services.
- Grants approved by Council.
- Sundry items for staff amenities, including water, milk and newspapers.
- Utility accounts such as power, gas and water.
- Audit services under contract
- Statutory payments such as EPA Levy and Fire Services Property Levy.
- Lease payments for equipment.
- Insurance Payments
- Fuel (on account)
- Australia Post
- Bank fees
- Annual subscriptions
- Memberships
- Waste collected from Council Landfill and to be disposed of by third parties

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Position Title	Purchasing Limit	Acceptance of Tenders	Acceptance of Quotes	Extensions Works Within Budget	Amendment - Non-financial	Amendment - Financial	Procedural Exceptions	Comments
Team Leader – Works	\$10,000	No	Yes	Yes	Yes	No	No	
Team Leader Assistant – Works	\$5,000	No	Yes	Yes	Yes	No	No	
Works Technical Support Officer	\$10,000	No	Yes	Yes	Yes	No	No	
Visitor Information Centre Coordinator	\$1,000	No	No	No	No	No	No	
Youth Development Officer	\$5,000	No	Yes	Yes	Yes	No	No	

Adopted by Council on:

Agenda Item:

Responsibility: Manager Finance

Department: Finance

To be reviewed:

File Number:

9.3 Asset Valuation and Revaluation Policy

Author: Adam Taylor, Manager Finance

Previous Council Reference: Nil

Declaration

Acting Chief Executive Officer – David Rae

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

Author - Adam Taylor

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

Summary

This report recommends Council review the Asset Valuation and Revaluation Policy dated September 2019 as attached.

Introduction

The Asset Valuation and Revaluation Policy is due for review. The policy has been reviewed by management and no amendments are proposed.

Issues

It is a legislative requirement that Council completes financial valuations of its non-current assets. A primary outcome of this requirement is that Council's Balance Sheet will reflect the Fair Value of Council's portfolio of non-current assets. Knowledge of current asset values is essential for the efficient and effective management of assets. Current asset valuation information can assist in making decisions regarding the allocation of resources to those assets.

Prior to the development of this policy Council revalued its non-current assets on an infrequent and ad-hoc basis. The Policy seeks to standardise the process and provide guidance on how often classes of assets need to be revalued (refer Appendix A of the policy).

Policy and Legislative Context

The annual review of the Policy is in accordance with the following 2017-2021 Council Plan commitments:

We are committed to ensuring the ethical behaviour of Councillors and staff, maintaining good governance and remaining financially sustainable.

Council will make budgetary decisions that ensures Council remains in a strong financial position now and into the future.

Internal / External Consultation

The Asset Valuation and Revaluation Policy has been reviewed by the Finance Manager. The draft Policy was considered by Council's Audit Committee on 12 September 2019.

Financial and Resource Implications

There are no financial and resource implications as a consequence of adopting the Asset Valuation and Revaluation Policy.

Options

Council may choose to adopt this Asset Valuation and Revaluation Policy, make changes to the policy or it may choose to not adopt the policy.

Conclusion

This Asset Valuation and Revaluation Policy is due for review. The policy has been reviewed by management and no amendments are proposed.

RECOMMENDATION

That Council:

1. Revokes the previous Asset Valuation and Revaluation Policy dated April 2017.
2. Adopts the Asset Valuation and Revaluation Policy dated September 2019.

COUNCIL RESOLUTION

MOVED: Cr Beard
SECONDED: Cr Gstrein

That the recommendation be adopted.

CARRIED

Attachments

1. Asset Valuation and Revaluation Policy - DRAFT September 2019



**CORANGAMITE
SHIRE**

Asset Valuation and Revaluation Policy

Corangamite Shire
September 2019

Council Policy



Asset Valuation and Revaluation Policy

Introduction

This policy contains administrative provisions for the process of revaluation of Council's assets in accordance with Australian Accounting Standards. It is a legislative requirement that Council completes financial valuations of its non-current assets. A primary outcome of this requirement is that Council's Balance Sheet will reflect the Fair Value of Council's portfolio of non-current assets. Knowledge of current asset values is essential for the efficient and effective management of assets. Current asset valuation information can assist in making decisions regarding the allocation of resources to those assets.

Purpose

The purpose of this policy is to provide a framework for the efficient and effective administration of Council's assets with regard to fair value and to ensure asset values are reviewed in accordance with applicable Australian Accounting Standards.

Scope

This policy applies to all of Council's asset classes. The Policy covers financial valuation of non-current physical assets subsequent to initial recognition, including:

- Frequency and method of valuation and revaluation; and
- Roles and responsibilities.

This Policy excludes:

- Insurance valuations; and
- 'held for sale' valuations.

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

Definitions

Accounting Standard AASB 116, Property, Plant & Equipment - prescribes the accounting treatment for property, plant and equipment and provides for assets initially recognised at cost to be subsequently measured at either Fair Value or Cost. Whichever valuation basis is selected, Council shall apply that approach to an entire Asset Class.

Accounting Standard AASB 1041, Revaluation of Non-Current Assets - outlines the application of the Fair Value approach to valuation, prescribes the method of accounting for revaluation increments and decrements and specifies rules relating to the frequency of revaluation.

Assets – infrastructure such as buildings, roads, stormwater drainage and non-infrastructure such as land, plant and equipment.

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Corangamite Shire Council Policy – Asset Valuation and Revaluation Policy

Asset Class – a group of assets having a similar nature or function e.g. road, footpath, building. The Asset Class is the material level at which Council will prepare the annual balance sheet for reporting in the Annual Report; for example, the Roads Asset Class might include Asset Categories such as sealed roads, unsealed roads etc.

Asset Condition Assessment - The process of continuous or periodic inspection, assessment, measurement and interpretation of resultant data to indicate the condition of a specific asset so as to determine the need for some preventative or remedial action.

Depreciation Expense - the systematic allocation of the depreciable amount of an asset over its useful life. A systematic charge against revenue made for the purpose of allocating the depreciable amount of a depreciable asset over its useful life. Also known as Annual Depreciation or Depreciation Charge.

Fair Value - the amount for which an asset could be exchanged, or liability settled between knowledgeable, willing parties in an arm's length transaction.

Market Value - The estimated amount at which an asset would be exchanged on the date of valuation between knowledgeable, willing parties in an arm's length transaction.

Non-Current Asset - A non-current asset is an asset that is not likely to turn to unrestricted cash within one financial year.

Revaluation - the act of recognising a reassessment of values of non-current assets at a particular date.

Useful Life (UL) - The period over which an asset is expected to be available for use by an entity. Also known as Service Life or Functional Life.

- *Remaining Useful Life (RUL)* - the time remaining until an asset ceases to provide the required service level or economic usefulness. Age plus remaining useful life is useful life. Also known as Remaining Life or Remaining Economic Life.

Valuation - the process of determining the worth of an asset or liability. Different valuation methods may be appropriate in different circumstances

Written Down Value (WDV) - The amount at which an asset is recognised after deducting any accumulated depreciation and any accumulated impairment losses. Also known as Carrying Amount, Written Down Replacement Cost or Book Value.

Policy Detail

Council will undertake periodic revaluation of all non-current physical assets owned or managed by Council in accordance with relevant Australian Accounting Standards and State Government Guidelines

In implementing this Policy, Council will:

- Review annually the need for revaluation of Council owned or controlled non-current asset classes, based on the materiality of valuation movement;
- Require valuations in accordance with the Asset Valuation and Revaluation Policy, ensuring that each Asset Class is revalued in a consistent manner and with appropriate frequency.
- Require that the frequencies of condition assessments, for each Asset Class, are conducted in accordance with Appendix A: Condition and Revaluation schedule.

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File Number:

Department: Finance
To be reviewed by: September 2022

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Corangamite Shire Council Policy – Asset Valuation and Revaluation Policy

Responsibilities

Chief Executive Officer

The Chief Executive Officer is responsible for:

- Implementation of the Policy.

Directors responsible for Asset Classes

The Directors of each Asset Class are responsible for:

- Ensuring condition assessments are completed according to the policy.

Finance Department

The Finance Manager (or their delegate) is responsible for:

- Coordination of corporate financial valuation process
- Managing and keeping the corporate finance system up to date
- Reporting of fair value in the financial statements, including impairment.

Audit Committee

The Audit Committee is responsible for:

- Review of the Asset Valuation & Revaluation Policy as required
- Overseeing compliance with the policy.

Review Date

September 2022

Adopted at Council on:
Agenda Item:
Responsibility: Manager Finance
File Number:

Department: Finance
To be reviewed by: September 2022

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APPENDIX A: CONDITION & REVALUATION SCHEDULE

Asset Class	Depreciation Method	Valuation Source	Condition Assessment Frequency (Years)	Fair Value Assessment (Years) ¹
Bridges & Major Culverts	Condition Based	Unit Rates	5	1
Buildings	Condition Based	Unit Rates	3	1
Car Parks	Condition Based	Unit Rates	5	1
Culverts	Condition Based	Unit Rates	5	1
Drainage	Straight Line	Unit Rates	N/A ²	1
Footpaths	Condition Based	Unit Rates	5	1
Kerb & Channel	Condition Based	Unit Rates	5	1
Land	N/A	External Valuer	N/A	N/A
Roads	Condition Based	Unit Rates	3	1
Bus Shelters	Straight Line	Historic Cost	N/A	N/A
Light Fleet	Straight Line	Historic Cost	N/A	N/A
Heavy Fleet	Straight Line	Historic Cost	N/A	N/A
Play Grounds	Straight Line	Historic Cost	N/A	N/A
Street Furniture	Straight Line	Historic Cost	N/A	N/A
Computer, IT and audit visual equipment	Straight Line	Historic Cost	N/A	N/A

¹Fair Value assessments will only be processed through the accounts if the amounts are material

²The cost to provide condition assessments for drainage assets is prohibitive

Adopted at Council on:
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 Responsibility: Manager Finance
 File Number:

Department: Finance
 To be reviewed by: September 2022
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9.4 Innovation and Entrepreneur Program Policy

Author: Rory Neeson, Manager Growth and Engagement

File No:

Previous Council Reference: Nil

Declaration

Acting Chief Executive Officer – David Rae

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

Author - Rory Neeson

In providing this advice to Council as the Acting Director Sustainable Development, I have no interests to disclose in this report.

Summary

This report proposes that Council adopt the Innovation and Entrepreneur Program Policy (IEP) to allow Council to deliver its new grant program for small business in the Shire.

Introduction

The IEP is a new grants program that Council has allocated funding to in its 2019-2020 budget.

The aim of the program is to encourage businesses (both new and existing) located in the Corangamite Shire to complete new, innovative projects that benefit their business while looking to increase economic activity and have a positive impact on the local economy.

The program has been created in response to feedback from businesses who have discussed how there is very little opportunity to access small amounts of funding to complete improvements to their business while also trying to encourage innovation amongst our businesses in the Shire.

The program is seen as a point of difference for Corangamite Shire with no other councils locally offering programs like the IEP, which has the potential to drive economic and employment benefits for the Shire.

Issues

The aim of the IEP is to encourage new and innovative projects to be completed by small businesses that will have a positive impact on both the business and broadly on economic activity in the Shire.

Priority will be given to projects that look at new and innovative ways to do business however, all small businesses looking to complete an upgrade or looking at ways to improve/upgrade how they do business are encouraged to apply.

The following restrictions would apply to businesses wanting to participate in the program:

- Council will not grant funds for the program retrospectively
- Council will not provide funds for ongoing or administrative costs not directly related to the project including the funding of staff
- Council will not provide funds for purchasing of temporary equipment (e.g. ladders, gurneys, scaffolding, and safety barriers.) Hiring of equipment is permitted when related directly to the project
- Applicants must be able to fund the cost of the works upfront and then Council will pay its contribution following the completion of works through an acquittal process
- Council will not grant funds for works where a planning/building permit has been refused
- Council will not grant funds for external façade improvements.

To be eligible for the program applicants must:

- Have read and have an understanding of the program guidelines
- Complete an IEP application form including all associated documentation and application forms (including relevant building and planning applications where applicable)
- Have the building owners consent where required
- Have an Australian Business Number (ABN)
- Be located within the Corangamite Shire or planning to re-locate to the municipality within three months of applying for the grant
- Have 20 or fewer full-time equivalent employees
- Have no outstanding debts with the Corangamite Shire.

The program is open to both new and existing businesses.

Businesses can apply on a \$1:\$1 basis to complete improvements with the amount capped at \$5,000 (exc. GST) per business.

To apply for funding as part of the program, businesses would be required to complete an application form and provide all required documentation. An understanding of the program guidelines would also be essential to ensure they are aware of what is required to be completed as part of the program.

Planning fees (where relevant) will be contributed by Council as part of the program to encourage participation however any relevant building permit fees would still apply. Building permit fees would not be able to be funded through the program.

The funding that will be made available as part of the program, will only be provided to the businesses following the conclusion of the works once the acquittal process has been completed.

As part of the financial reconciliation process, businesses would be required to provide proof of all purchases and works before being able to receive the funding which would be provided following the conclusion of works.

The program will commence with an application period running from October 2019 until November 2019. Following this period an internal committee will evaluate the applications and a report would be prepared for a Council Meeting in December 2019 to allow Councillors to decide on which businesses would be funded as part of the program.

Criteria for the program would include:

- the project (30%)
- innovation (25%)
- economic benefits (15%)
- timeframe/project readiness (10%)
- correct documentation (20%).

Once a decision has been made by Council, businesses would then have until June 2020 to complete all proposed works and would need to forward all associated documentation including invoices, photos and proof of works so that Council can reimburse agreed expenses. All claims must be submitted by the end of June 2020, so the grant can be acquitted in the 2019-2020 financial year unless otherwise agreed.

Businesses will be required to complete a follow up report twelve months after receiving the funding to detail how successful their project/idea has been and the benefits of participating in the program.

Policy and Legislative Context

This new program is consistent with the following Council Plan 2017-2021 objectives as part of the Vibrant Economy, Agriculture and Tourism theme:

We value the importance of local business to our economy and the overall prosperity of Corangamite Shire.

Maintain our competitive advantage as an “investment friendly” council and a leader in local economic development.

The program also aligns with Council’s Economic Development Strategy and would be completed in accordance with Council’s Grants Policy.

Internal / External Consultation

The program has been developed following extensive feedback from businesses which are unable to access small amounts of funding to complete improvement works to their business. The program has also received input from Council’s Building and Planning team. Being a new program, Council will complete a review after the first year to ensure it is achieving its aim for both Council and businesses who apply to the program.

Financial and Resource Implications

The IEP has a \$50,000 budget allocation in the 2019-2020 Budget to create a fund for businesses to apply to as part of the program.

Businesses can apply on a \$1:\$1 basis to complete improvements to their businesses with the amount capped at \$5,000 (exc. GST) per business.

Planning fees are proposed to be waived by Council as part of the program to encourage participation, however, any relevant building permit fees would still apply.

Options

Council may choose to adopt this IEP Policy, make changes to the policy or it may choose to not adopt the policy.

Conclusion

The IEP will provide businesses owners/operators from across the Shire with an incentive to continue to invest in projects or opportunities that benefit both their business and the Shire.

The program is seen as innovative, responsive to feedback from businesses and another way Council can continue to be a leader in local economic development and support small businesses in the Shire.

RECOMMENDATION

That Council adopt the Innovation and Entrepreneur Program Policy dated September 2019.

COUNCIL RESOLUTION

MOVED: Cr Oakes

SECONDED: Cr Brown

That the recommendation be adopted.

CARRIED

Attachments

1. Policy Council Growth and Engagement Innovation and Entrepreneur Program

Mr Adam Taylor, Manager Finance left the meeting at 7.30 pm.



**CORANGAMITE
SHIRE**

Innovation and Entrepreneur Program Policy

Corangamite Shire
September 2019



Council Policy

Innovation and Entrepreneur Program

Introduction

This policy details how Council will implement an Innovation and Entrepreneur Program (IEP).

Purpose

The purpose of the IEP is to encourage businesses (both new and existing) located in the Corangamite Shire to undertake innovative and/or entrepreneur works to their business.

Scope

All small businesses located in the Corangamite Shire will be eligible to be part of this program subject to meeting the requirements of the program.

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

Definitions

Council – Corangamite Shire Council

Program – Innovation and Entrepreneur Program

References

Corangamite Shire Economic Development Strategy

Corangamite Shire Grants Policy

Policy Detail

This program has been created to encourage new and innovative projects to be completed by small businesses that will have a positive impact on both the business and broadly economic activity in the Shire.

Priority will be given to projects that look a new and innovative ways to do business however all small businesses looking to complete an upgrade or looking at ways to improve/upgrade how they do business are encouraged to apply.

The following restrictions would apply to businesses wanting to participate in the program.

- Council will not grant funds for the program retrospectively;
- Council will not provide funds for ongoing or administrative costs not directly related to the project including the funding of staff;
- Council will not provide funds for purchasing of temporary equipment (e.g. ladders, gurneys, scaffolding, and safety barriers.) Hiring of equipment is permitted when related directly to the project;
- Applicants must be able to fund the cost of the works upfront and then Council will pay its contribution following the completion of works through an acquittal process;

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Corangamite Shire Council – Innovation and Entrepreneur Program

- Council will not grant funds for works where a planning/building permit has been refused;
- Council will not grant funds for external façade improvements.

To be eligible for the program applicants must:

- Have read and have an understanding of the program guidelines;
- Complete an IEP application form including all associated documentation and application forms (including relevant building and planning applications where applicable)
- Have the building owners consent where required;
- Have an Australian Business Number (ABN);
- Be located within the Corangamite Shire or planning to re-locate to the municipality within three months of applying for the grant;
- Have 20 or fewer full-time equivalent employees;
- Have no outstanding debts with the Corangamite Shire.

The program is open to both new and existing businesses.

Businesses can apply on a \$1:\$1 basis to complete improvements with the amount capped at \$5,000 (exc. GST) per business.

An example of a business applying to the program would be:

- Business - \$5,000 (exc. GST)
- Council - \$5,000 (exc. GST)
- Total cost - \$10,000 (exc. GST)

Businesses will be able to contribute over the \$5,000 amount if they want to complete a more significant project but would still only be eligible for \$5,000 (exc. GST) from Council.

If a business only wanted to complete a minor project, they could apply to the fund for an amount under \$5,000. An example of this would be:

- Business - \$2,500 (exc. GST)
- Council - \$2,500 (exc. GST)
- Total cost - \$5,000 (exc. GST)

To apply for funding as part of the program, businesses would be required to complete an application form and provide all required documentation. An understanding of the program guidelines would also be essential to ensure they are aware of what is required to be completed as part of the program.

Planning fees (where relevant) will be contributed by Council as part of the program to encourage participation however any relevant building permit fees would still apply. Building permit fees would not be able to be funded through the program.

The funding that will be made available as part of the program, will only be provided to the businesses following the conclusion of the works once the acquittal process has been completed.

As part of the financial reconciliation process, businesses would be required to provide proof of all purchases and works before being able to receive the funding which would be provided following the conclusion of works.

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Corangamite Shire Council – Innovation and Entrepreneur Program

The program will commence with an application period running from October 2019 until November 2019. Following this period an internal committee will evaluate the applications and a report would be prepared for a Council Meeting in December 2019 to allow Councillors to decide on which businesses would be funded as part of the program.

Criteria for the program would include:

- the project (30%)
- innovation (25%)
- economic benefits (15%)
- timeframe/project readiness (10%)
- correct documentation (20%).

Once a decision has been made by Council, business would then have until June 2020 to complete all proposed works and would need to forward all associated documentation including invoices, photos and proof of works so that Council can reimburse agreed expenses. All claims must be submitted by the end of June 2020 so the grant can be acquitted in the 2019-2020 financial year unless otherwise agreed.

Businesses will be required to complete a follow up report twelve months after receiving the funding to detail how successful their project/idea has been and the benefits of participating in the program.

Review Date

June 2020.

Adopted at Council on: Insert date
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Document Number:

Department: Growth and Engagement
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9.5 Records Management Policy 2019

Author: Leah Teal, Records Coordinator

File No:

Previous Council Reference: Nil

Declaration

Acting Chief Executive Officer – David Rae

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

Author - Leah Teal

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

Summary

This report recommends the adoption of a revised Records Management Policy (see attached).

The current Records Management Policy was adopted by Council in August 2016. This Policy has included amendments that cover both internal and external record keeping, including Councillor responsibilities and therefore requires Council adoption. There are minimal changes proposed.

Introduction

The Records Management Policy is a general policy designed to outline and assist the way in which Council administers the management of its records. The aim of this policy is to establish a framework for Council when managing its records. This framework is intended to identify the record keeping responsibilities for employees, Councillors, and volunteers of Council.

Council records are all records created, collected and held by Council, by all staff, consultants, contractors, the Mayor, Councillors, and volunteers employed or engaged by the Council.

Issues

Council is committed to meeting its responsibilities under the *Public Records Act 1973 (Victoria)* and to implement best practice in its document and records management practices and systems. The updated Records Management Policy is essential to remain compliant and ensure effective records management within Council.

Changes have been made to the Policy to ensure references are made to current legislation, Council policy, officer titles, as well as the change of Council's records management system to Enterprise Content Manager (ECM).

Policy and Legislative Context

The Records Management Policy is consistent with relevant legislation including the *Local Government Act 1989* and the *Public Records Act 1973*. This policy should be read along with these Acts and other relevant legislation as referred to within the body of the document.

The Records Management Policy is also in keeping with the following commitments in the Council Plan:

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 Chief Executive Officer, Directors and Manager Information have been consulted regarding the review of the policy.

Financial and Resource Implications

There will be no costs associated with the implementation of the Records Management Policy.

Options

Council may choose to adopt the Records Management Policy as prepared with or without amendment or choose not to adopt the policy.

Conclusion

The revised Records Management Policy is a necessary update of Council's policy, which reflects the need to ensure compliance with legislative standards when administering the management and monitoring of Council's records.

RECOMMENDATION

That Council:

- 1. Revokes the Records Management Policy dated August 2016.**
- 2. Adopts the Records Management Policy dated September 2019.**

COUNCIL RESOLUTION

MOVED: Cr Gstrein

SECONDED: Cr Durant

That the recommendation be adopted.

CARRIED

Attachments

1. Policy Council Records Management September 2019
2. Policy Council Records Management September 2019 - Tracked Changes - Under Separate Cover



**CORANGAMITE
SHIRE**

Records Management Policy

Council Policy



Records Management Policy

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1. INTRODUCTION

Corangamite Shire Council (Council) records are our corporate memory, providing evidence of actions and decisions and representing a vital asset to support our daily functions and operations. They support policy formulation, decision-making and protect the interests of the Council. They help us to make good use of precedents and organisational experience. They support consistency, continuity, efficiency and productivity in program delivery, management and administration.

2. AUTHORITY

This policy has been approved and authorised by Council. It will be reviewed and amended as required in consultation with CEO, Directors, Managers and Staff of the Council.

3. PURPOSE

The purpose of this policy is to ensure the creation and long term maintenance of document and records evidence within Council, by establishing a Records Management Program and clarifying staff accountabilities for document and records management.

Council is committed to meeting its responsibilities under the *Public Records Act 1973 (Victoria)* and to implement best practice in its document and records management practices and systems (please see section 6 for more information on legislative compliance).

To achieve this, Council will comply with the legislative and administrative requirements for record keeping and follow sound procedures for the:

- creation, maintenance and control of all records that document the business of the Council, including electronic records
- retention and disposal of all records, including electronic records
- storage of all records, including electronic records;
- security, privacy and confidentiality of all records and ensure all recordkeeping systems protect the records' authenticity.

4. SCOPE

This policy applies to all records created, collected and held by Council, and all staff, consultants, contractors, the Mayor, Councillors, and volunteers employed or engaged by the Council.

5. ASSOCIATED DOCUMENTS

This policy should be applied in conjunction with the following documents;

- Document and Records Management Procedures;
- Corangamite Shire Council Document and Records Classification November 2018;
- PROS 09/05 – General Retention and Disposal Authority for Records of Local Government
- PROS 07/01– General Retention and Disposal Authority for Records of Common Administrative Functions
- PROS 10/01 – General Retention and Disposal Authority for Converted Source Records
- Council Digitisation Plan September 2014
- Information Privacy Policy 2016
- Protected Disclosure Act 2012

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6. LEGISLATIVE FRAMEWORK

State legislation and Australian Standards have been adopted as a code of best practice for the management of documents and records within Council.

They provide details of the conditions and standards by which documents and records management and recordkeeping practices in Council will be guided.

The following information provides an overview of key standards and legislation:

Public Records Act 1973 requires Victorian Government agencies to manage and control their records in accordance with the records management standards issued by the Keeper of Public Records. The Act requires staff to make and keep full and accurate records of the business of the Council.

AS:ISO-15489.1 – Information and Documentation – Records Management provides clear guidelines for the establishment and application of records management practices, procedures and systems that have been incorporated into the Council's Records Management Program.

Management of Electronic Records PROS 99/007 (Version 2) is the Victorian Electronic Records Strategy (VERS) which prescribes the specifications and standards required for capturing, maintaining and transferring permanent electronic records to PROV.

Electronic Transactions Act 2000 facilitates and promotes business and community confidence in the use of electronic transactions. It recognises the legal validity of transactions carried out electronically, and so permits the "recording and retention of information and documents in electronic form". Recordkeeping practices should be applied to all records regardless of the format of those records.

Public Records Office Victoria Advices, as issued from time to time, provide guidance on records management procedures in accordance with the Standards.

Evidence Act 1958 describes the ways in which documents may be admitted as evidence into court. The Act describes the more acceptable formats and the features that would give more value or "weight" to records. Recordkeeping practices must ensure that the more appropriate format of the record is preserved.

Freedom of Information (FOI) Act 1982 contains the key provisions governing aspects of government recordkeeping, disclosure and public accountability. The FOI Act gives everyone the right to make a request to access "documents" held by the Council. Recordkeeping practices need to ensure that records are accessible and managed.

Privacy and Data Protection Act 2014 creates a scheme for the responsible collection and handling of personal information across the public sector. Recordkeeping practices must ensure that personal information held by the Council is secure, accurate and only used for the purpose for which it was collected.

Health Records Act 2001 promotes fair and responsible handling of health information by protecting the privacy of an individual's health information in the public and private sectors; providing individuals with a right of access to their health information; and providing an accessible framework for the resolution of complaints regarding the handling of health information.

Protected Disclosure Act 2012 provides procedures to establish a system for reporting disclosures of improper conduct or detrimental action by the Council or its employees. The purpose of the Act is to encourage and facilitate the making of disclosures of improper conduct by the Council.

Local Government Act 1989 The purpose of this Act is to establish a legislative scheme that supports the system of Local Government, it provides procedures to ensure prescribed documents are available for inspection at all reasonable times; Council may fix reasonable fees for the inspection and copying of a prescribed document. Record keeping practices need to ensure that prescribed documents are accessible and managed.

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7. RECORDS MANAGEMENT PROGRAM

The *Public Records Act 1973* requires Council to make and keep full and accurate records as evidence of business activities. Therefore Council is required to implement a Records Management Program based on legislation, standards and codes of best practice.

As an organisation we want our records to:

- support our ongoing business activity and customer services;
- meet accountability requirements and community expectations;
- to be managed as efficiently and effectively as possible;
- to be able to be retrieved and used to meet the above needs, and
- to comply with all external requirements relating to recordkeeping practices.

Council is responsible for the protection, safe custody and return of all State records under its control, ensuring accessibility to all equipment or technology dependant records.

Council uses TechnologyOne Enterprise Content Manager (ECM) as its document and records management system. The system is designed to be a compliant document and records management system which manages the lifecycle of documents and records regardless of their format.

Council documents and records must be saved in ECM and as prescribed by the Document and Records Management Procedures document.

8. RECORDS THAT MUST BE KEPT

A record can be folders, documents or data created, received or maintained as evidence and information of work done for or on behalf of Council in either hardcopy or electronic format.

Records received from an external source or generated internally within Council in the course of normal business practice either electronic or in hardcopy are to be registered and captured in ECM.

Examples of Council records include (but are not limited to):

- Agendas, minutes and papers
- Building Applications
- Capital Works documentation
- Care plans
- Complaint correspondence
- Contracts and agreements
- Correspondence received from members of the public
- Correspondence received from private and public sector organisations, requiring action
- Engineering drawings
- Financial Records
- Permits
- Personnel recruitment and appointment documentation
- Phone Text Messages
- Photographs
- Planning Applications
- Planning Permits
- Planning Scheme documentation
- Property documentation and correspondence
- Prosecution documentation
- Reports to Council
- Risk management registers and documentation

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- Streetscape plans
- Subdivision Certification
- Tender documentation
- WorkCover documents and files

Ultimately, if the document or record contains a business transaction or any decision that has been made on behalf of Council it must be kept for the required time as per PROS 09/05 – Retention and Disposal Authority for Records of Local Government Functions, or PROS 07/01 – General Retention and Disposal Authority for Records of Common Administrative Functions.

9. RECORDS THAT DO NOT HAVE TO BE KEPT

The Public Record Office Victoria (PROV) permits the destruction of some documents under the principle of normal administrative practice (NAP), these documents include:

- Working papers consisting of rough notes and calculations used solely to assist in the preparation of other records such as correspondence, reports and statistical tabulations
- Advertising material and externally published newsletters
- Duplicate copies of any documents, preserved solely for reference and which do not contain individual comments
- Draft records when superseded by a “final” version;
- Published material preserved solely for reference.

10. DISPOSAL OF RECORDS

Records must be protected, maintained, findable, and useable for their entire retention period, as outlined in the PROS 09/05 - General Retention and Disposal Authority for Records of Local Government or the PROS 07/01 – General Retention and Disposal Authority for Records of Common Administrative Functions.

Records cannot be disposed of other than in accordance with the *Public Records Act 1973* and the abovementioned General Retention and Disposal Authorities. In addition to this, records cannot be disposed of without the concurrence of the Knowledge and Record Services Co-ordinator and the relevant owner location of the records.

11. RESPONSIBILITIES AND ACCOUNTABILITIES

Specific responsibilities and accountabilities for records management at Council include:

11.1. Chief Executive Officer

The overall responsibility for document and records management within Council resides with the CEO;

Therefore the CEO is accountable for ensuring that Council's Records Management Program satisfies its operational and legislative obligations.

11.2. Director Corporate and Community Services

The Director Corporate and Community Services is responsible for:

- Implementing and continually improving Council's Records Management Program;
- Defining Council's requirements for records management, recordkeeping and document management;

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- Ensuring Council staff are aware of their roles and responsibilities; and
- Maintaining and reviewing these policies and relevant documentation as outlined in section 5.

11.3. Council Directors and Managers

The Council's Directors and Managers are responsible for ensuring that recordkeeping practices within their Department are performed in accordance with this Policy and the procedures outlined in the associated Document and Records Management Procedures.

11.4. Knowledge and Records Services Coordinator

The Knowledge and Records Services Coordinator is responsible for the efficient management, monitoring, capture and disposal of Council documents and records incorporating sound recordkeeping principles and records management best practice guidelines.

This involves initiating and maintaining control over daily document and records management activities and services in accordance with Document and Records Management Procedures, including:

- Processing all incoming correspondence;
- File Creation, Storage and Retrieval; and
- File Archiving and Disposal.

11.5. Council Employees

Staff members should take care to handle documents and records sensibly and with care and respect to avoid damage to the documents and records and to prolong their lifespan. Staff must not alienate, relinquish control over, damage, alter or destroy records of the Council, without authorisation.

Staff members are responsible for using, maintaining and managing all records in accordance with this Policy and the Document and Records Management Procedures.

This includes complying with these policies at all times by:

- Making records that document their activities and decisions;
- Registering electronic records in ECM;
- Forwarding scanned hardcopy documents to KaRS for quality control
- Attaching paper records to hardcopy files;
- Using official Council file covers;
- Recording folder movement information in ECM;
- Storing hardcopy files securely while they are in active use, within their control;
- Learning how and where records are kept within the Council;
- Not destroying records without authorisation and according to PROV Retention and Disposal requirements;
- Not losing records; and
- Being aware of and following records management procedures as outlined in the Document and Records Management.

Council will support staff by including document and record's management training in induction programs.

11.6. Mayor, Councillors and Volunteers

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The Mayor, Councillors and volunteers should take care to handle Council records sensibly and with care.

They are responsible for using, maintaining and managing all records in accordance with this Policy and the procedures outlined in the associated Document and Records Management Procedures document.

This includes complying with this Policy at all times by:

- Providing copies of electronic council related records to Executive Support or Knowledge and Records Services for registration and processing and
- Providing council related mail or correspondence that is received directly to their home address or hand delivered to them to Executive Support or Knowledge and Records Services for registration and processing.

12. MONITORING THE RECORDS MANAGEMENT PROGRAM

The Records Management Program will be monitored regularly by the Knowledge and Records Services Co-ordinator and Manager Information with results reported monthly to the Senior Officer Group.

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9.6 Mount Noorat Management Plan

Author: Roland Herbert, Environment Project Officer

File No:

Previous Council Reference: Nil

Declaration

Acting Chief Executive Officer – David Rae

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

Author - Roland Herbert

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

Summary

The purpose of this report is for Council to consider adoption of the Mount Noorat Management Plan.

Introduction

Council and the Mount Noorat Management Committee (Committee) have developed the first Management Plan for the Mount Noorat site.

The Plan identifies key objectives and actions to guide the future development of the Mount Noorat site. These objectives and actions will ensure future site management meets the expectations of Council, the Committee, the community and visitors to the area.

The Mount Noorat Management Plan has been developed in three stages:

- Milestone 1: Community Consultation
- Milestone 2: Draft Plan completed
- Milestone 3: Final Plan completed.

Issues

After considering the Committee, community and stakeholder feedback, the Mount Noorat Management Plan has now been developed and includes a vision and five objectives which will be the key focus areas over the life of the Plan.

The 30-year Vision Statement for the ongoing management of Mount Noorat is:

'Mount Noorat is a destination known for its geological and natural values and experiences; a place where culture past and present is understood and respected; and where access is provided for all to enjoy'.

The five strategic objectives that underpin this Vision will be used to inform all future management actions on the Mount. The objectives and their corresponding goals are:

1. Protected and enhanced natural values
 - Increase understanding of the native flora and fauna
 - Identify, protect and enhance native vegetation
 - Reduce the spread and impact of weeds and pest animals
 - Maintain significant view lines
 - Increase understanding of the geological significance.
2. Quality visitor experiences that reflect the character of the site
 - Attract visitors who are interested in low-impact recreation as a priority
 - Install infrastructure that meets visitors' needs whilst ensuring it does not detract from the character of the site
 - Provide educational and interpretive information in suitable locations and formats that are sensitive to the character of the site.
3. Aboriginal and European history is understood and respected
 - Build a relationship with the Traditional Owners
 - Recognise and acknowledge the Aboriginal heritage of Mount Noorat and the surrounding area
 - Provide educational and/or interpretive information on the Aboriginal and European history of Mount Noorat and the surrounding area.
4. Walking tracks are accessible, well maintained and cater for diverse experiences
 - Improve visitor access and experience to the first viewing platform
 - Provide infrastructure to enhance walker experiences
 - Establish new tracks that provide diverse experiences.
5. Self-sustaining financial management and governance
 - Maintain onsite income generation
 - Explore alternative avenues for income generation
 - The operation of the Management Committee is sustainable and well supported.

The Mount Noorat Management Plan is circulated under separate cover for Council's consideration. If endorsed by Council, it will be implemented by the Committee in the best interests of the community and all visitors to the site.

Policy and Legislative Context

Council's involvement with the ownership of Mount Noorat and development of the Mount Noorat Management Plan is consistent with the following strategies from the Council Plan 2017-2021:

Improve the appearance of our towns and public spaces.

Preserve the natural environment of Corangamite Shire.

Engage with and listen to our communities.

Support our small towns and dispersed population.

Internal / External Consultation

The Community Consultation process for the Draft Plan was undertaken between November 2018 and January 2019. A range of engagement methods were utilised during this period, inclusive of several workshops with the Committee, surrounding landholders and the Noorat community, information stalls at the Noorat Show and in Terang and a front cover design competition with local schools. A survey was also utilised during the consultation process and received a total of 215 responses, which further assisted the development of the Plan.

The endorsed Draft Plan was exhibited for public comment over a six-week period during June and July 2019. During this time, comment was sought from a number of key regional stakeholders, including tourism bodies and relevant government agencies. At the conclusion of the consultation period, 14 public submissions and four submissions from key stakeholders were received. All feedback was collated, reviewed and presented to the Committee via a workshop to inform the development of the final Plan.

Financial and Resource Implications

The Mount Noorat land parcel is attracting income in a range of ways including grazing leases, communications tower leases, and quarry leases. The existing leases have an annual income of \$56,718. The existing leases provide annual income for the site and should ensure the site is able to be managed without long term financial support from Council.

Council and the Committee have allocated funding from existing leasing arrangements and other funding sources to develop the management plan to guide future management of the site.

Once adopted by Council, the Committee will implement the Management Plan in accordance with income derived from the site.

Options

Council may endorse the Final Mount Noorat Management Plan as presented. Alternatively, Council may decide to amend the Mount Noorat Management Plan prior to it being endorsed or it may choose to not endorse the Plan.

Conclusion

The Mount Noorat Management Plan establishes the framework for the management of the Mount Noorat site, to ensure it is in keeping with the expectations of Council, the Committee, the community and visitors to the site.

Once endorsed by Council, the Mount Noorat Management Plan will be implemented by the Mount Noorat Management Committee in accordance with their instrument of delegation.

RECOMMENDATION

That Council endorses the Mount Noorat Management Plan for the implementation by the Mount Noorat Management Committee.

COUNCIL RESOLUTION

MOVED: Cr Durant
SECONDED: Cr Brown

That the recommendation be adopted.

CARRIED

Attachments

1. Mount Noorat Management Plan - Under Separate Cover

Mr Roland Herbert, Environment Projects Officer left the meeting at 7.40 pm.

Ms Leah Teal, Knowledge and Records Coordinator left the Meeting at 7.40 pm.

Cr R Gstrein declared an indirect conflict of interest by indirect financial interest in a matter considered as part of Agenda Item 9.7 and departed the meeting at 7.40 pm.

9.7 Facility Design Grants

Author: Jane Hinds, Acting Manager Facilities and Recreation

File No:

Previous Council Reference: Nil

Declaration

Acting Chief Executive Officer – David Rae

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

Author - Jane Hinds

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

Assessor – Adam Taylor

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

Assessor – Steven Fisher

In providing this advice to Council as the Infrastructure Projects Officer, I have an indirect interest due to conflict of duty, as I hold a coaching position with the Camperdown Cricket Club. I have not been involved in the development, evaluation or assessment of the grant submitted on behalf of the Camperdown Cricket Club.

Summary

The purpose of this report is to approve the allocation of funds for Council's Facility Design Grants.

Introduction

The State Government has invested heavily in the past few years in reviewing opportunities for, and barriers to female participation in sport and recreation, planning for improving and enhancing these opportunities and funding appropriate infrastructure upgrades.

Most of the recreation facilities within Corangamite Shire are located on Crown Land and managed by a Department of Environment, Land, Water and Planning (DELWP) delegated Committee of Management. Few are managed and/or owned by Council or privately owned e.g. Golf Clubs. The majority of facilities in Corangamite are ageing and, in most cases, do not meet minimum standards for facility provision, as per State Sporting Association guidelines.

Typically, seeking funding from Sport and Recreation Victoria for facility upgrades requires schematic plans to be provided as a part of any application. Council is the only eligible

applicant to these programs and so must work closely with the Sporting Groups to ensure all relevant information and documentation is provided to the appropriate standard.

Council's Facility Design Grants funding will enable sporting clubs to fund schematic designs for the redevelopment or new facilities which support principles of universal design and relevant State Sporting Association facility development guidelines. The grant will prepare these organisations for making an application to the relevant grant program to construct equitable and improved facilities.

Issues

Facility Design Grants Program

The purpose of the program is to provide 'one off' financial assistance to sporting groups to fund schematic designs for equitable access to sporting facilities. This will help to:

- Address the increasing demand for these facilities by new participation groups such as female cricket and female football
- Support health and wellbeing outcomes for our community
- Meet increasing community expectations on the provision of modern and contemporary facilities
- Provide improved facilities for participants and officials which meet the principles of universal design and relevant State Sporting Association facility development guidelines, and
- Improve and enhance the experience of participation.

Funding up to \$7,500 is available (GST exempt) to eligible applicants. Applications for the grant program closed 23 August 2019.

Eligibility

To be eligible for funding under this program, applications must be:

- from sporting clubs/organisations whose primary facility is located in the Corangamite Shire
- providing improved facilities for participants and officials which meet the principles of universal design and relevant State Sporting Associations facility development guidelines
- improving and enhancing the experience of participation in sport and recreation.

Grant Criteria

A key consideration for the applicant as a part of Council's funding is that the organisation has:

1. Capacity to fund construction in 2020-2021
This is to enable Council's funding for schematic designs to be prioritised ensuring that projects proceed and ultimately the improved outcomes for the Corangamite community are delivered upon.
2. Engaged the services of a qualified architect or draftsman
Confirmation that the group has engaged a qualified architect or draftsman will provide evidence that the club has the ability to meet the timelines for the funding and of the costs involved.

The assessment criteria has been developed so that the relevant information is consistent with what is required for applying to Sport and Recreation Victoria's Grant Programs.

Applications

In total, seven grant submissions were received requesting a total of \$40,685 as shown in Table 1. This was an increase from five submissions in 2018-2019 with a total application for funds of \$27,761.

Organisation	Description
Terang Mortlake Football Netball Club	Proposed upgrade of the toilet and shower facilities at the Terang Recreation Reserve Change Rooms
Simpson Bowls Club Inc.	New clubhouse
Camperdown Bowling Club Inc.	Upgrade toilet facilities in club rooms
Pomborneit Cricket Club	To build on an addition to the existing pavilion to provide male and female change rooms, toilets and storeroom
Camperdown Grandstand Restoration Committee Inc.	To renovate the pavilion adjacent to the grandstand to provide a community facility
Camperdown Cricket Club Inc.	Master plan to deliver new training nets, extend and modernise the club house and the toilet facilities
Port Campbell Surf Club Inc.	Gym extension

Table 1: Facility Design Grant Applications

Assessment

An initial review of the facility design grant applications was conducted with some applications asking for more funds than what was quoted from the architect or draftsman.

Three applications were identified as a priority as part of the Great South Coast AFL, Cricket and Netball Strategy.

Not all applications have the capacity to fund construction of the project in 2020-2021 and some did not engage the services of an architect or draftsman.

An evaluation of all applications against the criteria was undertaken. Applications were evaluated independently by three Council officers, based on the Facility Design Grants assessment criteria. Results of the evaluation were then averaged, and grant applications were ranked based on these results. Funding is recommended to be allocated to the highest ranking applications and budget allocated to these projects accordingly.

The project evaluation panel has identified six facility design grant applicants able to be funded within the budget provision of \$30,000. This includes:

- amendment to the amount recommended to be funded for two applications to reflect the actual quote from the draftsman
- part funding for the sixth application based on evaluation score to fit within balance of budget.

All successful applications will be required to provide satisfactory acquittal reporting to Council on the schematic design being completed.

The detailed evaluation is provided under separate cover.

Policy and Legislative Context

This program has been developed with reference to and in accordance with the key processes outlined in Council's Grant Policy.

Establishing a funding program for upgrades to facilities to improve access and participation in sport also aligns with Council Plan 2017-2021 and a number of local and state strategic plans including:

Corangamite Shire Council Plan 2017-2021

- Council will provide and support a range of opportunities that support people to engage in healthy and active lifestyles, the arts, recreation and sport
- Deliver high quality, optimally used, sustainable community facilities.

Council's Recreation and Open Space Strategy 2016-2026

- Provide high quality, optimally used, sustainable recreation facilities and open space
 - Community has identified the need to concentrate on improving the quality of existing sport and recreation facilities and spaces
- Increase active participation in recreation.

Council's Municipal Public Health and Wellbeing Plan 2017-2021

- Improve physical facilities to support health and wellbeing within the Shire
- Improve social and emotion wellbeing
- Promote healthier eating and active living.

Great South Coast Regional AFL, Cricket and Netball Strategy 2019 to 2033

- The Strategy highlights gaps in current facility provision, maintenance and renewal opportunities in accordance with State Sporting Association facility guidelines and identifies sports development initiatives to support participation sustainability.

Internal / External Consultation

Applications for the grant program were invited via public notices, media releases, social media posts and on Council's website during the application period during July and August.

Public notices were included in The Warrnambool Standard, Cobden Timboon Coast Times, Terang Express, Camperdown Chronicle and community newsletters at the commencement of the funding program and again two weeks prior to the closing date. In addition, application forms, guidelines and links to Council's grants webpages were emailed directly to all committees of management, community groups, clubs and organisations.

The grant program was further promoted via Council's Facebook page during the commencement week and final week of the application period reaching a combined total 5,904, and 316 engagements. This reach has also been reflected through the spread of applications across the shire. Applications were received from sporting organisations in Port Campbell, Terang, Simpson, Pomborneit and Camperdown.

Applicants for the grant were invited to discuss their project and/or application with Council officers.

Financial and Resource Implications

Council has allocated \$30,000 to fund the Facility Design Grants program. The total request for grant funding from seven submissions is \$40,685.

The application form has been developed to glean information which will be able to be used for future grant applications made by Council to the State Government for facility construction. This is hoped to be able to reduce Council officer resources at this time.

Options

Council may choose to allocate the funds to successful applicants to support sporting facilities, with amendments or choose not to fund the projects recommended.

Conclusion

Funding has been allocated in Council's 2019-2020 budget for the purpose of supporting schematic designs for sporting facilities. The program has been developed with reference to Council's and State Government's existing funding programs and related guidelines. This funding will fast track the development of equitable sport and recreation facilities across the Shire. This will enable those sporting groups with financial capacity and with relevant projects to be shovel ready for future applications to grant programs and will assist Council in realising some efficiency in time and effort at the time of making grant applications in the future.

RECOMMENDATION

That Council allocates funds to the following Facility Design Grant applications:

ORGANISATION	AMOUNT
Terang Mortlake Football Netball Club	\$6,655
Simpson Bowls Club Inc.	\$3,850
Camperdown Bowling Club Inc.	\$2,695
Pomborneit Cricket Club	\$4,950
Camperdown Cricket Club Inc.	\$5,500
Port Campbell Surf Club Inc.	\$6,350
	\$30,000

COUNCIL RESOLUTION

MOVED: *Cr Illingworth*

SECONDED: *Cr Beard*

That the recommendation be adopted.

CARRIED

Attachments

1. Facility Design Grants Evaluation 2019-2020 - Under Separate Cover

Cr R Gstrein returned to the meeting at 7.44 pm.

9.8 Retail Area Facade Improvement Program

Author: Tammy Young, Economic Development and Events Officer

File No:

Previous Council Reference: Nil

Declaration

Acting Chief Executive Officer – David Rae

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

Author – Tammy Young

In providing this advice to Council as the Economic Development and Events Officer, I have no interests to disclose in this report.

Summary

The purpose of this report is to allocate funds for Council's 2019-2020 Retail Area Façade Improvement Program (RAFIP).

Introduction

The aim of the RAFIP is to encourage businesses located in the retail areas of towns within the Corangamite Shire to complete improvement works to their façades to help improve the overall presentation of streetscapes within the Shire.

The program was open to any business located in the commercial area of a town in the Shire that has street frontage. Home based businesses with no street frontage were not eligible

Issues

The RAFIP opened for applications on 1 July 2019 and closed on 9 August 2019.

Businesses from all towns in the Shire were eligible to apply to the program.

To apply for funding as part of the program, applicants were required to complete an application form and provide all required documentation, as well as have an understanding of the program guidelines to ensure they were aware of what information was required by Council to be completed as part of the program.

The criteria for works that could be considered for funding as part of the program include:

- painting of the façade
- cleaning the existing façade
- removal of redundant signage, air conditioning units and hoardings
- minor repair, maintenance or reinstatement of missing elements
- minor repairs to existing façade tile or stone accents
- minor repairs to structural façade elements and awnings
- new, repairs or replacements of verandahs

- installation of new business signage
- installation of store lighting visible from the street.

Following the application period, 22 applications to the program were received requesting \$53,133.33 (exc. GST) of funding with the total value of works proposed totalling \$171,449.65

The applications to the program were evaluated based on the program's assessment criteria. Results of these evaluations were then ranked from highest to lowest to provide the recommendation for businesses to be funded (see attached).

As the value of applications for funding exceed the budgeted amount of \$50,000, Council has the option to fund additional businesses.

This proposed additional allocation would allow the business who have met the programs criteria to be funded. The total cost of this additional allocation would be \$133.33

The business that has not been recommended for funding was unsuccessful due to their application not meeting the requirements of the program leading to a lower score when evaluated against the RAFIP criteria.

Policy and Legislative Context

The RAFIP is compliant with the RAFIP Policy that was adopted by Council in June 2019.

The program also aligns with Council's Economic Development Strategy and will be completed in accordance with Council's Grants Policy.

The program is consistent with the following Council Plan 2017-2021 strategies as part of the Vibrant Economy, Agriculture and Tourism theme:

We value the importance of local business to our economy and the overall prosperity of Corangamite Shire.

Maintain our competitive advantage as an "investment friendly" council and a leader in local economic development.

The program is also supported by numerous community plans that have been completed in the Shire which list improvements to business façades as one of their top priorities.

Internal / External Consultation

Following the adoption of the 2019-2020 Budget and the updated Retail Area Façade Improvement Program Policy, extensive external consultation about the program has occurred across the Shire.

The program has been subject to three media releases, been advertised in Council's Noticeboard in the Warrnambool Standard and all three Western District Newspapers and has been included as an item in a weekly radio interview on two occasions. Radio interviews covering the program have also occurred on ABC Radio, 3CS and 3YB.

Business visits were also completed by members of the Growth and Engagement team to all towns in the Shire to promote the program.

The program has also been advertised through Council's social media channels including Facebook and Instagram, with Facebook posts attracting over 10,000 views.

Financial and Resource Implications

The Retail Area Façade Improvement Program has a \$50,000 budget allocation in the 2019-2020 budget to create a fund for businesses to apply to as part of the program.

As part of the recommendation, it is suggested to allocate a further \$133.33 to the program using funding from the 2018-2019 carry forwards from businesses who withdrew their application to the program to allow an additional business to be funded.

Businesses have applied on a minimum \$1:\$1 basis to complete improvements to their façades with the amount capped at \$3,000 per business.

Planning fees for 13 planning permits will be waived by Council as part of the program to encourage participation, at a cost of approximately \$9,500 however any relevant building permit fees will apply.

Options

Council may consider the following options for the allocation of funds under the Retail Area Façade Improvement Program:

1. Allocate funds of \$50,133.33 to 21 Retail Area Façade Improvement Program applicants
2. Re-evaluate grant applications and consider funding alternative applications
3. Not allocate funding through the program.

Conclusion

The Retail Area Façade Improvement Program provides businesses from across the Shire with an incentive to complete works to improve the appearance of their façades.

The program aims to improve the appearances of town streetscapes throughout the Shire, providing an incentive for businesses to complete these works while making the process of applying to the program as simple as possible.

The program also helps address a funding gap that has been identified regarding the funding of improvements to businesses' façades.

RECOMMENDATION

That Council allocates funds of \$50,133.33 (excl. GST) to 21 Retail Area Façade Improvement Program applicants as below:

Business Name	Town	Funding
Loaf and Lounge	Camperdown	\$3,000.00
Walsh Plumbing	Cobden	\$3,000.00
Martin's Timber & Hardware	Cobden	\$2,891.50
Realign Health	Camperdown	\$2,354.83
South West Bowen Clinic	Terang	\$475.00
Bargain Basement Gifts/The Bargain Place	Camperdown	\$3,000.00

Alderwood Speakers	Cobden	\$2,557.00
KMS Electrical	Camperdown	\$1,040.00
The Fat Cow Food Co	Timboon	\$2,710.00
Camperdown Bakery	Camperdown	\$3,000.00
45 Curdie Street	Cobden	\$1,885.00
Connell Family Chiropractic	Camperdown	\$3,000.00
Scanlons Dairy Centre	Terang	\$2,750.00
152 High Street, Terang	Terang	\$3,000.00
Cobden Pharmacy	Cobden	\$1,297.50
Nicos Pizza and Pasta	Port Campbell	\$3,000.00
Camperdown Wellnest	Camperdown	\$3,000.00
Wheatsheaf Hotel	Terang	\$3,000.00
Passion Fish Art House	Camperdown	\$675.00
Miller and Mane Hair Co	Timboon	\$1,497.50
Simpson Hotel	Simpson	\$3,000.00
TOTAL		\$50,133.33

COUNCIL RESOLUTION

MOVED: Cr Oakes
SECONDED: Cr Gstrein

That the recommendation be adopted.

CARRIED

Attachments

1. Retail Facade Improvement Program Applications 2019-2020 - Under Separate Cover

9.9 Quick Response Grants Allocation September 2019

Author: David Rae, Director Corporate and Community Services

File No:

Previous Council Reference: Nil

Declaration

Acting Chief Executive Officer – David Rae

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

Summary

The purpose of this report is to approve the September 2019 allocation of funds under the Quick Response Grants Program.

Introduction

The Quick Response Grants Program is beneficial in supporting instances of community need that are not readily able to be considered under the Community, Events and Festivals, Facilities or Environmental Grants Programs. Applications for Quick Response Grants are considered by Council as they are received.

Issues

The Quick Response Grants Program has a fixed budget that Council provides annually for the distribution of funds to Shire community groups. The Quick Response Grants Program has a rolling intake and this flexible approach allows Council to allocate small amounts to various community groups which results in positive outcomes.

Applications received for this allocation are attached under separate cover. Each application has been assessed against the following criteria, as detailed in the Quick Response Grants Policy:

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

The assessment has also been provided as a separate attachment to this report.

Policy and Legislative Context

Consideration of applications for the Quick Response Grants Program is in accordance with the Quick Response Grants Policy and the following 2017-2021 Council Plan commitments:

We are committed to working towards ensuring the safety, health and wellbeing of our communities.

Council will continue to provide and support a range of community and social support services.

Council will provide and support a range of opportunities that support people to engage in healthy and active lifestyles, the arts, recreation and sport.

Improved educational outcomes in Corangamite Shire.

Support our small towns and dispersed population.

Improve the health and wellbeing of our community.

Internal / External Consultation

Applications for the Quick Response Grants Program 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, including return of unexpended amounts.

Financial and Resource Implications

The 2019-2020 Quick Response Grants Program budget allocation is \$17,500. 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 outlined in the table below.

Ward	Annual Allocation \$	Previous Allocations \$	This Allocation \$	Remaining Allocation \$
Coastal	2,500.00	499.00	500.00	1,501.00
North	2,500.00	500.00	500.00	1,500.00
South Central	2,500.00	0.00	0.00	2,500.00
South West	2,500.00	1,478.00	0.00	1,022.00
Central	7,500.00	500.00	409.00	6,591.00
	17,500.00	2,977.00	1,409.00	13,114.00

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 Quick Response Grants Program provides financial assistance to community groups to undertake beneficial projects and activities. The applications recommended for funding in this allocation are in accordance with Quick Response Grants Policy and will result in positive outcomes for the community.

RECOMMENDATION

That Council approves the following applications for funding from the Quick Response Grants Program for September 2019:

Applicant	Purpose	Ward	Amount
Weerite Public Hall	Replacement of failed cistern at Weerite Public Hall.	Central	\$409.00
Prinetown Cricket Club	Assistance with costs associated with purchase and supply of under 13 cricket uniforms.	Coastal	\$500.00
Darlington Rural Fire Brigade	Assistance with costs associated with 70th Birthday Celebrations.	North	\$500.00

COUNCIL RESOLUTION

MOVED: Cr Illingworth

SECONDED: Cr Oakes

That the recommendation be adopted.

CARRIED

Attachments

1. Quick Response Grants Assessment - September 2019 Allocation - Under Separate Cover
2. Application Quick Response Grant - Weerite Public Hall - Under Separate Cover
3. Application Quick Response Grant - Prinetown Cricket Club (Part A) - Under Separate Cover
4. Application Quick Response Grant - Prinetown Cricket Club (Part B) - Under Separate Cover
5. Application Quick Response Grant - Darlington Rural Fire Brigade - Under Separate Cover

9.10 Proposed Sale by Private Treaty - Salisbury Street Noorat

Author: Wendy Williamson, Property Officer

File No:

Previous Council Reference: Nil

Declaration

Acting Chief Executive Officer – David Rae

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

Author - Wendy Williamson

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

Summary

This report is for Council to consider the sale of land being a road reserve known as Salisbury Street, Noorat which adjoins 51 Terang – Mortlake Road, Noorat.

Introduction

Council was approached by the adjoining land owner at 51 Terang – Mortlake Road, Noorat to discontinue the road reserve over Salisbury Street, Noorat, for the purpose of consolidating it into their existing farm. The road reserve is described as Road R1 on LP4050 (Figure 1). The adjoining land owner wishes to return ownership of the road back into their names and utilise the land for the purpose of consolidating this area into their existing farm.

Issues

Unusually, the road reserve was owned in freehold by the adjoining owners until Council discontinued the road, at their request on 11 February 2019. As part of that process the land became vested in Council as the legal freehold owner. This former reserve was an unmade road which is entirely surrounded by the adjoining owners dairy farm with part of their house and sheds built over the boundary of the land. The road has been assumed as part of the property.

The subject site is a long rectangular section of land comprising 6,736m², with the adjoining property owner abutting three sides of the land. The frontage and access to the land faces the Terang – Mortlake Road, Noorat. Refer Figure 1.

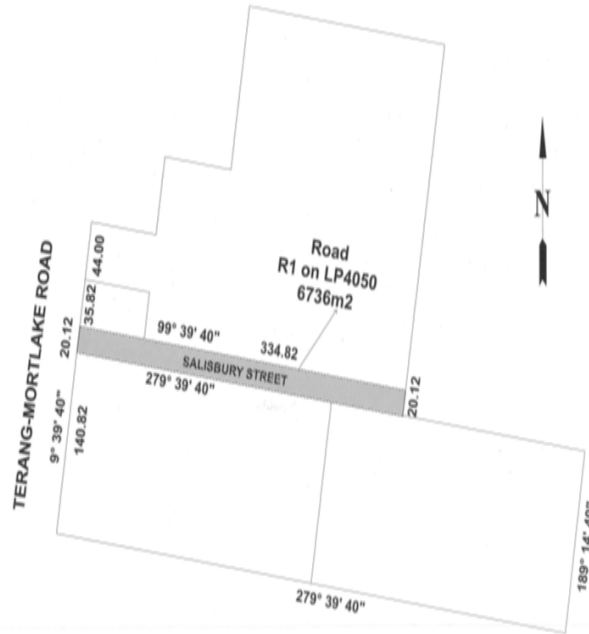


Figure 1: Outlines the Road Reserve known as Salisbury Street, Noorat

The adjoining land owner requested Council to discontinue the road reserve over Salisbury Street, Noorat in order to remove the road status and any implied carriageway or easements to be removed. This allows the boundaries to be revised to protect the house and shedding and the remainder of the land can be incorporated into the farm.

The land is equally divided down the middle lengthways into two separate planning zones. One half facing north is within the township zone and the other half facing south is in the farming zone (Figure 2).

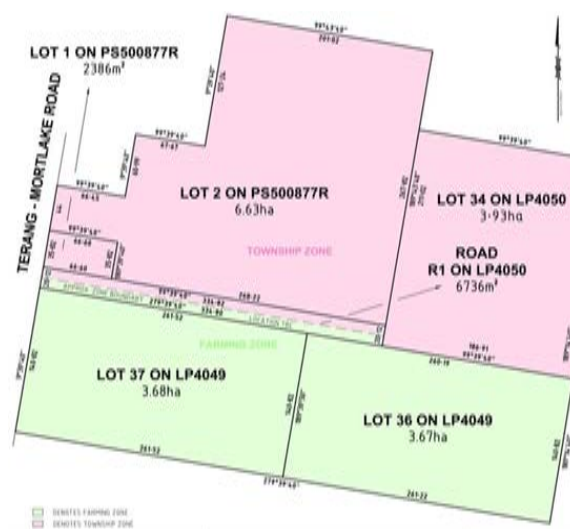


Figure 2: Outlines Salisbury Street, Noorat and the planning zones.

Council’s Planning Department have advised that the Rural Living Strategy recommends revisiting the township zone area of Noorat, with the possibility of applying a low-density residential zone.

In this instance the land potentially affected by this recommendation faces north of Salisbury Street and is also owned by the adjacent land owners. Therefore, the recommended zoning would not have any impact on the land. The former Salisbury Street land has been built on and over the boundary by the adjacent and former land owner prior to it becoming vested in Council.

Sale by private treaty to the adjoining land owner is the most appropriate method of sale for this property due to the location, nature, history and size of the land.

Policy and Legislative Context

The *Local Government Act 1989* must be adhered to when selling Council land.

Under section 5(2)(d) of the *Local Government Act 1989*, Council is capable of acquiring, holding, dealing with or disposing of property for the purpose of performing its functions and exercising its powers.

In accordance with section 189 of the *Local Government Act 1989*, a property valuation has been obtained for the valuation of the land which is not more than six months old.

On 15 June 2019, Council advertised a public notice under Section 12 Subsection 4 (a) of the *Road Management Act 2004*. The public notice sought submissions and advised that Council proposed to consider the discontinuance of the road reserve known as Salisbury Street, Noorat, for the purpose to sell the land to the owner of the adjacent property at 51 Terang-Mortlake Road, Noorat. Submissions closed the 13 July 2019, with no submissions being received.

In accordance with Section 189 of the *Local Government Act*, Council has advertised a public notice of its intention to sell the land by private treaty to an adjoining land owner in accordance with Council policy. Submissions closed on 5 September 2019 with no submissions received. One inquiry was made on the proposal with clarification being sought on the location of the land and if there were any future township plans for this area.

The sale of land aligns with the following key themes in the Council Plan 2017-2021:

We are committed to ensuring the ethical behaviour of Councillors and staff, maintaining good governance and remaining financially sustainable.

We value the importance of local business to our economy and the overall prosperity of Corangamite Shire.

We are committed to improving the liveability of Corangamite Shire through the management of our facilities, town planning and environmental sustainability.

Internal / External Consultation

A public notice, advertising Council's intention to sell the land has allowed the opportunity for community members to make public comment and submissions regarding the sale of land.

Council officers have consulted with the land surveyor working on behalf of the adjoining land owner, Council's Planning Department and legal advisors, in regard to the matter.

Opteon Property Valuers have provided a current market value for land sale purposes.

Financial and Resource Implications

This land was previously owned in freehold by the adjoining owner prior to Council recently discontinuing the road reserve. The process of discontinuing the road reserve has vested the land to Council as owner on the 25 July 2019. As this process is purely an administrative process with no payment exchanged it is considered that the land title should be transferred back to the only adjoining owner at a nominal purchase amount.

The valuation of the land is \$6,750, excluding GST, which equates to \$1 per square meter. Opteon Property Valuers have assessed a range of sales used as a comparison between \$4 and \$36 per square meter of land area and have applied a 95% discount based on the shape, size, marketability and potential purchasers.

If Council were to generate a profit from the sale of this land, according to Council policy, all profits from the sale of land are treated as general revenue in the year in which it is received and considered as part of Councils annual budget.

The sale of land will incur some costs including a property valuation and legal costs which could be the responsibility of the purchaser, given the circumstances.

If the purchaser was not prepared to accept the reserve price for the land, there may be a financial burden to Council, as fencing and ongoing maintenance would be required.

Options

The options available for Council to consider include:

1. To sell the land known as Salisbury Street, Noorat to the adjoining owner of 51 Terang – Mortlake Road, Noorat for a nominal amount of \$1 (plus GST), with the purchaser being responsible for all legal fees and associated costs.
2. To sell the land known as Salisbury Street, Noorat to the adjoining owner of 51 Terang – Mortlake Road, Noorat for the market valuation, with the purchaser being responsible for all legal fees and associated costs.

Conclusion

The adjoining land owner of 51 Terang – Mortlake Road, Noorat has requested that Council discontinue the road reserve over Salisbury Street, Noorat for the purpose of consolidating it into their existing farm. The land is vested in Council, who have no direct interest in the land and the position of the land makes it impractical for Council or any other body to practically manage the area other than the adjoining owner.

Unusually, the road reserve was previously owned in freehold by the adjoining owners until Council discontinued the road recently upon the land owners request.

The adjoining land owner is deemed the most appropriate purchaser of the land due to the unique circumstances associated with the land.

RECOMMENDATION

That Council:

1. Sell the discontinued road reserve described as Road R1 on LP4050 via private treaty for a nominal amount of \$1 (plus GST) with the purchaser being responsible for all legal fees and associated costs to the adjoining land owners at 51 Terang – Mortlake Road, Noorat.
2. Affix the Common Seal of Council to documents relating to the sale of land.

COUNCIL RESOLUTION

MOVED: Cr Durant

SECONDED: Cr Beard

That the recommendation be adopted.

CARRIED

9.11 2020006 Contract for the Design, Supply and Modular Construction of Port Campbell Public Toilets, Port Campbell

Author: Steven Fisher, Infrastructure Project Officer

File No:

Previous Council Reference: Nil

Declaration

Acting Chief Executive Officer – David Rae

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

Author - Steven Fisher

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

Summary

The purpose of this report is to award the contract for the design, supply and modular construction of Port Campbell Public Toilets, Port Campbell.

Introduction

The Port Campbell Public Toilets are located on the Port Campbell Public Purposes Reserve on the corner of Lord and Morris Streets, Port Campbell. It is located on Crown Land with Corangamite Shire Council appointed as the delegated committee of management. The area is managed on behalf of Council by a special committee of management in accordance with Section 86 of the *Local Government Act 1989*.

The Reserve is situated close to the town centre and boasts a playground, skate park, tennis courts, Community Art Space, Historical Society and public toilets.

Issues

The existing public toilet facility managed by Council has been identified as being in urgent need for renewal works. The condition of this facility is not consistent with modern expectations, is non-compliant to accessible standards AS 1428 series and the facility does not meet the current or future demand for the town of Port Campbell.

Tenders were sought from suitably experienced and qualified contractors for the design supply and modular construction of public toilet facilities, as a lump sum contract. An hourly rate for trades was requested in order to account for any variations that may arise.

Five tenders were received from experienced contractors in the modular construction industry, with companies based in a range of locations including metropolitan Victoria and South Australia.

An evaluation was undertaken, in accordance with the following evaluation criteria:

- Financial benefit to Council 35%
- Conformance to Specification 30%
- Ability to Meet Timelines 20%
- Previous Experience 10%
- Local Content 5%

A 5% weighting is given to contractors who demonstrate in the tender process how they intend to support local suppliers, contractors and services. Local is defined as within the Corangamite municipality.

Tender Evaluation

An evaluation was undertaken by a panel comprising Jane Hinds, Acting Manager Facilities and Recreation, Adam Taylor, Manager Finance and Steven Fisher, Infrastructure Project Officer, in accordance with the evaluation criteria. Linda Murfitt, Contracts Administration Co-ordinator has reviewed the tenders from a compliance aspect.

The best value for Council is not always necessarily reflected by the lowest price. Best value can also be achieved by procuring from a contractor who may have a higher lump sum but may be able to deliver the works as per the specification and in a timelier manner.

Tenderers were asked to complete a schedule attached to the tender document outlining a lump sum figure to deliver the works as per the specifications. Submissions are shown in Table 1 below.

<i>Tenderer</i>	<i>Tendered Amount (exc. GST)</i>
Tenderer 1 - Asco Group Pty Ltd (Recommended)	\$420,785.75
Tenderer 2	\$627,843.00
Tenderer 3	\$438,948.00
Tenderer 4	\$576,429.45
Tenderer 5	\$469,481.09

Table 1: Lump sum submissions

Each of the evaluation criteria were scored in accordance with the relevant weighting by each panel member. A panel meeting was held to validate the evaluations, aggregate the scores and provide a recommendation of award for Council's consideration. An aggregate of the scores is provided below in Table 2.

Criteria	Weighting (%)	Tenderer 1 (Asco Group Pty Ltd)	Tenderer 2	Tenderer 3	Tenderer 4	Tenderer 5
Financial Benefit	35	35	7	33	19	28
Conformation to Specification	30	22	14	12	14	24
Previous Experience	10	9	6	5	7	5
Ability to Meet Timelines	20	8	9	8	7	13
Local Content	5	2	0	1	1	2
	Total	76	36	59	48	72

Table 2: Aggregate Submission Assessment

The attached technical evaluation report provides a detailed evaluation of tenders received. It is recommended the best outcome and financial benefit for Council is achieved by awarding the contract in full to Asco Group Pty Ltd.

Policy and Legislative Context

The contract for the design, supply and modular construction of Port Campbell Public Toilets was advertised and assessed in accordance with Council's Procurement Policy and the tender evaluation criteria.

The awarding of these specialist services is in keeping with Council's Plan 2017-2021:

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

Council will make budgetary decisions that ensure Council remains in a strong financial position now and into the future.

We are committed to improving the liveability of Corangamite Shire through the management of our facilities, town planning and environmental sustainability.

Maintain our buildings to ensure they meet current and future demand for service provision.

Internal / External Consultation

In accordance with Section 186 of the *Local Government Act 1989*, the tender was advertised in the Herald Sun. The contract was also advertised on Council's website.

An evaluation panel was established to assess the submissions against the evaluation criteria. Each member of the panel who conducted the evaluation was considered to have appropriate experience to undertake the evaluation.

Financial and Resource Implications

Works under this contract are incorporated in Council's capital works budget allocations for 2019-2020. The recommended tenderer has submitted a tender for the design, supply and construction of the public toilets which is within Council's budget.

Other works to be completed as part of this budget including footpaths, bin pads, demolition, trimming and removal of vegetation, improving the existing toilet footprint, extending services from the construction site to the legal points and installation of temporary toilet facilities.

The remaining budget allows for these works along with any contingences should there be a need for allowances from unforeseen expenses that may arise during the construction period.

Any savings and variations will be considered at Council's mid-year budget review and in accordance with Council officer delegations within the Procurement Policy.

Options

Council may choose to award the contract or may choose not to award the contract.

Conclusion

Council has invited tenders from suitably experienced and qualified contractors for the design, supply and modular construction of Port Campbell Public Toilets. Five submissions were received through this process, all with varying degrees of experience, services offered and financial benefit to Council.

Following an evaluation of tenders received, it is proposed the best outcome and financial benefit for Council is achieved by awarding the contract in full to Asco Group Pty Ltd.

RECOMMENDATION

That Council:

- 1. Awards contract 2020006 for the Design, Supply and Modular Construction of Port Campbell Public Toilets, Port Campbell, South West Victoria to Asco Group Pty Ltd.**
- 2. Delegate any variations to the contract sum within the existing budget to the CEO.**

COUNCIL RESOLUTION

MOVED: *Cr Illingworth*

SECONDED: *Cr Gstrein*

That the recommendation be adopted.

CARRIED

Attachments

1. Declaration of No Conflict of Interest - Under Separate Cover - Confidential
2. Contract 2020006 Technical Evaluation Report - Under Separate Cover - Confidential

Cr Simon Illingworth left the meeting at 7.55 pm.

9.12 Road Sealing Contract 2019-2020

Author: John Kelly, Manager Assets Planning

File No:

Previous Council Reference: Nil

Declaration

Acting Chief Executive Officer – David Rae

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

Author - John Kelly

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

Summary

This report seeks to award the contract for sealing of various local roads throughout Corangamite Shire and Warrnambool City in 2019-2020 which is a collaborative tender between the two municipalities.

Introduction

Council maintains 914 km of sealed roads. These roads require periodic sealing to maintain surface condition and preserve the underlying road pavement.

Following on from a successful collaboration between Corangamite Shire and Warrnambool City Council over the last four years, a collaborative approach has again been undertaken in 2019-2020 to share resources and have the annual sealing programs for both municipalities done under one contract for the purpose of improving efficiencies and reducing costs.

Issues

Corangamite Shire's resealing program this year covers 59km of roads, which is approximately 6.5% of the sealed road network. This amount of sealing is necessary to ensure Council's roads are maintained in their present condition and is in line with strategic asset management modelling.

Nomination of the roads for the sealing contract has been based on the data collected from road surface condition assessments undertaken throughout the Shire. Recent on-site inspections have taken place to confirm that the nominated roads for the sealing program are still appropriate and to prepare a default sealing design for each road for the tender documents.

Three tenders have been received for the 2019-2020 road sealing program on various roads throughout Corangamite Shire and Warrnambool City Council. It is considered that the best overall value for the municipalities is provided from the tender submitted by Inroads at a price of \$2,333,193.55 (plus GST).

A Technical Evaluation Report which provides further detail on the assessment of tenderers is attached under separate cover.

Policy and Legislative Context

The contract for the sealing of various local roads in 2019-2020 was advertised for public tender, as required under the *Local Government Act* and Council policy, as it is a purchase greater than \$150,000.

Corangamite Shire's Council Plan 2017-2021 emphasises our commitment to maintaining our local roads. Relevant objectives in our Plan are:

Maintain our local road network at current or improved standards.

Council will focus on the provision of high-quality roads.

Internal / External Consultation

An agreement has been made between Warrnambool City Council and Corangamite Shire for the 2019-2020 sealing works in these municipalities to be done under one contract. Warrnambool City Council has agreed to Corangamite Shire engaging a contractor to carry out both municipalities' sealing works. Further approval is not required from Warrnambool City Council prior to the award of the sealing contract.

Tenders were invited for these works by way of newspaper advertisements in August 2019. A set of tender documents was sent to three prospective tenderers on request.

Financial and Resource Implications

The current available budget for the sealing works in Corangamite Shire this financial year is \$1,910,000.

Based on the tender price from Inroads, the cost to complete the Corangamite Shire component of the 2019-2020 sealing contract is \$1,831,459.39 which is a \$78,541 saving on budget. The cost for the Warrnambool City Council component of the works is within that municipality's budget.

The sealing prices obtained in 2019-2020 have increased 5.6% compared with those in 2018-2019. This correlates with the 3.6% increase observed in the price of bitumen/tonne in the last 12 months based on the Australian Bureau of Statistics (ABS) price index for bitumen.

The contract would be awarded on the basis of a two-year defects liability period.

As part of the tender process tenderers had also been asked to submit, for a potential variation, sealing rates for an optional second year sealing program in the 2020-2021 financial year. The determination of whether or not a second year program will be delivered as a variation to the contract will be made by Council after practical completion has been reached for the first year program. As this potential variation would be greater than \$250,000 a further report would be provided for Council approval in accordance with the Procurement Policy.

The sealing rates submitted in the tender schedules for the second year program are based on:

- indicative areas of the most common sealing treatments which are similar in size to what is being delivered in the first year program
- adjustment for rise and fall of ABS price indices for materials, labour and bitumen.

In previous years when the tendered amount has been less than budget, Council has made the following decisions based on the financial position of the organisation and condition of the sealed road network:

- During the 2000's on at least two occasions, Council decided to increase the sealing program area to the full amount of the budget to lift overall road condition
- In the 2012-2013 and 2014-2015 budgets, Council decided to direct the savings to general revenue in light of cost pressures on the organisation and the stabilisation of the sealed road condition
- A condition of the Federal Government's Roads to Recovery current funding allocation is the Council spends at least \$6m of its own expenditure on road construction and maintenance. As a result, savings from the 2015-2016, 2016-2017 and 2017-2018 sealing program was put towards other road maintenance activities, to meet the above condition.

Council's sealed road network remains in a stable condition in line with its overall strategy of maintaining the network at current or improved standards. Council can have confidence that a program of sealing of 59km, or approximately 6.5% of the network, will continue to maintain the sealed road network condition. Therefore, it is recommended that the 2019-2020 sealing program be completed as planned with no additional sealing works added to the program and that savings be put towards other road maintenance activities to be identified.

The lowest priced tenderer, Inroads, is a recognised sealing contractor in the market and is based in Horsham. Inroads successfully delivered the 2017-2018 and 2018-2019 joint sealing programs as well as Corangamite Shire's sealing programs for seven consecutive years prior to 2016 and Warrnambool City Council's sealing program for five years consecutively up until 2014-2015. Inroads has had a good working relationship previously with Council and has delivered a quality product with minimal rework required.

Options

Council has the option to award the tender to Inroads as recommended or to select an alternate tenderer.

Should Council opt to proceed with awarding the contract to Inroads, Council can choose to allocate the \$78,541 saving on budget, as follows:

1. Increase the 2019-2020 sealing program area with the next highest priorities, to bring the total cost up to the budget of \$1,910,000.
2. Maintain the 2019-2020 sealing program at the tendered amount and realise the saving on budget. The savings would be directed to general revenue and improve the organisation's financial position.
3. Maintain the 2019-2020 sealing program at the tendered amount and put the savings to other road maintenance activities to be identified.

Conclusion

The sealing contract has been tendered and evaluated in accordance with Council policy and the evaluation criteria. It is considered that the best overall value for Council is provided from the tender submitted by Inroads. Warrnambool City Council has been involved with the tender evaluation process and supports this recommendation. Based on the tender price from Inroads, the cost to complete the proposed 2019-2020 works in Corangamite Shire is a \$78,541 saving on budget.

RECOMMENDATION

That Council:

1. **Awards Contract No. 2020008 - Sealing of Various Local Roads throughout Corangamite Shire and Warrnambool City in 2019-2020 to Inroads for the contract sum of \$2,333,193.55 plus GST.**
2. **Affixes the Common Seal of Council to the contract.**
3. **Uses a saving on budget of \$78,541 for road maintenance activities to ensure Roads to Recovery funding requirements are met.**
4. **Approves that any variations to the contract sum within the existing budget be approved under the delegation of the relevant Council officer up to CEO delegation level.**
5. **Delegates to the CEO, authority to approve any variations to the contract requested by Warrnambool City Council.**

COUNCIL RESOLUTION

MOVED: *Cr Gstrein*

SECONDED: *Cr Durant*

That the recommendation be adopted.

CARRIED

Attachments

1. List of Tender Prices - 2019-2020 Sealing Contract - Under Separate Cover - Confidential
2. Copies of Tender Evaluation Panel Declarations - Under Separate Cover - Confidential
3. Signed Agreement Between Corangamite Shire and Warrnambool City Council for 2019-2020 Sealing Program - Under Separate Cover - Confidential
4. Tender Evaluation Report - 2019-2020 Sealing Contract - Under Separate Cover - Confidential

9.13 2020004 Contract - Corangamite Regional Landfill Earthworks Plant Hire

Author: Anthony Dufty, Environmental Projects Coordinator

File No:

Previous Council Reference: Nil

Declaration

Acting Chief Executive Officer – David Rae

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

Author - Anthony Dufty

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

Summary

This report seeks Council approval to award Contract 2020004 – Corangamite Regional Landfill Earthworks Plant Hire.

Introduction

Tenders were sought from plant hire companies with appropriate experience and capability for inclusion on Corangamite Shire's panel of suppliers under Contract 2020004 - Corangamite Regional Landfill Earthworks Plant Hire. The panel of suppliers will enable Council to select the most suitable plant and labour at the most advantageous rate for landfill earthworks.

These specialised plant and equipment items are essential for construction works at the Corangamite Regional Landfill to ensure the works can be completed in the most cost-effective way and to the relevant Environmental Protection Authority (EPA) standards. The specialised plant sought in this tender are not currently offered in Council's Plant Hire Contract (2019003) or available in Council's own heavy plant fleet.

Earthworks to be completed under this contract may include (but is not limited to) construction of a sideliner for cell 14b; capping works for cells 12, 13 and 14a; and excavation and construction of cell 15a.

Issues

Tenders were advertised in the Herald Sun on 29 May 2019, Warrnambool Standard on 2 June 2019 and Western District Newspapers on 4 June 2019. The documents were also available on Council's website.

Eleven tenders were received. All tenders were considered in accordance with the *Local Government Act 1989*, Council's Procurement Policy, and also the evaluation criteria listed in the tender document. Further details are provided in the Technical Evaluation Report attached under separate cover.

Policy and Legislative Context

The procurement of plant under this contract aligns with the following commitments in the 2017-2021 Council Plan:

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

Provide cost effective and high quality waste management services.

Council will make budgetary decisions that ensures Council remains in a strong financial position now and into the future.

Internal / External Consultation

Tenders were advertised in the Herald Sun on 29 May 2019, Warrnambool Standard on 2 June 2019 and Western District Newspapers on 4 June 2019.

Financial and Resource Implications

Budgeting for these works will continue as part of the annual budgetary process. As the Landfill operates as a cost-recovery business, all expenditure related to this contract will be funded from the facility's user fees.

Depending on the type of construction and amount of plant and hours used, the total estimated spend for this contract will be between \$700,000 - \$800,000 over the 36-month term of the contract. This plant hire includes labour, servicing and consumables.

Options

Council may choose to award the tender based on the tender evaluation, award the tender to alternative suppliers or not award the tender to any supplier at this time.

Conclusion

Council advertised for tender submissions for the hire of plant and equipment to support the completion of earthworks at the Corangamite Regional Landfill. Council received eleven tender submissions.

The tender evaluation panel recommend that Council accept the tender submission received from five tenders. The range of tenders recommended provides Corangamite Regional Landfill with the specialist plant and equipment required to undertake landfill related earthworks in a cost-effective manner, while achieving the required EPA standards.

RECOMMENDATION

That Council:

1. Awards Contract 2020004 – Corangamite Regional Landfill Earthworks Plant Hire, in accordance with their tender submissions and Council's specification, for a period of three years from 1 October 2019 to 30 September 2022 to:
 - a) Goldsmith Civil and Environment
 - b) Armistead Earthmoving
 - c) Waldig Civil
 - d) Mibus Brothers and
 - e) Molan Plumbing and Civil.
2. The contract be awarded by letter of award.

COUNCIL RESOLUTION

MOVED: Cr Beard

SECONDED: Cr Brown

That the recommendation be adopted.

CARRIED

Attachments

1. Contract 2020004 Evaluation Panel - No conflict of interest - Under Separate Cover - Confidential
2. Technical Evaluation Report 2020004 Corangamite Regional Landfill Earthworks Plant Hire - Under Separate Cover - Confidential

9.14 Records of Assembly of Councillors

Author: David Rae, Director Corporate and Community Services

File No:

Previous Council Reference: Nil

Declaration

Acting Chief Executive Officer – David Rae

In providing this advice to Council as the Acting 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 27 August 2019.

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 be 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 classed as 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 considered
- 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.

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 2017-2021 objective that "Council will demonstrate high levels of ethical behaviour and governance standards".

Conclusion

The records documenting the below Assembly of Councillors are attached:

- Councillor Briefing 27 August 2019
- Planning Inspection PP2018/068 Peterborough 3 September 2019
- Planning Inspection PP2019/080 Lismore 3 September 2019
- Councillor Workshop Day One 10 September 2019
- Councillor Workshop Day Two 11 September 2019.

RECOMMENDATION

That Council accepts the attached Records of Assembly of Councillors.

COUNCIL RESOLUTION

MOVED: Cr Oakes
SECONDED: Cr Brown

That the recommendation be adopted subject to a change to the record for the Planning Inspection at Peterborough on 3 September which requires a correction to the name of one of the submitters to read Mr Stephen Beaton.

CARRIED

Attachments

1. Record of an Assembly of Councillors - 27 August 2019
2. Record of an Assembly of Councillors Planning Site Inspection PP2018/068 Peterborough 3 September 2019 (amended as per resolution)
3. Record of an Assembly of Councillors Planning Site Inspection PP2019/080 Lismore 3 September 2019
4. Record of an Assembly of Councillors - 10 September 2019
5. Record of an Assembly of Councillors - 11 September 2019

Council

Record of an Assembly of Councillors

**Councillor Briefing****Date:** 27 August 2019**Time:** 2.15 pm**Place:** Killara Centre**Present:**

Cr Beard Cr Brown Cr Durant Cr Gstrein
 Cr Illingworth Cr Oakes Cr Trotter

*Cr Gstrein arrived at 3 pm***Officers:**

Ian Gibb Brooke Love Andrew Mason David Rae

Penny MacDonald (Item 1)

Rory Neeson and Tammy Young (Item 2)

Jane Hinds and Steven Fisher (Item 3)

Guests:

Nil

Issues Discussed:

Item	Discussion Topic
1	Council Catering
2	Retail Area Façade Improvement Program
3	Corangamite Shire Property Utilisation Review, Port Campbell Toilets and Playground Projects
4	Hot Topics: <i>Agenda Items, Facility Design Grants, Parliament House Meeting Delegations, 12 Apostles Trail, Camperdown Dairy, Regional Tourism Review, Solar VCAT Decision, Heritage Victoria Meeting, CEO Leave, Australian Tourism Trust, Cobden Street Stall, Council Priorities, Community Services Staffing, Asset Disposal and Policy Review.</i>
5	Councillor Items: <i>Darlington Issues, Draining Issue in Lismore, Skipton Issues, Lismore Public Art Update, Derrinallum Petrol Station, Food Van Permit Application, Pot Holes, Terang Roses, Road Signage Maintenance, Kennedy's Creek Music Festival, Port Campbell Emergency Services, Road Safety Meeting in Portland, Climate Emergency, Simpson Industrial Development, Youth Congress, Cobden Community Fire Plan, Blaze Aid Reunion, Fire Recovery, Arterial Road Drainage Issue, Meeting with Minister for Roads, Princes Highway West Funding, Geelong City Deal Reference Group, Waste/Recycling Inquiry, Wannon Stronger Communities Funding, Beach Energy Update, Timboon Sign Vandalism.</i>

Conflict(s) of Interest declared: Cr Gstrein declared a direct conflict of interest in Item 1 Council Catering.

Councillor(s) left the meeting at: Cr Gstrein arrived at the meeting at 3.00pm after Item 1 was discussed.

Councillor Conflict of Interest Form(s) Completed: Yes

Meeting close: 5.55 pm**Note taker:** Andrew Mason

Planning Inspection

Record of an Assembly of Councillors



Date: 3 September 2019

Time: 10.00 am

Location: 1577 Timboon-Peterborough Road, Peterborough

Application No: PP2019/068

Present:

Cr Beard Cr Brown Cr Durant Cr Gstrein
 Cr Illingworth Oakes Cr Trotter

Officers:

- Aaron Moyne

Applicant:

- Richard Nesseler

Submitters:

- David Clemenger
- Stephen Cumming
- Stephen Beaton

Issues Discussed:

- Application summary and overview
- Assessment criteria and policy
- Planning assessment process and reporting
- Objectors concerns and questions

Conflicts of Interest declared: Nil

Meeting close: 10.45 am

Note taker: Aaron Moyne

Planning Inspection

Record of an Assembly of Councillors



Date: 3 September 2019

Time: 12.00 pm

Location: 32 High Street, Lismore

Application No: PP2019/080

Present:

Cr Beard Cr Brown Cr Durant Cr Gstrein
 Cr Illingworth Oakes Cr Trotter

Officers:

- Aaron Moyne
- Sophia MacRae

Applicant:

- Joyce Stringer

Submitters:

- Jane Morrison (Blue Yabby)
- Wendy Webster
- Peter and Deb Shore (Bird Cage)
- Nathan Micallef
- Margaret Cook
- Sandy Gibson
- Bonita Reading
- Loris Shannon (Lismore Progress Association)
- Sean Hester
- Heather Smith

Issues Discussed:

- Application summary and overview
- Assessment criteria and policy
- Planning assessment process and reporting
- Objectors concerns and questions

Conflicts of Interest declared: Nil

Meeting close: 1.30 pm

Note taker: Aaron Moyne

Council

Record of an Assembly of Councillors



Councillor Briefing

Date: 10 September 2019

Time: 12.30 pm

Place: MAV/Parliament House/Rydges

Present:

- Cr Beard Cr Brown Cr Durant Cr Gstrein
 Cr Illingworth Cr Oakes Cr Trotter

Cr Durant was an apology

Officers:

- Ian Gibb Brooke Love Andrew Mason David Rae

Guests:

Kerry Thompson, CEO MAV, Coral Ross, President MAV (Item 1)

Mark Stone, CEO VECCI (Item 2)

Hannah Wood Advisor representing the Hon. Adem Somyurek, Minister for Local Government and Small Business and Ms Riahn Smith, Advisor representing the Hon. Jacinta Allan Minister for Transport Infrastructure (Item 3).

Samantha Westbrooke, Heritage Architect, Samantha Westbrooke Pty Ltd; Kerry Thompson, CEO, MAV; Brett Davis, Executive Director Regional Planning, Victorian Planning; Eddie Zhao, International Business Development Manager, VECCI; Michael and Sue Minshall, Owners, Alkina Lodge; Andrew Dyer, Commissioner, National Wind Farm Commission and Paul Younis, Secretary, Department of Transport (Item 4).

Issues Discussed:

Item	Discussion Topic
1	MAV Update with Kerry Thompson and Coral Ross
2	VECCI Update with Mark Stone
3	Parliament House Meetings
4	Networking Event

Conflict(s) of Interest declared: Nil

Councillor(s) left the meeting at: Nil

Councillor Conflict of Interest Form(s) Completed:

Meeting close: 7.30pm

Note taker: Andrew Mason

Council

Record of an Assembly of Councillors

**Councillor Briefing****Date:** 11 September 2019**Time:** 9 am**Place:** MAV/Parliament House Melbourne**Present:**

Cr Beard Cr Brown Cr Durant Cr Gstrein
 Cr Illingworth Cr Oakes Cr Trotter

*Cr Durant was an apology***Officers:**

Ian Gibb Brooke Love Andrew Mason David Rae

Guests:*Carolyn Francis, EPA (Item 1)**David Wolf, Chief Municipal Inspector (Item 2)**Dr Graeme Emonson, Executive Director, Local Government Victoria (Item 3)**Andrew Crisp, Commissioner, EMV (Item 4)*

Mr Richard Riordan, Member for Polwarth; Ms Roma Britnell, Shadow Minister for Rural Roads, Ports and Freight; The Hon. Lily D'Ambrosio, Minister for Energy, Environment, Climate Change and Solar Homes; The Hon. Peter Walsh, Shadow Minister for Agriculture; Regional Development and Decentralisation and Aboriginal Affairs; Mr Tim Smith, Shadow Minister for Local Government; Mrs Bev McArthur, Member for Western Victoria (Item 5).

Issues Discussed:

Item	Discussion Topic
1	EPA Update with Carolyn Francis and Paul Stucchino
2	Local Government Inspectorate Update with David Wolf
3	Local Government Victoria Update with Dr Graeme Emonson
4	Emergency Management Victoria Update with Andrew Crisp
5	Parliament House Meetings

Conflict(s) of Interest declared: Nil**Councillor(s) left the meeting at:** Nil**Councillor Conflict of Interest Form(s) Completed:****Meeting close:** 4 pm**Note taker:** Andrew Mason

10. OTHER BUSINESS

11. OPEN FORUM

Anne Corbin – spoke about roads, seeking clarification on local roads and the Vic Roads network. The Mayor responded.

12. CONFIDENTIAL ITEMS

Nil.

Meeting Closed: 8.04 pm

I hereby certify that these minutes have been confirmed and are a true and correct record.

CONFIRMED:

(Chairperson)

DATE:
