



# LATROBE CITY COUNCIL

**AGENDA FOR THE  
COUNCIL MEETING**

**TO BE HELD VIA AUDIO-VISUAL LINK  
AT 6.00PM ON  
03 OCTOBER 2022  
CM583**

***Please note:***

*Opinions expressed or statements made by participants are the opinions or statements of those individuals and do not imply any form of endorsement by Council.*

*By attending a Council Meeting via audio-visual link those present will be recorded or their image captured. When participating in the meeting, consent is automatically given for those participating to be recorded and have images captured.*

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## COUNCILLOR AND PUBLIC ATTENDANCE

### **PLEASE NOTE**

TO ENSURE LOCAL GOVERNMENT DECISION-MAKING CAN CONTINUE DURING THE CORONAVIRUS PANDEMIC, MECHANISMS FOR VIRTUAL COUNCIL MEETINGS HAVE BEEN INTRODUCED INTO THE LOCAL GOVERNMENT ACT 2020.

PURSUANT TO SECTION 394 OF THE LOCAL GOVERNMENT ACT 2020, A COUNCILLOR MAY ATTEND THIS COUNCIL MEETING REMOTELY BY ELECTRONIC MEANS OF COMMUNICATION; AND

PURSUANT TO SECTION 395 OF THE LOCAL GOVERNMENT ACT 2020 THIS COUNCIL MEETING MAY BE CLOSED TO IN PERSON ATTENDANCE BY MEMBERS OF THE PUBLIC PROVIDED THE MEETING IS AVAILABLE THROUGH LIVE STREAM ON COUNCIL'S INTERNET SITE.

### **1. ACKNOWLEDGEMENT OF THE TRADITIONAL OWNERS OF THE LAND**

*I would like to acknowledge that we are meeting here today on the traditional land of the Braiakaulung people of the Gunaikurnai nation and I pay respect to their elders past and present.*

*If there are other Elders present I would also like to acknowledge them.*

### **2. THE PRAYER**

*Our Father who art in Heaven, hallowed be thy name. Thy kingdom come, thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us, and lead us not into temptation but deliver us from evil. For the kingdom, the power, and the glory are yours now and forever. Amen.*

### **3. APOLOGIES AND LEAVE OF ABSENCE**

### **4. ADOPTION OF MINUTES**

#### **Proposed Resolution:**

**That Council confirm the minutes of the Council Meeting held on 5 September 2022.**



## **5. DECLARATION OF INTERESTS**

## **6. PUBLIC PARTICIPATION TIME**

### **Attend as an observer**

The safety of Councillors, Council staff and our community is at the forefront of our decisions therefore this Meeting will be closed to physical participation by members of the public. To meet our legislated obligations and in the spirit of open, accessible and transparent governance, this Council Meeting is livestreamed and can be viewed by using the link on Council's website or Facebook page.

### **Public Questions on Notice**

In accordance with the Council Meeting Policy, members of the public can lodge a question on notice before 12noon on the Friday before the day of the Council meeting in order for the question to be answered at the meeting.

### **Public Speakers**

An opportunity for members of the public to speak to an item on the agenda will be made available by necessary means. To participate, members of the public must have registered before 12noon on the day of the Council meeting.

# **STRATEGIC ITEMS FOR DECISION**

## 7. STRATEGIC ITEMS FOR DECISION

Item Number 7.1

03 October 2022

Community Health & Wellbeing

# 2022/23 COMMUNITY GRANTS AND SPONSORSHIP PROGRAM - ROUND 1

## PURPOSE

This report presents the 2022/23 Community Grants Program and Sponsorship Programs Round One recommendations for consideration.

## EXECUTIVE SUMMARY

- Applications for round one of the 2022/23 Community Grants and Sponsorship Programs were accepted from 4 July to 1 August 2022 for the following program categories: Minor Capital Works, Minor Equipment, Community Wellbeing, Community Events Minor, Community Events Significant and Community Sponsorship Major.
- Council received 97 applications across the six categories. 80 applications have been recommended for funding. The total amount of funding applied for in the Community Grants Program was \$489,115.49. The total amount of funding applied for in the Community Sponsorship Program was \$95,000.00
- Of the 17 unsuccessful applications that were not recommended for funding, 10 were assessed as ineligible and seven (7) were not recommended.
- Applications have been reviewed for eligibility and have undergone assessment by staff Subject Matter Expert panels. Assessments were completed in line with the Grant Governance Policy and applications were reviewed using the assessment criteria for each grant program.
- Assessment meetings were held with Councillors. The assessment panel comments were provided to Councillors to assist in making a final funding decision. Total funding recommended for the Community Grants Program is \$278,472.79 and the total amount of funding recommended for the Community Sponsorship program is \$42,500.00

## OFFICER'S RECOMMENDATION 1

### That Council:

1. **Approves 72 applications in the amounts stated as set out in the Attachment A and releases publicly a list of the successful applicants – 2022/23 Community Grants Program, Round One - Final Recommendations in the Community Wellbeing, Community Events Minor, Community Events Significant, Minor Equipment and Minor Capital Works categories of the 2022/23 Community Grants Program, Round One**
2. **Approves two applications in the amount stated as set out in in the Attachment B and releases publicly a list of the successful applicants – 2022/23 Community Sponsorship Program – Final Recommendations –**

**in the Community Sponsorship Major category of the Community Sponsorship Program, Round One;**

- 3. Notes the unsuccessful applications as set out in Attachment C – 2022/23 Community Grants Program – Unsuccessful Applications – in the Community Wellbeing, Community Events Minor, Community Events Major, Minor Equipment and Minor Capital Works categories of the 2022/23 Community Grants Program, Round One; and**
- 4. Notes the unsuccessful application as set out in Attachment D – 2022/23 Community Sponsorship Program – Unsuccessful Application – in the Community Sponsorship Major category of the Community Sponsorship Program, Round One.**

#### **OFFICER'S RECOMMENDATION 2**

##### **That Council:**

- 1. Approves five applications in the amounts stated as set out in the Attachment E and releases publicly a list of the successful applicants – 2022/23 Community Grants Program - Final Recommendations – Conflict of Interest in the Community Events Significant and Events Minor categories of the 2022/23 Community Grants Program, Round One.**

#### **OFFICER'S RECOMMENDATION 3**

##### **That Council:**

- 1. Approves one application in the amounts stated as set out in the Attachment F and releases publicly a list of the successful applicants – 2022/23 Community Sponsorship Program - Final Recommendations – Conflict of Interest in the Community Sponsorship Major categories of the 2022/23 Community Sponsorship Program, Round One.**

## BACKGROUND

The Community Grants and Sponsorship Programs represent a significant contribution by Latrobe City Council to local projects. Grant funding is a way of acknowledging the contribution that individuals and groups make to the Latrobe City community life.

Applications for the 2022/23 Community Grants and Sponsorship Programs were accepted from 4 July to 1 August 2022 for the following program categories; Minor Capital Works, Minor Equipment, Community Wellbeing, Community Events Minor, Community Events Significant and Community Sponsorship Major.

The total annual budget for the Community Grants Program is \$514,000. The budget is divided into each program category:

- \$340,000 - Minor Capital Works
- \$30,000 - Minor Equipment
- \$39,000 - Community Wellbeing
- \$40,000 - Community Events Minor
- \$65,000 - Community Events Significant

The total budget for round one of the Community Grants Program is \$310,000.00.

The budget is divided into each program category:

- \$200,000 - Minor Capital Works
- \$20,000 - Minor Equipment
- \$25,000 - Community Wellbeing
- \$25,000 - Community Events Minor
- \$40,000 - Community Events Significant

The total annual budget for Community Sponsorship Program is \$105,000. The budget is divided into each program category:

- \$70,000 - Community Sponsorship Major
- \$35,000 - Community Sponsorship Minor

The round one budget for Community Sponsorship Major is \$45,000. There were five applications for Community Sponsorship Minor.

Applications were assessed against a list of criteria that was provided to the applicants in each of the Community Grants and Sponsorship Program Guidelines.

The following criteria was used for each program:

- The applicant's capacity of delivering the project - This includes any quotes, budget information and plans in support of the application. (30%)
- The application addresses a community need and describes how the community will benefit from the project/activity. (30%)

- The application demonstrates other contributions e.g. monetary, voluntary services or in-kind support as part of the proposal. (25%)
- The application is consistent with the Council Plan, Municipal Public Health and Wellbeing plan and other strategic documents. (15%)

Using the assessment criteria, panel members completed an individual assessment. The individual assessment comments and scoring was collated to provide overall commentary and a total assessment score for each application. These comments and scores formed the basis for discussion and forming of a final recommendation for each application.

In some cases, applications have been recommended for Part Funding or had additional funding conditions applied. Funding conditions will be supplementary to the Funding Agreement and compliance will be required to achieve a successful acquittal. Some applications have been identified as Ineligible due to outstanding acquittals from previous funding rounds.

The panel recommendations were then reviewed by Councillors to develop a final recommendation. Ward Councillors attended an assessment meeting with Council Officers.

#### ANALYSIS

Proposed recommendation for 2022/23 Community Grants and Sponsorship – Round 1

#### **Minor Capital Works Grant**

Financial assistance provided to community groups who wish to develop community facilities for accessibility improvements, renovations, repairs and built in or fixed equipment purchases.

There is \$200,000 available for round one of the Minor Capital Works Grant program in 2022/23.

<b>Applications</b>	<b>Number of Applications</b>	<b>Total Funding</b>
<b>Received</b>	37	\$194,873.50
<b>Recommended (includes part funding)</b>	29	\$154,495.00
<b>Not Recommended</b>	3	\$13,289.50
<b>Ineligible</b>	5	\$31,089.00

**Minor Equipment**

Financial assistance provided to community groups who wish to purchase non fixed equipment.

There is \$20,000 available for round one of the Minor Equipment Grant program in 2022/23.

Applications	Number of Applications	Total Funding
<b>Received</b>	20	\$30,281.79
<b>Recommended (includes part funding)</b>	15	\$25,217.79
<b>Not Recommended</b>	2	\$3,600.00
<b>Ineligible</b>	3	\$4,964.00

**Community Wellbeing**

Community Wellbeing grants are to provide assistance to community groups for a broad range of community development programs, services, and activities.

There is \$25,000 available for round one of the Community Wellbeing Grant program in 2022/23.

Applications	Number of Applications	Total Funding
<b>Received</b>	10	\$17,960.00
<b>Recommended (includes part funding)</b>	9	\$15,560.00
<b>Not Recommended</b>	1	\$2,000.00
<b>Ineligible</b>	0	\$0.00

**Community Events Minor**

Assistance to conduct conferences, deliver special events of significance or to develop an existing event. Events must include local and regional participation. This could include carnivals, festivals and cultural events.

There is \$25,000 available for round one of the Community Events Minor Grant program in 2022/23.

Applications	Number of Applications	Total Funding
<b>Received</b>	14	\$36,500.20
<b>Recommended (includes part funding)</b>	14	\$26,300.00
<b>Not Recommended</b>	0	\$0.00
<b>Ineligible</b>	0	\$0.00

### Community Events Significant

Assistance to conduct larger conferences, deliver special events of significance or to develop an existing event. Events must include local and regional participation. This could include carnivals, festivals and cultural events.

There is \$40,000 available for round two of the Community Events Significant Grant program in 2022/23.

Applications	Number of Applications	Total Funding
<b>Received</b>	11	\$101,500.00
<b>Recommended (includes part funding)</b>	10	\$54,000.00
<b>Not Recommended</b>	1	\$10,000.00
<b>Ineligible</b>	0	\$0.00

### Community Sponsorship Major

Community Sponsorship provides assistance to community groups for a broad range of community programs, services, and activities.

There is \$45,000 available for round one of the Community Sponsorship Major program in 2022/23.

Applications	Number of Applications	Total Funding
<b>Received</b>	5	\$80,000.00
<b>Recommended (includes part funding)</b>	3	\$42,500.00



<b>Not Recommended</b>	2	\$40,000.00
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### Recommendations by Ward – Community Grants and Sponsorship

Ward	Recommended Amount
<b>Central</b>	\$51,717.79
<b>East</b>	\$126,598.00
<b>South</b>	\$69,360.00
<b>West</b>	\$73,797.00
<b>TOTAL</b>	\$321,472.79

### RISK ASSESSMENT

RISK	LIKELIHOOD	TREATMENT
FINANCIAL Misuse of council funding	Unlikely	Acquittal and accountability process as set out in the Grants Governance Policy.

### CONSULTATION

Whilst the Community Grants and Sponsorships Programs were open, staff were available to provide one on one support to applicants to prepare a submission.

Public information sessions were held in person and online to provide applicants with an overview of the program and the requirements for completing a submission

### COMMUNICATION

Following a decision from Council, applicants will be notified of their grant outcome by Friday 14 October 2022.

Successful applicants will be provided an offer of funding and will be asked to enter into a Funding Agreement. Funding Agreements will be required to be completed and returned by Friday 18 November 2022.

Unsuccessful applicants will be provided with feedback and supported to prepare future submissions where possible.

A media release will be developed, promoting Council's financial contribution to community projects, demonstrating community support.

DECLARATIONS OF INTEREST

Officers preparing this report have declared they do not have a conflict of interest in this matter under the provisions of the *Local Government Act 2020*

## APPENDIX 1 IMPACT ASSESSMENT

### **Social**

The social implications will vary depending on whether an application is successful or not. Officers will endeavour to minimise the negative community implications by working with the unsuccessful applicants to amend their applications to resubmit in round two of the 2021/22 Community Grant and Sponsorship Programs.

### **Health**

The Community Grants and Sponsorship program supports community groups by providing funding for projects that increase social connection and physical and mental health.

### **Environmental**

There are no environmental implications expected as an outcome of providing funding. Some projects support improved environmental sustainability at a minor local level.

### **Financial**

If the recommendations are endorsed, 77 Community Grant applications will be supported with a recommended total value of \$278,472.79 and three Community Sponsorship applications will be supported with a recommended total value of \$42,500.00.

The total recommended amount sits within the allocated budget for round one. The remaining funds of \$33,527.21 will be allocated to the budget for round two applications.

### **Attachments**

1. Attachment A - 2022-23 Community Grants Program Round One - Recommended (Published Separately)

This attachment is designated as confidential under subsection (h) of the definition of confidential information contained in section 3(1) of the *Local Government Act 2020*, as it relates to confidential meeting information, being the records of meetings closed to the public under section 66(2)(a). Community Grants Recommendations

2. Attachment B - 2022-23 Community Sponsorship Program Round One - Recommended (Published Separately)

This attachment is designated as confidential under subsection (h) of the definition of confidential information contained in section 3(1) of the *Local Government Act 2020*, as it relates to confidential meeting information, being the records of meetings closed to the public under section 66(2)(a). Community Sponsorship Recommendations

3. Attachment C - 2022-23 Community Grants Program Round One - Not Recommended (Published Separately)

This attachment is designated as confidential under subsection (h) of the definition of confidential information contained in section 3(1) of the *Local Government Act 2020*, as it relates to confidential meeting information, being the records of meetings closed to the public under section 66(2)(a). Unsuccessful Applications

4. Attachment D - 2022-23 Community Sponsorship Program Round One - Not Recommended (Published Separately)

This attachment is designated as confidential under subsection (h) of the definition of confidential information contained in section 3(1) of the *Local Government Act 2020*, as it relates to confidential meeting information, being the records of meetings closed to the public under section 66(2)(a). Unsuccessful Applications

5. Attachment E - 2022-23 Community Grants Program Round One - Conflicts of Interests (Published Separately)

This attachment is designated as confidential under subsection (h) of the definition of confidential information contained in section 3(1) of the *Local Government Act 2020*, as it relates to confidential meeting information, being the records of meetings closed to the public under section 66(2)(a). Community Grants Recommendations - Conflicts of Interest

6. Attachment F - 2022-23 Community Sponsorship Program Round One - Conflicts of Interest (Published Separately)

This attachment is designated as confidential under subsection (f) of the definition of confidential information contained in section 3(1) of the *Local Government Act 2020*, as it relates to personal information, being information which if released would result in the unreasonable disclosure of information about any person or their personal affairs. Community Sponsorship Recommendations - Conflicts of Interest

# PETITION FOR ADDITIONAL CAR PARKING AT MORWELL PARK PRIMARY SCHOOL

## PURPOSE

This report provides a response to the petition received seeking additional car parking at Morwell Park Primary School and presents the issues and options available to Council.

## EXECUTIVE SUMMARY

- Latrobe City Council (Council) was presented with a petition containing 21 signatures requesting Council provide additional car parking at the Morwell Park Primary School.
- The petition was tabled at the Council meeting held on Monday, 5 September 2022 where it was resolved that a future report would be presented to Council in response to the petition.
- Officers have undertaken a detailed review of the parking provision at Morwell Park Primary School and have determined that there is currently a sufficient supply within the area, negating the need for any additional car parking to be provided.
- Officers have however reviewed the issue and identified that driver behaviour is in fact the root cause of the perceived parking problems. A number of options to modify the parking on site are being considered to address poor driver behaviour to allow safer movement of students, parents, teachers, other pedestrians and vehicles through the site.

## OFFICER'S RECOMMENDATION

That Council:

1. **Notes the petition requesting additional car parking at Morwell Park Primary School;**
2. **Requests the Mayor write to the Victorian Minister for Education requesting a meeting to discuss this and similar issues, and that future development of State Government schools give proper consideration to parking and traffic impacts; and**
3. **Advises the head petitioner that there is sufficient car parking provided at Morwell Park Primary School, and that additional parking measures will be implemented in consultation with the school.**

## BACKGROUND

Latrobe City Council (Council) has been presented with a petition containing 21 signatures requesting Council provide additional car parking at Morwell Park Primary School. (Attachment 1)

The petition statement outlines the following:

*We, the undersigned concerned citizens wish to inform the Latrobe City Council of the need for additional carparking at Morwell Park Primary School along Burnside Drive, Morwell. We ask that the Latrobe City Council to provide additional carparking to allow parents to safely drop their children at school.*

The Morwell Park Primary School (MPPS) is situated on land owned by the State Government/Dept of Education (blue). The car parking and through lane is sited on Council land (red) – not road reserve. Figure 1 shows the two separate areas.



Figure 1: Morwell Park Primary School

## ANALYSIS

After receiving a petition along with a handful of complaints regarding this matter, officers have undertaken site visits and met with the Principal of MPPS. MPPS in fact is one of, if not the most, well catered for with regards to parking within the municipality. Numerous schools within Latrobe City have provision of car parking spaces on school land, something which MPPS does not have currently.

Currently at MPPS there are 100 formalised car parking spaces provided on Latrobe City Council land that wholly cater for this school, one of which is an accessible parking space. Naturally school employees occupy some of these spaces during the day, however, they have been requested by the Principal to park in the spaces furthest from the school to provide ample opportunity for parents to park as close to the school as possible.

It should be noted that were this site a new primary school development, the Department of Education would be required, under the Latrobe Planning Scheme, to provide onsite parking for each employee that is part of the maximum number of employees on the site at any time, however the Minister for Education is exempt from requiring a planning permit for development such as this. It is worth noting that in this instance there are estimated to be more than 50 staff that are employed at the school so their occupation of parking likely fluctuates.

Officers, along with the Principal, have identified that the number of parking spaces available is not the issue at this site and that driver behaviour is in fact the root cause of the issues at the site. There is only a small period of the day that experiences driver behaviour related issues, which is a 15-minute window at pick up time after the completion of the school day.

Another compounding factor is the construction of a new early learning centre by the State Government in the north-east corner of the school and, as per a Government Gazette published on 2 February 1988, planning schemes in Victoria shall not be binding on the use and development of land carried by or on behalf of the Minister for Education.

The development of the early learning centre and its co-location at MPPS was approved and carried out on behalf of the Minister for Education, therefore a planning permit was not required and requirements in the Latrobe Planning Scheme relating to car parking and considerations relating to traffic generated by the use were not binding in the approval of the project.

Officers are currently reviewing several options available to modify the existing parking and traffic arrangements on the site to address poor driver behaviour and to improve safety for movement of students, parents, teachers, other pedestrians and vehicles through the site. Once a preferred option is known this will be provided to the MPPS Principal for feedback and input prior to implementation.

Other measures that the school could implement in the meantime to improve driver behaviour are:

- Information to promote a calmer traffic environment at times of high demand.
- Encourage higher levels of walking and cycling
- Park and walk – to make use of parking spaces further away.

**RISK ASSESSMENT**

RISK	LIKELIHOOD*	TREATMENT
<p>COMPLIANCE (Legal, Contractual, OHS and Safety)</p> <p>Inappropriate measures being put in place to manage driver behaviour</p>	1	Officers will review the options for compliance and ensure the measures implemented meet requirements and standards.
<p>COMPLIANCE (Legal, Contractual, OHS and Safety)</p> <p>The State Government has contributed to this perceived issue by not considering their own planning requirements with regard to parking on this site, by using an exemption to avoid the planning permit process</p>	5	Write to the State Government to advise they consider parking and traffic risks at this site and others in the future when undertaking new or expansion works to their schools

RISK	LIKELIHOOD*	TREATMENT
<b>SERVICE DELIVERY</b> Officers required to manage construction and maintenance of additional car parking infrastructure	2	Address the perceived parking issue with the school and improve driver behaviour through modification of the existing car parking already provided
<b>FINANCIAL</b> Cost to Council for the delivery of appropriate measures to address driver behaviour	2	Use of existing budget allocations to provide appropriate measures to address driver behaviour e.g. changes to car park line marking and arrangements
<b>STRATEGIC (INC REPUTATIONAL)</b> Providing additional car parking at a site that is one of the most well catered for within the municipality resulting in further similar requests at expense of Council	4	Address the perceived parking issue with the school and improve driver behaviour through modification of the existing car parking already provided

\* Inherent likelihood ratings: 1 (Rare); 2 (Unlikely); 3 (Possible); 4 (Likely); 5 (Almost Certain)

#### CONSULTATION

Officers recently met with the Principal of MPPS to discuss the issues and will continue to work with the Principal to provide appropriate measures to address driver behaviour at the site.

#### COMMUNICATION

The head petitioner was advised via email of the petition being tabled at the Council meeting held on Monday, 5 September 2022 and, as a result of the resolution, was advised via email of the report being presented at this meeting.

#### DECLARATIONS OF INTEREST

Officers preparing this report have declared they do not have a conflict of interest in this matter under the provisions of the *Local Government Act 2020*.



## APPENDIX 1 IMPACT ASSESSMENT

### **Social**

There are no social impacts associated with this report.

### **Cultural**

There are no cultural impacts associated with this report.

### **Health**

There are no health implications associated with this report, however there is an opportunity for further education of the community around the benefits associated with walking to school for both parents and students.

### **Environmental**

There are no environmental impacts associated with this report.

### **Economic**

There are no economic impacts associated with this report.

### **Financial**

There are no financial impacts associated with this report although the proposed parking changes will require expenditure of Council funds, officers anticipate this will be able to be funded from existing budget allocations.

### **Attachments**

Nil

# PENSIONER RATE FOR LATROBE CITY

## PURPOSE

The purpose of this paper is to present information in response to the Notice of Motion seeking an investigation into a Pension Rate for Latrobe City.

## EXECUTIVE SUMMARY

- The Victorian State Government currently provide a Municipal Rates Concession for a cardholder's principal place of residence (one per household) where they hold either a Pension Concession Card or Veterans' Affairs Gold Card (given for TPI, War Widow, EDA or POW). The concession for 2022/23 is set at \$253.20 or 50% of council rates, whichever is lesser, plus \$50.00 towards the Fire Services Property Levy.
- Latrobe City Council does not currently provide a Pension Rate (differential rate).
- Differential rates are generally established based on land use. A differential based on individual circumstances is not considered to be a good construct for a differential rate and would be administratively burdensome to manage.
- Council does not have access to, and is unlikely to ever have access to, Federal Government or other data which would identify the number of ratepayers who are concession card holders and therefore eligible for a proposed Pension Rate.
- It is unlikely that Council would ever be allowed access to Federal Government data about concession card holders. To administer a Pension Rate, Council would need to establish its own process to determine an individual's eligibility. The cost of administering the Pension Rate could be significant and is unlikely to be able to be absorbed within the organisation's business as usual budget or resourcing.
- As not all concession cards require an asset and/or income test, a ratepayer holding a concession card may be in a (significantly) better financial position than a ratepayer who does not.
- A differential rate does not reduce the total municipal rates payable to Council but merely redistributes the rates burden. As a result, a Pension Rate would provide financial relief for those eligible however it would add the cost of the differential to the rates of all other ratepayers including those that are on fixed incomes who do not hold a concession card and those on low incomes.
- The benefit provided by the Pension Rate and the impact on other ratepayers is unable to be measured at present as officers do not know the extent of the proposed Pension Rate and Council does not have access to records which identify how many ratepayers would be eligible for the Pension Rate.
- A review of neighbouring Councils and other Regional City Councils has identified that none currently provide a Pensioner differential rate.

## OFFICER'S RECOMMENDATION

### **That Council:**

- 1. notes the report into a pensioner rate for Latrobe City;**
- 2. requires the Chief Executive Officer to implement a communication program to increase the visibility of the Municipal Rates Concession within Latrobe City; and**
- 3. resolves that the Mayor write to the Premier, Treasurer, the Minister for Disability, Ageing and Caring and the Minister for Local Government advocating for an increase in the Municipal Rates Concession.**

## BACKGROUND

At the Council Meeting held on 1 August 2022, Councillor Gibson passed a motion requesting a report be presented investigating a Pensioner Rate for Latrobe City.

The Notice of Motion sought;

*That the CEO urgently present a report on:*

1. *An investigation on the Pensioner rate for Latrobe City;*
2. *Options as to who could be considered for a reduction in their rates of those that are potentially financially vulnerable. i.e. pensioner, disability, centrelink concession holder, veteran affairs pensioner and any other types of pensions;*
3. *Any financial implications to Council's annual budget based on this initiative; and*

*Based on Federal Government and other available data, the number of ratepayers in Latrobe City that would be eligible.*

## ANALYSIS

### **1) *An investigation on the Pensioner rate for Latrobe City***

Council does not currently provide a Pensioner differential rate.

Section 161 (2) of the *Local Government Act 1989* provides, if Council declares a differential rate for any land, the Council must;

- 1) Specify the objectives of the differential rate which must include;
  - i) A definition of the types or classes of land which are subject to the rate and a statement of the reasons for the use and level of that rate in relation to those types or classes of land
  - ii) An identification of the types or classes of land which are subject to the rate in respect of uses, geographical location and planning scheme zoning of the land and the types of buildings situation on it and any other criteria relevant to the rate; and
- 2) Specify the characteristics of the land which are the criteria for declaring the differential rate.
- 3) A Council must have regard to any Ministerial guidelines before declaring a differential rate for any land.

The guidelines provide that the primary objective of a municipal Council is to “endeavour to achieve the best outcomes for the local community having regard to the long term and cumulative effects of decisions.” In seeking to achieve its primary objective, a Council must have regard to a number of facilitating objectives including the objective to “ensure the equitable imposition of rates and charges”.

In specifying the objective of each differential rate, a Council should be able to provide evidence of having had regard to:

- 1) good practice taxation principles and their assessment against a particular differential rate objective and determination;

- 2) modelling or consideration of the impact of the rating decision on those rated differentially and the consequential impact upon the broader municipality; and
- 3) rating strategies or related Council documents;

In specifying objectives of differential rates, a Council should also have regard to the strategic objectives set out in the Council Plan to ensure its objectives for differential rates (and thereby a percentage of Council revenue) accords with the strategic objectives.

Assessment:

- 1) *Definition of the types or classes of land subject to the differential rate*  
 The majority of concession card holders would be residential ratepayers but some may be owners of farmland and even commercial property.  
  
 The calculation of rates only allows for each property to have one rate type / differential rate. As farmland already attracts a differential rate, the Pension Rate would likely exclude farmland unless the differential is set at a level which is more favourable than the farm rate differential.
- 2) *Good practice taxation principles*  
 Taxation principles primarily relate to equity, fairness and efficiency.  
  
 Equity and fairness include horizontal equity (ratepayers with equal ability to pay should pay the same amount) and vertical equity (ratepayers with a greater ability to pay should pay more). Rates are allocated on the basis of property value.  
  
 The introduction of a Pension Rate could at least in some cases be inequitable:
  - Not all concession cards are asset and/or income tested. For example, a person who is a carer is entitled to a Pensioner Concession Card without any asset testing provided the carer and any partner's combined income is less than \$250,000pa. As a result, some ratepayers holding a concession card are not necessarily in a worse financial position than some ratepayers who do not hold a concession card; and
  - The amount of the differential would be added to the rates paid by other ratepayers including those on fixed incomes who are not eligible for the Pension Rate (self-funded retirees, non-qualifying concession holders) and low-income earners (working poor).
 Efficiency relates to the cost to administer the tax, namely does the cost to manage outweigh the benefit it provides. The introduction of a differential rate for concession card holders is problematic as it is not linked to the land. Council cannot realistically hope to be provided with the relevant qualifying data from the Federal Government and so will need to create its own process. Such a process will rely on ratepayers identifying themselves (as Council will have no information to identify them) with the result that some who are eligible will miss out. The costs to administer will likely need to be funded in addition to existing budget allocations of the administrator by reductions elsewhere.
- 3) *Consideration of the consequential impact on other ratepayers.*  
 The impact on other ratepayers is unable to be accurately measured

as the amount of the proposed Pension Rate is not known and Council does not have access to records which identify how many ratepayers would be eligible for the Pension Rate.

Based on 2022 State Government Pensioner Rebate alone, a 10% differential would result in the redistribution of \$843K of general rates to other ratepayers at an average of \$25.30 per non eligible assessment.

Eligible pensioners would benefit on average by \$125 per assessment with rebates ranging from \$25 to \$499.

The impact would vary year on year associated with movements in property valuations and the number of eligible recipients moving in and out of the criteria on an annual basis.

4) Strategic Objectives

The Council Plan and the Revenue and Rating Plan do not include any reference to the implementation of a Pensioner Rate.

5) Other Information

Differential rates are not uniform in amount as they are determined by the Capital Improved Value of the property, therefore the redistribution of rates burden could be significant.

Not every ratepayer eligible for a Pension Rate is financially vulnerable, likewise there are persons who do not qualify who are financially vulnerable.

A review of neighbouring Councils and other Regional City Councils has identified that none currently provide a Pensioner differential rate.

2) ***Options as to who could be considered for a reduction in their rates of those that are potentially financially vulnerable. i.e. pensioner, disability, centrelink concession holder, veteran affairs pensioner and any other types of pensions.***

Financial vulnerability has been described as the inability to recover from sudden financial shock, such as an unexpected loss of income or uncontrollable increase in expenditure.

Consumer Affairs Victoria define a person as being at risk of being financially vulnerable when;

- They have no income
- Their main source of income is a Centrelink benefit; or
- Their income is insufficient to sustain their personal financial commitments and they have defaulted on payment of their debts or are at risk of defaulting.

The Federal Government provides the following concession cards;

- Pensioner Concession Card  
The card is available if receiving any of the following payments
  - Age Pension
  - Carer Payment
  - Disability Support Pension

- Job Seeker Payment or Youth Allowance
- Parenting Payment single
- Special Benefit
- Commonwealth Seniors Health Card  
Available where you meet all of the following conditions
  - Be aged pension age or older
  - Meet residence rules
  - Not be getting a payment from Centrelink or Department of Veterans' Affairs
  - Meet the income test
- Health Care Card  
Eligibility for up to 12 months if receiving any of the following payments
  - ABSTUDY Living Allowance
  - Austudy
  - JobSeeker Payment
  - Parenting Payment partnered
  - Special Benefit
  - Youth Allowance
  - Carer Allowance – for a child younger than 16
  - Carer Payment – short term or irregular less than 6 months
  - The highest rate of Family Tax Benefit Part A
  - Mobility Allowance if not receiving Disability Support Pension

Assessment:

Options are as presented.

Council's Financial Hardship Policy is the current vehicle utilised to assist those in genuine hardship.

**3) *Any financial implications to Council's annual budget based on this initiative***

Generally, a differential rate does not have any financial implications to Council (other than the cost of administration). The effect of a differential rate is simply to reallocate the reduction in rates for those who are eligible for the differential rate as an equivalent increase in rates paid by those ratepayers not eligible for the differential rate.

In order to maintain a zero budget implication, the differential could only be applied to those assessments eligible at the time the budget is adopted. Any persons becoming eligible during the year would not be able to access the differential until the following financial year otherwise this would result in an unbudgeted reduction in council revenue.

As an example, an individual seeking a Pension Rate would need to establish his or her eligibility by a specific date ahead of the adoption of the annual

budget for officers to calculate the impact of the differential on the rates paid by other ratepayers and the coming year's budget. If a ratepayer became eligible for the Pension Rate during the financial year, the Pension Rate would only apply from the following financial year (assuming the individual had established eligibility).

Even under the scenario set out above, Council would have a risk that its rates collected in any year would breach the rate cap if sufficient numbers of properties held by Pension Ratepayers were transferred to general ratepayers throughout the year as in the absence of the differential the amount of rates paid per property would increase.

Officers would not recommend that Council administers a Pension Rate where a ratepayer may become eligible throughout the year (as with the State Government Municipal Rates Concession scheme). Numbers of ratepayers entitled to the Pension Rate would vary considerably throughout the year and from year to year and the budget impact could be material. The organisation may also need to react to a reduction in revenue at short notice.

Regardless of whether eligibility for the Pension Rate would be assessed on a specific date or throughout the financial year, as it is unlikely that Council would ever receive information about eligibility for the Pension Rate from the Federal Government and Council has otherwise no access to the personal information that would link a property to a person eligible for the Pension Rate, Council would need to establish its own process to determine eligibility. The costs of doing so could well be significant and as it is unlikely to be undertaken within the existing business as usual budget, requiring an increase to the administrator's budget and potentially a corresponding decrease elsewhere.

The Victorian State Government currently provide a Municipal Rates Concession for a cardholder's principal place of residence (one per household) where they hold either;

- Pension Concession Card; or
- Veterans' Affairs Gold Card (given for TPI, War Widow, EDA or POW)

The concession for 2022/23 is set at \$253.20 or 50% of council rates, whichever is lesser, plus \$50.00 towards the Fire Services Property Levy.

In 2021/22 there were 7,579 eligible assessments with concessions paid totalling \$1.86M.

**4) *Based on Federal Government and other available data, the number of ratepayers in Latrobe City that would be eligible.***

Council does not have access to Federal Government or other data which would identify the number of concession card holders who currently own property as a principal place of residence within the municipality and is unlikely ever to do so.

Based on 2021/22 data there were 7,579 assessments eligible under the State Government Municipal Rates Concession scheme.



## RISK ASSESSMENT

RISK	LIKELIHOOD	TREATMENT
COMPLIANCE (LEGAL, CONTRACTUAL, OHS AND SAFETY)		
Pension rate complies with the requirements of the Local Government Act and Ministerial Guidelines	Likely	Introduction of a new rate would require modelling to identify the potential impact on the broader ratepayers and to ensure compliance with the annual rate cap.
SERVICE DELIVERY		
Impact on the delivery of services across council	Likely The introduction of any type of relief is likely to have a negative financial impact on Council's rates revenue	Establish a budget line through the annual budget process for a likely financial impact
FINANCIAL		
Further add to Council's identified financial sustainability issues	Likely	Offset reduction in revenue through reduced services or rationalisation of the asset base.
STRATEGIC (INC REPUTATIONAL)		
The redistribution of the rates burden to other ratepayers could result in dissatisfaction amongst other ratepayer groups	Certain	Clear communication and strict eligibility criteria.

## CONSULTATION

N/A

## COMMUNICATION

N/A

## DECLARATIONS OF INTEREST

Officers preparing this report have declared they do not have a conflict of interest in this matter under the provisions of the *Local Government Act 2020*.

## APPENDIX 1 IMPACT ASSESSMENT

### **Social**

Not every Pensioner is financially vulnerable, likewise there are persons who are not pensioners who are financially vulnerable. The introduction of a Pension Rate will likely reduce the cost-of-living expenses associated with the target group, however will also have a negative impact on others who may also be experiencing financial vulnerability.

### **Cultural**

N/A

### **Health**

N/A

### **Environmental**

N/A

### **Economic**

N/A

### **Financial**

The introduction of a Pension Rate will increase Council administrative costs and would likely reduce available funding for services and infrastructure, however the quantum of the financial impact is unable to be accurately measured.

### **Attachments**

Nil

# **STATUTORY PLANNING**

## **8. STATUTORY PLANNING**

**Agenda Item: 8.1**

**Agenda Item: Development of land with six dwellings at 24 Peterkin Street, Traralgon**

**Sponsor: General Manager, Regional City Planning and Assets**

### **OFFICER'S RECOMMENDATION**

**That Council decides to issue a Notice of Decision to Refuse to Grant a Permit for the development of land with six (6) dwellings at 24 Peterkin Street, Traralgon (L 1 LP 48185), on the following grounds:**

- 1. The proposal is inconsistent with the following clauses of the Municipal Planning Strategy and Planning Policy Framework of the Latrobe Planning Scheme in relation to urban design, neighbourhood character and energy efficiency:**
  - a) Clause 02.03-5 Built Environment and Heritage**
  - b) Clause 02.03-6 Housing**
  - c) Clause 11.01-1L Latrobe Settlement Patterns**
  - d) Clause 15.01-1S Urban Design**
  - e) Clause 15.01-1L Urban Design**
  - f) Clause 15.01-2S Building Design**
  - g) Clause 15.01-2L Energy and Resource Efficiency**
  - h) Clause 15.01-5S Neighbourhood Character**
  - i) Clause 15.01-5L Neighbourhood Character**
  - j) Clause 16.01-1S Housing Supply**
  - k) Clause 16.01-1L Housing Supply**
  - l) Clause 16.01-2S Housing affordability**
- 2. The proposal does not satisfactorily address the *Latrobe City Council Urban Design Guidelines* (Latrobe City, 2019) with regard to:**
  - a) Street setback and presentation**
  - b) Vehicle access and car parking**
  - c) Private open space**
  - d) Landscape**

- e) **Services and maintenance**
- 3. **The proposal is inconsistent with the purpose and decision guidelines of the Residential Growth Zone Schedule 2 which seeks to encourage development that respects the neighbourhood character of an area that has been identified to have special character.**
- 4. **The proposal does not satisfactorily meet the following clauses of Clauses 55 of the Latrobe Planning Scheme:**
  - a) **Clause 55.03-1 Street setback objective**
  - b) **Clause 55.03-9 Access objective**
  - c) **Clause 55.04-1 Side and rear setbacks objective**
  - d) **Clause 55.05-5 Solar access to open space objective**
  - e) **Clause 55.07-1 Energy efficiency objectives**
  - f) **Clause 55.07-4 Landscaping objective**
  - g) **Clause 55.07-9 Private open space objective**
- 5. **The proposal does not comply with the decision guidelines of Clause 65 (Decision Guidelines) of the Latrobe Planning Scheme, including the purpose of the zone, the orderly planning of the area, and the effect on the amenity of the area.**

#### **Executive Summary:**

The application is seeking to develop the land at 24 Peterkin Street, Traralgon, with six two-bedroom dwellings. The land is within the Residential Growth Zone Schedule 2 and is not subject to any overlays. The land has an area of 819 square metres and currently contains four single storey attached dwellings.

The application is before Council at the request of a Ward Councillor.

The proposed dwellings would be contained in a residential building with two dwellings located on the ground floor and four dwellings on the first floor. Each dwelling would have its own access from ground level adjacent to its single car garage, and vehicle access would be from three driveways; two from Peterkin Street and one from Munro Street. A free-standing visitor carparking space would be provided, accessed from Munro Street. The proposed development is modern in design, utilising predominantly brick, rendered brick, and timber cladding for external wall finishes, and would have a flat metal roof.

The application was advertised with no objections received.

A previous approval was issued for the site in July 2018 for an almost identical development however the permit expired in July 2020.

In the intervening time the Housing Strategy developed as part of Planning Scheme Amendment C105 Live Work Latrobe introduced Housing Framework Plans and Urban Design Guidelines (UDGs) into the Latrobe Planning Scheme (the Scheme) to guide housing development across the municipality. In addition, there have been other changes introduced through State Government-led planning scheme

amendments related to the assessment of apartment developments since the previous approval was issued.

Having considered the proposal against the relevant provisions of the Scheme, it is considered that the proposal is inconsistent with the relevant objectives and decision guidelines with regard to urban design, neighbourhood character, landscaping, and energy efficiency.

It is therefore recommended that a Notice of Decision to Refuse to Grant a Permit be issued.

**Background:**

**Summary**

- Land: 24 Peterkin Street, Traralgon, known as Lot 1 LP 48185
- Proponent Zwierlein Constructions c/- Latrobe Valley Drafting
- Zoning: Residential Growth Zone Schedule 2
- Overlay Nil

A Planning Permit is required to construct two or more dwellings on a lot in accordance with Clause 32.07-5.

**Proposal**

It is proposed to construct six dwellings on the site contained in a residential building. Two dwellings would be located on the ground floor and four on the first floor with each dwelling containing two bedrooms, open plan kitchen and living area, two bathrooms, powder room, and laundry.

Each dwelling would have its own access from the ground floor next to the single car garage to be provided for each dwelling. Vehicle access would be from three driveways - two from Peterkin Street servicing the garages of dwellings 3, 4, 5 and 6, and one from Munro Street servicing dwellings 1 and 2 as well as a visitor carparking space which would be located adjacent to the eastern boundary.

Private open space would be provided at ground level for dwellings 2 and 5 at the rear of these dwellings, and balconies would be provided for dwellings 1, 3, 4 and 6 with access from living areas.

The proposed development is modern in design, utilising predominantly brick, rendered brick, and timber cladding for external wall finishes, with a flat metal roof. See Figures 1 and 2 below.



Figure 1: Peterkin Street elevation



Figure 2: Munro Street elevation

A copy of the site context plans and development plans can be viewed at Attachment 1 of this report.

### **Previous Approval**

Planning permit 2018/31 was issued for the site on 6 July 2018 for the development of the land with six double storey dwellings. The development did not commence within the prescribed time of two years and an extension of time was not applied for by the permit holder. The permit therefore expired on 6 July 2020.

In November 2019, C105 was gazetted and rezoned the subject land from General Residential Zone Schedule 1 to Residential Growth Zone Schedule 2 and introduced the UDGs into the Scheme as a background document. In addition, planning scheme amendments led by the State Government have made changes to the provision of landscaping for apartments where a greater emphasis was placed on the provision of canopy trees on development sites. The landscaping objective was amended to the following:

- *To provide landscaping that supports the existing or preferred urban context of the area and reduces the visual impact of buildings on the streetscape.*
- *To preserve existing canopy cover and support the provision of new canopy cover.*
- *To ensure landscaping is climate responsive, supports biodiversity, wellbeing and amenity and reduces urban heat.*

### **Subject Land**

The subject site is located at 24 Peterkin Street, Traralgon, and is known as Lot 1 on LP 48185. It is located on the south-eastern corner of Peterkin Street and Munro Street and it is situated to the east of the Traralgon Activity Centre and Traralgon Creek.

The site is regular in shape with a frontage to Peterkin Street of 27.43 metres, a frontage to Munro Street of 29.87 metres and an overall area of 819 square metres.

The site has been developed with four single storey dwellings contained in a residential building. The dwellings have been constructed from cream brick and have a metal skillion roof. A limited area of communal open space is located around the dwellings within the front and side setbacks, with a car parking area dominating the site frontage on Munro Street.



The main vehicle access to the site is from Munro Street with a crossover and driveway providing access at the eastern end of this frontage. A second access point is located at the southern end of the Peterkin Street frontage.

Vegetation on site comprises of three 10 metre high pine trees located within the front setback on Peterkin Street, as well as a number of other small trees and shrubs.

A 2.44 metre wide drainage and sewerage easement runs parallel to the eastern boundary of the site.

**Surrounding Land Use**

The site is located in an established residential area to the east of the Traralgon Activity Centre. See Figure 3 below. The area is undergoing some gradual change with a number of lots being redeveloped with multi dwellings as the area is in the Residential Growth Zone. Some surrounding properties are subject to the Heritage Overlay.

The details of the immediate adjoining sites are as follows:

- North: Single storey dwellings including 19 Munro Street which is subject to a heritage overlay (HO124)
- South: Single storey dwelling constructed from brick with pitched tiled roof.
- East: Multi dwelling development comprising single storey dwellings constructed from brick with pitched metal roofs.
- West: Single storey dwelling constructed from brick with pitched tiled roof.



Figure 3: Aerial view of subject site and surrounds (Intramaps image dated Feb 2021)

Further aerial photos of the locality showing the subject site in context and photos of the subject site can be viewed at Attachment 2 of this report.



## **Reasons for Proposed Resolution**

The proposal is considered to be:

- Inconsistent with the strategic direction of the Municipal Planning Strategy and Planning Policy Framework relating to urban design, neighbourhood character and energy efficiency;
- Inconsistent with the *Latrobe City Council Urban Design Guidelines* (Latrobe City, 2019)
- Inconsistent with the purpose and decision guidelines of the Residential Growth Zone Schedule 2;
- Inconsistent with Clause 55 ResCode; and
- Inconsistent with Clause 65 (Decision Guidelines).

## **Issues:**

### ***Strategy Implications***

Council Plan 2021-2025 – Connected

*‘Facilitate appropriate urban growth, industry diversification, liveability and connectivity throughout Latrobe City.’*

It is considered that the proposed development would not provide an acceptable level of amenity to the future occupants of the dwellings and to adjoining owners and occupiers.

### ***Health Implications***

Health impacts including those from offsite amenity impacts have been considered and are discussed later in this report.

## **Communication**

### ***Notification***

The application was advertised pursuant to Sections 52(1)(a) and (d) of the *Planning & Environment Act 1987* (Act). Notices were sent to all adjoining and adjacent landowners and occupiers, and site notices were displayed on the site frontage for 14 days.

At the time of writing this report there were no objections to the application.

### ***External***

The application was referred to Gippsland Water under Section 52 of the Act. There was no objection to the application, subject to specified conditions regarding the provision of water and sewerage to the development.

### ***Internal***

The application was referred internally to Council’s Engineering, Environment and Strategic Planning teams. There was no objection to the proposal subject to conditions from Engineering and Environment.

## Financial Implications

Additional resources or financial cost will only be incurred should the planning permit application require determination at the Victorian Civil and Administrative Tribunal (VCAT). The applicant has indicated that he will appeal the decision if it is refused.

The anticipated time required for a Council Officer to prepare a VCAT submission and collate all relevant documentation is 7 business days with an additional two days required to attend and present at the appeal, totalling 9 business days. This equates to a financial cost in the order of \$4,000. This cost would be far greater if a consultant is required to attend on Council's behalf and would likely be in the range of \$10,000 or more.

### *Risk Analysis*

Identified risk	Risk likelihood*	Controls to manage risk
Reputational Risk Supporting an application which would create a substandard outcome for residential development.	3 - Possible	The proposal has been considered against the Scheme and it is considered to be inconsistent with the relevant provisions.
Reputational Risk & Financial Risk Not supporting the application and the applicant seeking review of the decision at VCAT.	5 – Almost certain	The applicant has indicated he will appeal a refusal at VCAT.  To manage and limit the potential risk, the recommendation has been considered against the requirements of the Residential Growth Zone, Latrobe City Urban Design Guidelines, Planning Policy Framework and Municipal Planning Strategy.

\* For example, likelihood ratings: 1 (Rare); 2 (Unlikely); 3 (Possible); 4 (Likely); 5 (Almost Certain)

## Legal and Compliance

### ***Latrobe Planning Scheme***

The Municipal Planning Statement (MPS) and Planning Policy Framework (PPF) have been considered as part of the assessment of this application. A list of relevant clauses can be viewed at Attachment 3 to this report.

## ***Strategic direction of the Planning Policy Framework***

The key elements of the PPF have been considered in the assessment of the application.

Clause 71.02-3 of the Scheme requires decision makers to integrate the range of policies relevant to the issues to be determined and balance conflicting objectives in favour of net community benefit and sustainable development for the benefit of present and future generations.

Clause 16.01-1L contains the Traralgon Housing Framework Plan which shows that the subject site is located within a 'substantial change (adjoining heritage) area': Relevant policy at this clause with regard to substantial change areas states:

- *Encourage the development of smaller housing types, particularly one and two bedroom dwellings in Substantial Change Areas and Incremental Changes Areas as indicated on the Housing Framework Plans for each town in this Clause*
- *Encourage multi-level residential development in the form of low scale apartments, townhouses, shop tops and units.*

The application proposes to develop the land with six 2-bedroom dwellings in a two storey building. The proposal is therefore considered to have satisfactorily addressed the policy in this regard.

The application has also been assessed against the UDGs. The proposal is in the category of 'Apartments' and does not comply with the following aspects of the guidelines:

- Street setback and presentation - apartment buildings "*should complement the existing streetscape character, contribute to lively streets and improve passive surveillance*".

It is considered that the proposal does not reflect prevailing setbacks, does not provide any breaks in the building mass to reflect the existing grain of built form, and does not provide adequate space for landscaping on both Peterkin Street and Munro Street. The proposal will result in a development that will dominate the streetscape.

- Vehicle access and car parking – the purpose is "*to ensure driveways and carparks are sensitively designed and concealed to ensure that they are not dominant elements in the streetscape*". The car parking for Units 1 and 2 and the visitor space will result in an excessive level of hard paving addressing Munro Street and will dominate the streetscape in this location.
- Private open space – the balcony for Unit 6 would be set back 1.64 metres from the southern side boundary when the guidelines state that open space at upper levels should be set back at least 4.5 metres from a side boundary. In addition, the proposal does not provide awnings to the ground floor open space areas as recommended by the guidelines. These areas of non-compliance have the ability to impact the amenity of adjoining residents as well as the future residents of the dwellings.

- Landscape – the proposal has not been provided with a generous landscape response due to the reduced setbacks on the ground and first floors (including cantilevered balconies) and the amount of hard paving proposed. This has resulted in minimal opportunities for the planting of canopy trees on the site.
- Services and maintenance – a booster cabinet is proposed to be located on the front property boundary facing Peterkin Street. It would not be integrated into the building frontage or concealed using high quality materials and would therefore be a dominant visual element when viewed from the street.

While the proposal is considered to be appropriately located as the site is in close proximity to services and transport, and the dwellings would assist in diversifying housing choice to meet changing household needs, the proposal does not satisfactorily address the UDGs or Clause 55 of the Scheme (see discussion below).

The proposal would impact the amenity of adjoining properties as well as not providing an acceptable level of amenity for the future occupants. The proposal is therefore considered to be inconsistent with the PPF.

***Purpose’ and ‘Decision Guidelines’ of the Residential Growth Zone Schedule 1 - Compact Living with Special Character***

The proposal is considered to be inconsistent with the Clause 32.07-13 Decision Guidelines as:

- It does not adequately address the relevant sections of the Municipal Planning Strategy and the PPF as discussed;
- It meets the purpose of this zone as would provide housing at an increased density in a location offering good access to services and transport within the Traralgon Activity Centre. It however does not meet the design objectives set out in Schedule 2 to the zone as:
  - It would not retain a garden appearance or contribute to a wide streetscape, nor would it be sympathetic to identified heritage values of the nearby heritage dwellings including the dwelling across Munro Street to the north of the site.
  - The design and siting of the building would dominate the streetscape with reduced setbacks to Peterkin and Munro Streets. The upper level would further contribute to this dominance as the upper floor balconies and part of dwelling 6 would be cantilevered over the ground floor on these frontages.
  - The reduced setbacks of garages would not support a “*safe, accessible and walkable neighbourhood*” as vehicles parked in front of the garages would overhang the footpath.
- The proposal does not adequately address the objectives, standards and decision guidelines of Clause 55 – see discussion below.

## Particular Provisions

### **Clause 52.06 Car Parking**

Each dwelling would have two bedrooms and has been provided with a single garage. One visitor space has also been provided. The development therefore would be provided with car parking in accordance with the requirements of Clause 52.06-5. The car parking spaces comply with the design standards of Clause 52.06-9.

### **Clause 55 Two or More Dwellings on a Lot**

A written assessment of the proposal against Clause 55 including the RGZ2 schedule variations has been undertaken and can be found on file. It is considered that the proposal does not comply with the following clauses:

- Clause 55.03-1 Street setback - the setback of the development from the western frontage (Peterkin Street) should be 4.55 metres to be in accordance with this clause. The ground floor of this elevation is proposed to be set back 4.08 metres and the first floor 3.5 metres, both of which do not comply with the clause.

In addition, the setback of the development from the northern frontage (Munro Street) should be 3.8 metres however the proposed setback of the ground floor is 3.6 metres and the first floor 2.4 metres, also both not in compliance with the clause.

The reduced setbacks would result in the development dominating the streetscape of both Peterkin and Munro Streets and would impact the ability to provide adequate landscaping on the site particularly the provision of canopy trees.

- Clause 55.03-9 Access objectives include “*to ensure the number and design of vehicle crossovers respects the neighbourhood character*”. The proposed amount of hard paving in front of the garages for Units 1 and 2 and the visitor car parking space is considered to be excessive and not in accordance with the surrounding neighbourhood character.
- Clause 55.04-1 Side and rear setbacks objective requires buildings to be set back from side boundaries as per the requirements of the clause. The height of the wall on the southern elevation would be 6.3 metres and therefore should be set back 1.81 metres however a setback of only 1.64 metres is proposed. This wall would have the ability to impact the adjoining land owner in terms of overshadowing and visual bulk.
- Clause 55.05-5 Solar Access to Open Space requires the wall to the north of private open space to be set back a specified distance to provide solar access. The balcony for Unit 6 does not satisfy the requirements of this clause and would be in shadow for the majority of the day.
- Clause 55.07-1 Energy efficiency objectives requires the orientation and layout of development to reduce fossil fuel energy use and make appropriate use of daylight and solar energy. Unit 6 would not have any north facing windows and the balcony would be west facing, both aspects of the proposal which are not considered to be in accordance with the clause.

- Clause 55.07-4 Landscaping objectives state that development should retain existing trees and canopy cover however the proposal involves the removal of some extremely large canopy trees from the site. Whilst the removal of these trees is not in contention, it is the ability of the development to provide appropriate replacement planting in the form of canopy trees and other suitable landscaping on the site. It is considered that the reduced setbacks of the proposal would not provide sufficient areas for landscaping that would be in keeping with neighbourhood character.
- Clause 55.07-9 Private open space objective sets out at Table 10 the balcony size for dwellings in accordance with their orientation. The balcony for Unit 6 does not meet the specified width, resulting in the delivery of substandard open space for the future occupants of this dwelling.

Whilst each of the above non-compliances is not fatal in itself, the total number of non-compliances indicate the proposal is an overdevelopment of the site.

#### **Decision Guidelines** (Clause 65):

The appropriate guidelines have been considered in the above discussion, including:

- *The matters set out in Section 60 of the Act.*

The application has considered all relevant Clauses in the Scheme, the objectives of planning in Victoria, the comments of the referral authorities and has also considered any significant impact the application may have on the environment.

- *The orderly planning of the area.*

The application is for infill development of an existing residential property in an established residential area close to shops, services and transport. The proposal is considered to be an overdevelopment of the site and will not contribute to the orderly planning of the area.

- *The effect on the amenity of the area.*

The proposal does not satisfactorily address the objectives and standards of Clause 55 including the variations of RGZ2 and would have an impact on the amenity of the adjoining properties and the wider area.

- *Whether the proposed development is designed to maintain or improve the quality of stormwater within and exiting the site.*

Stormwater runoff from both the site and surrounding land is directed to an underground stormwater system. The dwellings would be connected to this system via a legal point of discharge.

#### **Other**

Council has the following options in regard to this application:



1. Issue a Permit; or
2. Issue a Notice of Decision to Refuse to Grant a Permit.


Council's decision must be based on planning grounds, having regard to the provisions of the Latrobe Planning Scheme.



## Declaration of Interests

Officers preparing this report have declared they do not have a conflict of interest in this matter under the provisions of the *Local Government Act 2020*.

## Attachments

1 .  Site context plans and development plans

2 .  Aerial photos of the site & locality and site photos

3 .  Municipal Planning Strategy and Planning Policy Framework

# 8.1

## Development of land with six dwellings at 24 Peterkin Street, Traralgon

1	Site context plans and development plans .....	45
2	Aerial photos of the site & locality and site photos.....	58
3	Municipal Planning Strategy and Planning Policy Framework .....	60





**LEGEND**

- EXISTING VEGETATION TO REMAIN
- EXISTING VEGETATION TO BE REMOVED
- ELEMENTS TO BE DEMOLISHED
- SEWER MAIN
- NBN U/G CABLE
- GAS MAIN
- WATER MAIN
- ELECTRICITY OVERHEAD LINE
- TEMPORARY BENCH MARK
- ELECTRICITY PIT
- WATER HYDRANT
- STOP VALVE
- COMMUNICATIONS PIT
- FENCE
- WG WATER/GAS MARKER
- JUNCTION PIT
- SIDE ENTRY PIT
- GAS METER
- WATER METER
- PROPERTY INLET
- PEG

**SURVEY NOTES**

LANDZ SURVEYING  
FEATURE SURVEY PLAN OF  
LOT 1 LP 48185  
UNIT 1/24 PETERKIN STREET, TRARALGON 3844  
LEVELS ARE TO AN ARBITRARY HEIGHT DATUM  
CONTOUR INTERNAL 0.2 METRES  
JOB NUMBER: 00137

The locations of surface pits, valve covers etc. shown hereon have been determined by this survey. No direct knowledge is claimed of the location of underground services.  
Prior to any excavation or construction, the relevant authority should be contacted to locate possible underground services.  
Features to within 9m are located. Proposed finished garage level is to be confirmed by the builder and contractor during earthworks to ensure a minimum driveway grade is achieved.  
This feature survey does not define any legal boundaries. Levels are to an Arbitrary Datum.

**DEMOLITION NOTES**

Select buildings and concrete on site are to be completely demolished, including:  
SINGLE STOREY BRICK UNITS  
CONCRETE DRIVEWAY /CARPARK

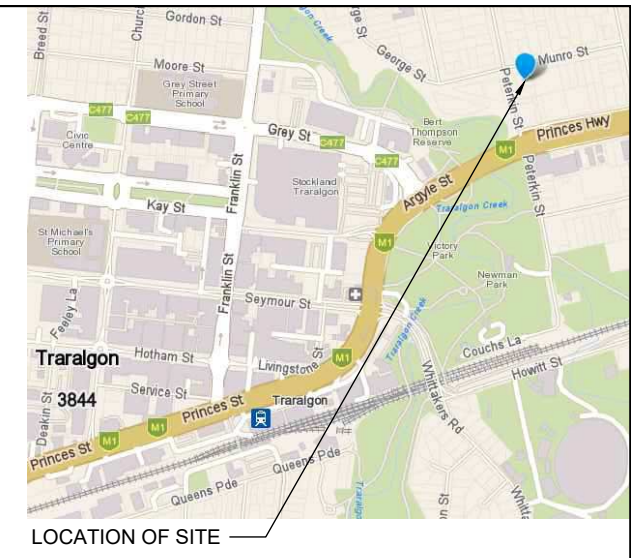
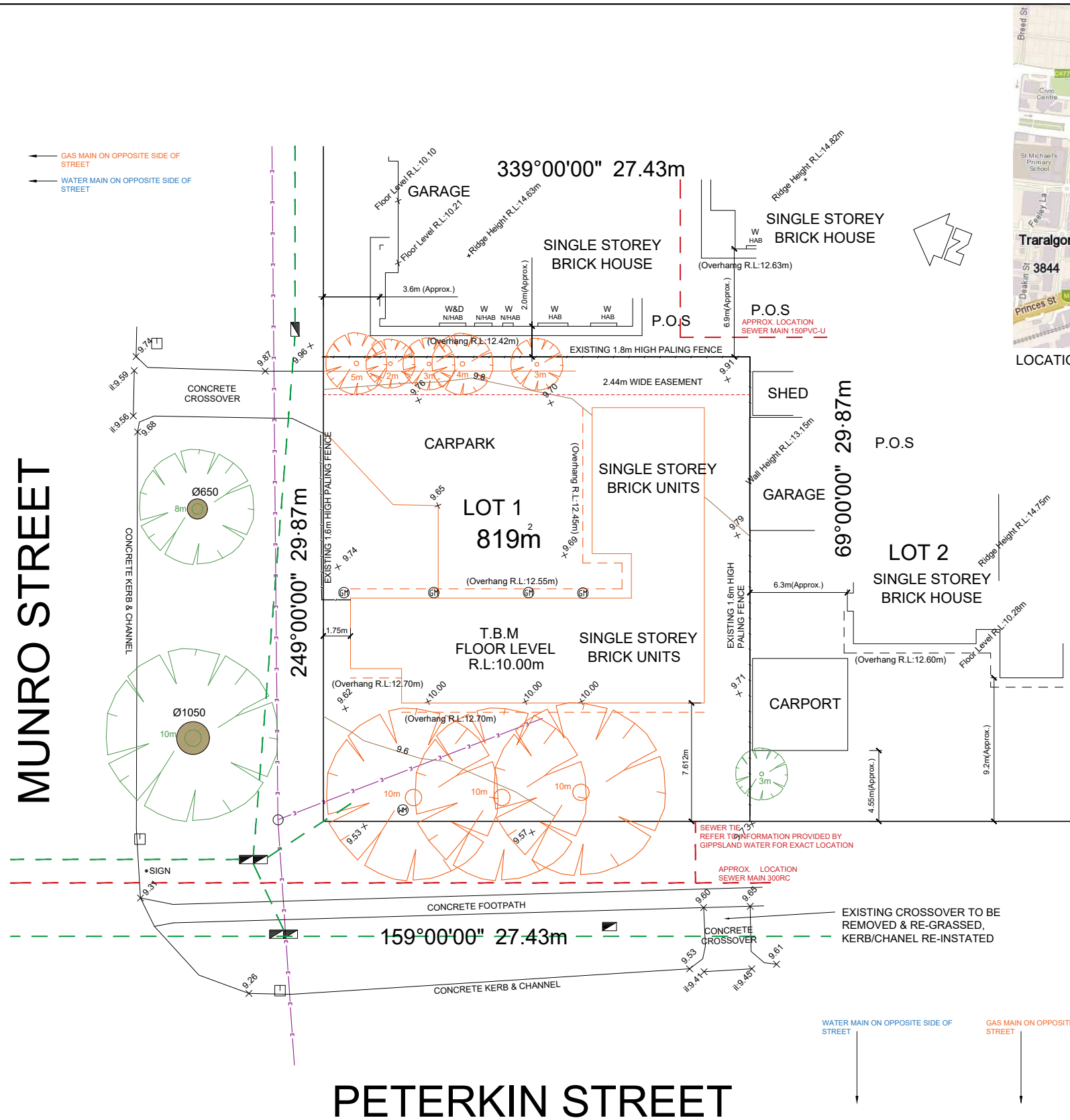
Asbestos audits to be undertaken prior to demolition and any asbestos materials to be removed by licensed removalist and a clearance certificate must be issued

All buildings are to be disconnected from services prior to demolition as per services plans & DBYD

All vegetation within the extension area is to be removed completely. Any soft or loose soil that does not respond to compaction should be excavated to achieve a firm working base (engineer designed footing system may be required)

**WIND RATING**  
N2

**BAL RATING**  
BAL LOW

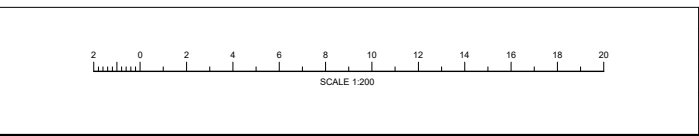


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**FOR PLANNING**

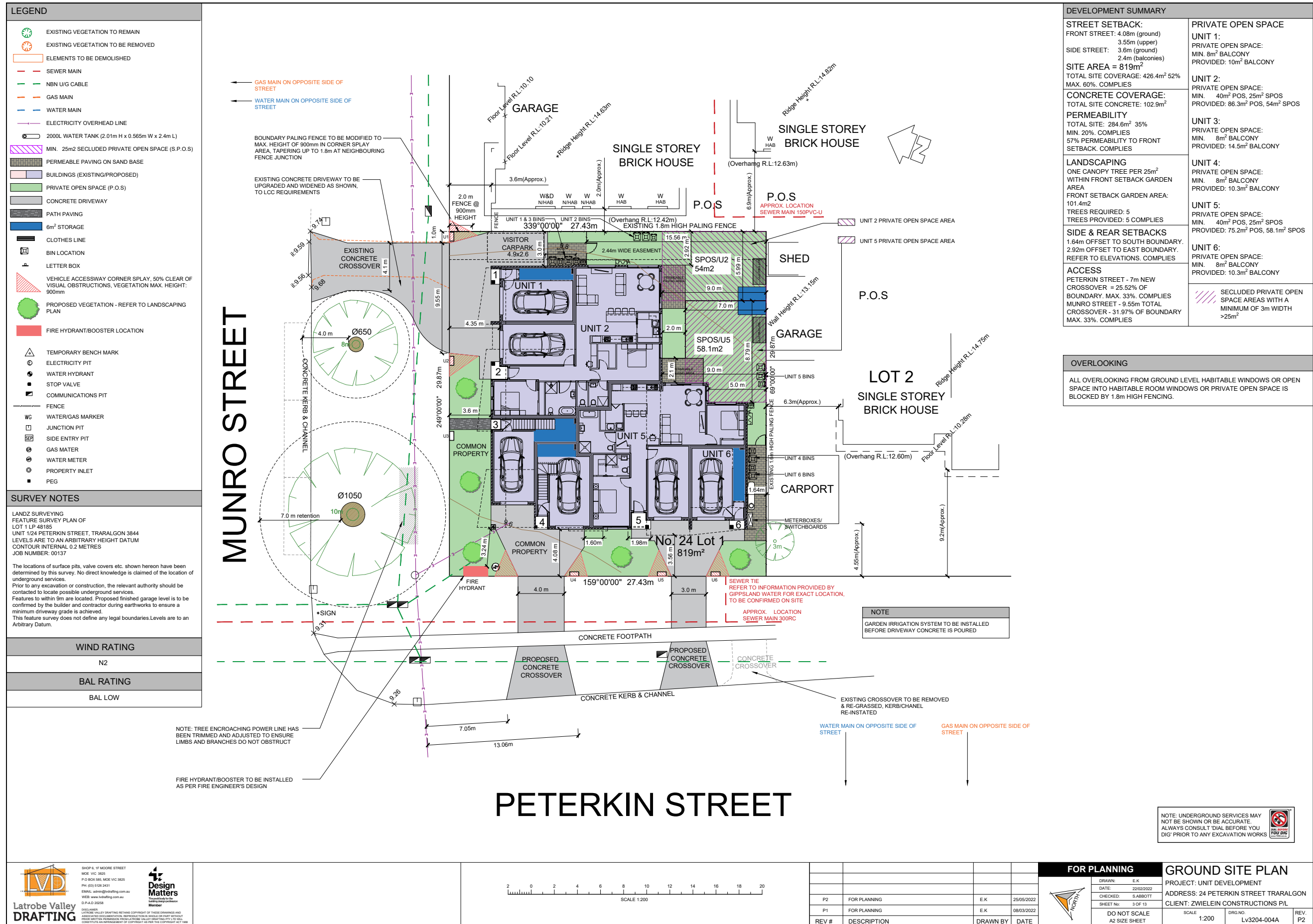
**EXISTING SITE PLAN**

PROJECT: UNIT DEVELOPMENT  
ADDRESS: 24 PETERKIN STREET TRARALGON  
CLIENT: ZWIELEIN CONSTRUCTIONS P/L

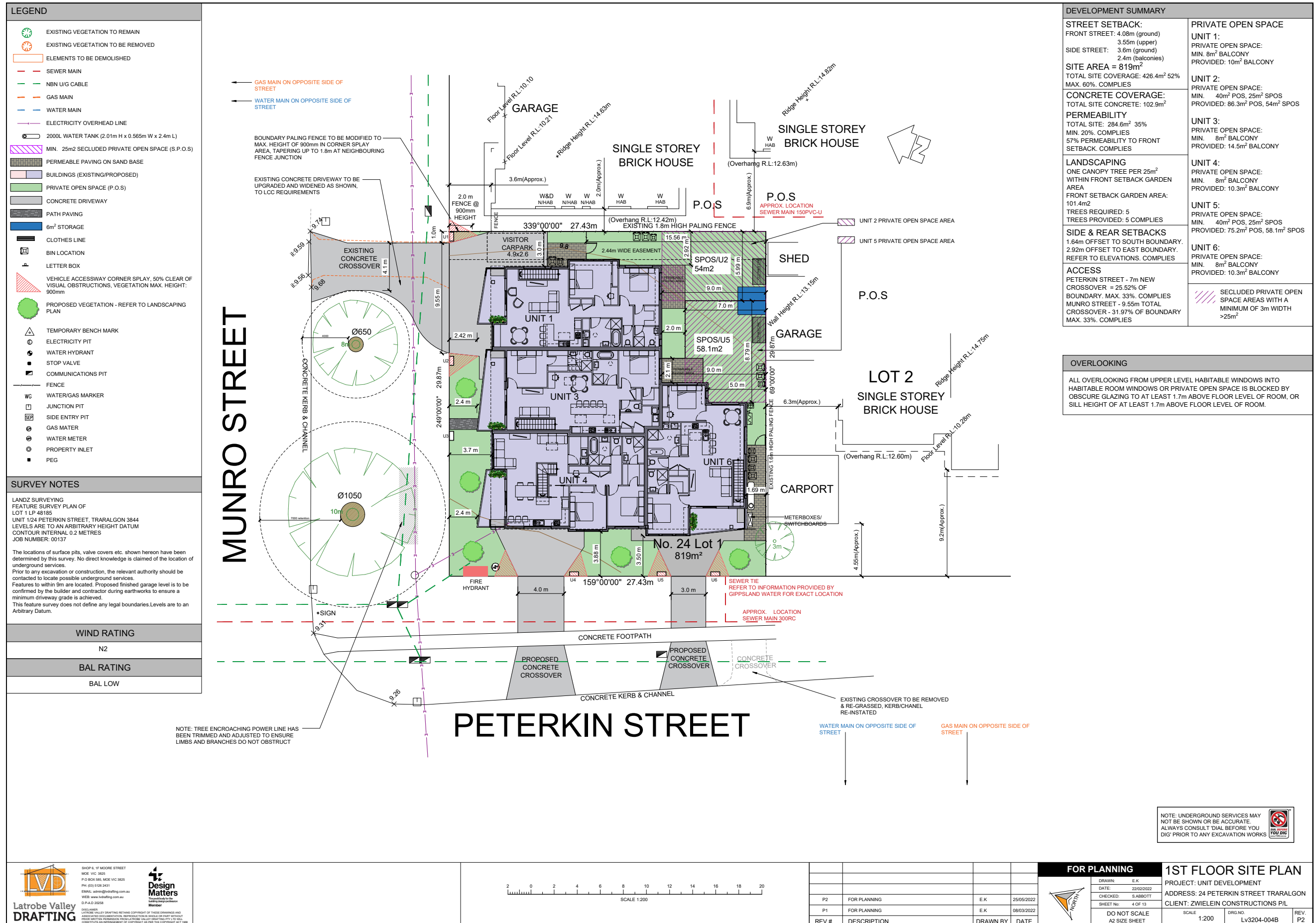
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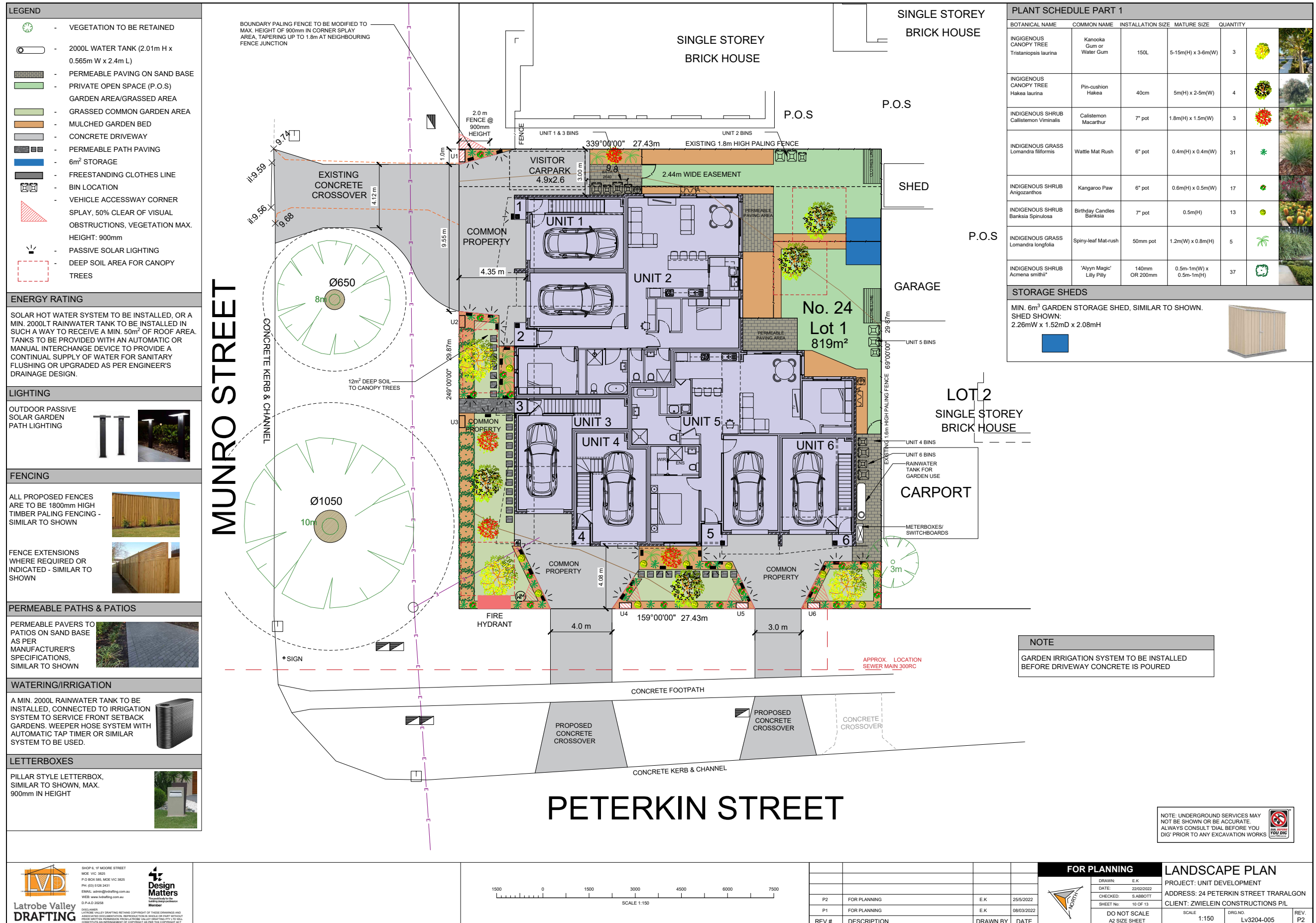
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REV. P1

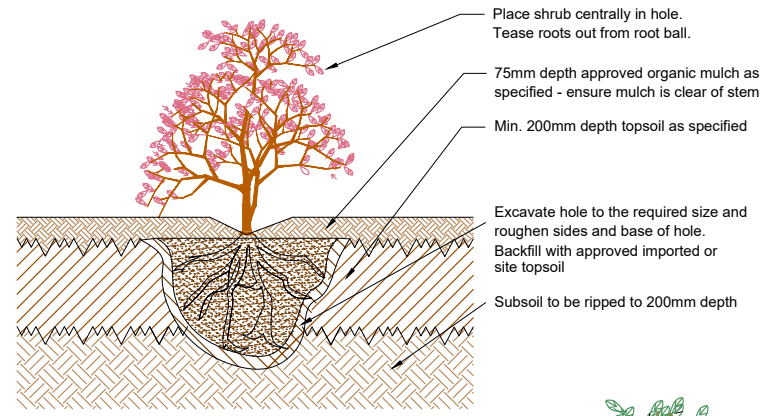












**Typical shrub planting detail**

**Section detail**

Note: Strong central leading trunk to be evident at time of planting

3 Stakes tied to tree as indicated  
Stakes must not damage root ball  
Install ties 1/3 height of tree with enough slack to permit trunk movement in wind

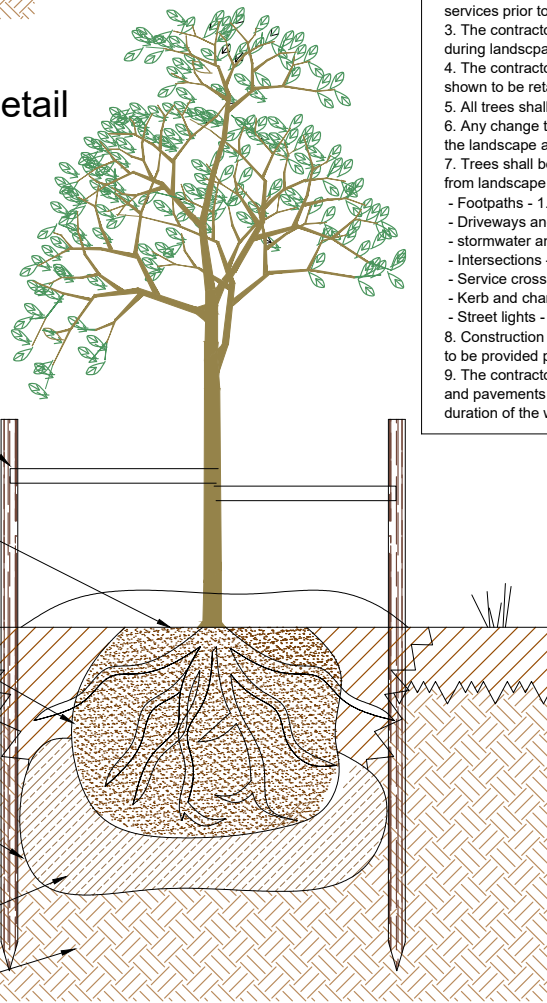
Place tree centrally in hole. Tease roots out from root ball. Ensure soil covers top of root ball without covering the trunk fare.

Mound dug-out site soil in a ring around outer edge of rootball to form a watering bowl. Cover with 75mm depth approved organic mulch. ensure mulch is clear of stem.

Prepare base of pit with nutrient additives if specified. Base of hole to be no deeper than the height of the root ball and 2 to 3 times the width of root ball. Slope sides of planting holes, and roughen soil interface. Back fill with approved imported or site soil.

Compact soil beside and under rootball to stabilise tree rootball in ground.

Rip subgrade to 200mm depth.



**Typical advanced tree planting detail (3 stakes)**

**WARNING**

**BEWARE OF UNDERGROUD SERVICES**

Note that the location shown of existing underground services is indicated only and may not be accurate at the time of landscape works. No guarantee is given that all existing services are shown. Determination of the exact position and extent of underground services is the responsibility of the contractor and is to be confirmed prior to commencement of work.

**GENERAL NOTES:**

1. Before commencement of works it is the responsibility of the landscape contractor to contact 'Dial before you dig' (ph: 1100) for information on services in the area shown on the plan.
2. The contractor shall verify the location and depth of all services prior to commencing on site.
3. The contractor shall be liable for any damage to services during landscaping works.
4. The contractor shall verify the location of any existing trees shown to be retained and protect them during works.
5. All trees shall be planted in locations show on the plan.
6. Any change to plant species must have the approval of the landscape architect.
7. Trees shall be planted no less than the following distances from landscape elements:
  - Footpaths - 1.2m
  - Driveways and crossings - 3.0m
  - stormwater and sewerage pits - 2.0m
  - Intersections - 10.00m
  - Service crossings - 2.0m
  - Kerb and channel - 2.0m
  - Street lights - 4.0m
8. Construction certification for all structural elements is to be provided prior to practical completion being granted.
9. The contractor shall protect all existing structures and pavements within and adjacent to the site for the duration of the works and make good any damage done.

**LANDSCAPE SPECIFICATION**

**Plant material:**

Plant shall have large healthy root systems, with no evidence of root curl, restriction or damage. Be vigorous, well established, free from disease and pests, of good form consistent with the species or variety, and are hardened off, not soil or forced, and suitable for planting in the natural climatic conditions prevailing at the site. Trees shall be multi-stemmed and have a single leading shoot.

**Plant installation:**

Refer to tree and shrub planting details for planting method. Plant plants in locations indicated on the plan. Where planting locations are not shown arrange planting in a grid pattern at the spacing noted in the planting schedule.

**Soil improvement**

Subsoil is to be tested to determine ameliorants to be added if required to promote vigorous and healthy growth of planted material.

**Imported topsoil material**

Supply and install imported topsoil to all garden beds. Soil is to comply with the following.  
Total Salts: less than 1000ppm  
Drainage rate: 50-100 mm/hr  
Organic matter: 5-20% (preference for composted materials)

**Nutrient levels**

- . Phosphate
- . Postassium
- . Calcium
- . Magnesium
- . C.E.C.
- . Sodium % C.E.C.
- Bulk Density
- Moisture %
- Free from:
  - . Perennial weeds, their roots, bulbs and rhizomes;
  - . Extraneous materials including bricks, glass, concrete or any other material deleterious to plant growth or the installation operators;
  - . Rocks and stone greater than 5mm in diameter, and than 3% stone by dry weight;
  - . Heavy metal contaminants as specified for EPAV (1991) clean fill requirements;
  - . Organic material greater than 20mm in length. Composted materials are preferred;
  - . Any imported topsoil samples shall be submitted for approval by the Superintendent 14 days prior to delivery
  - . Topsoil raised to the standard of the appropriate type by the use of additives may be used subject to compliance with the relevant test criteria;

**Mulch material**

Mulch shall be applied to all garden beds and around all planted trees within scope of works. Use mulch, which is free of deleterious and extraneous matter such as soil, weeds and sticks.

**Soil installation**

Place 200mm topsoil on the prepared subsoil. Spread and grade evenly, making the necessary allowances so that the required finished levels and contours may be achieved after light compaction.

Grassed areas shall be finished flush with adjacent hard surfaces such as kerbs, paths and mowing strips. Finished level of topsoil is at least 125mm below weepholes in buildings to allow for 75mm mulch cover and 50mm clearance of plants.

Prevent excess compaction caused by constructional plant. Compact lightly with a roller weighing between 200-220kg per metre length. Compact uniformly in 150mm layers.

Avoid differential subsidence and produce a finished topsoil surface which is at design levels; smooth and free from stones or lumps of soil; grade to drain freely, without ponding, to catchment points; graded evenly into adjoining ground surfaces; and ready for planting.

Dispose of surplus topsoil as directed by the superintendent.

**Mulch installation**

Mulch to be Organic Mulch from composted green waste. Place mulch to the required depth, refer to landscape plan, generally 75mm, clear of plant stems, and rake to an even surface flush with the surrounding finished levels.

Requirement: Spread and roll mulch so that after settling, or after rolling it is smooth and evenly graded between design surface levels; flush with adjacent finish levels; of the required depths; and sloped towards the base of plant stems in plantation beds, but not contact with stem. Place mulch in mass planted areas after the preparation of the planting bed but before planting and all other work. In smaller areas, place after the preparation of the planting bed, planting and all other work. Where mulching is done before planting, avoid mixing of mulch and soils - no mulch is to be buried, or soil left on top of the mulch.

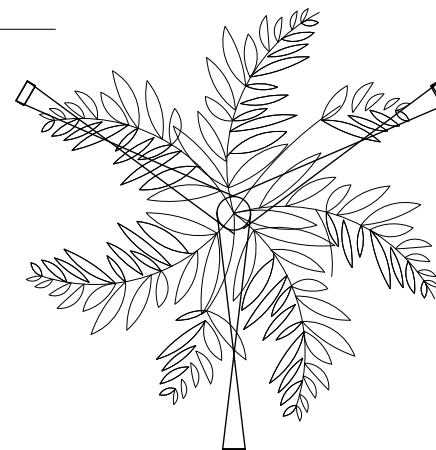
**Grassing:**

Install lawn where nominated on the drawings to repair damage to the existing lawn nature strips. Finish and level soil surface as specified. Seed mix to be a general non-irrigated parkland and nature strip blend, comprising of the following species (or other approved by council)

- . 60% dwarf tall fescue-drought tolerant cultivars
- . 20% perennial rye-drought tolerant cultivars
- . 10% sheep's fescue
- . 10% hard fescue

**Irrigation:**

An in-ground irrigation system is to be supplied to all landscaped areas



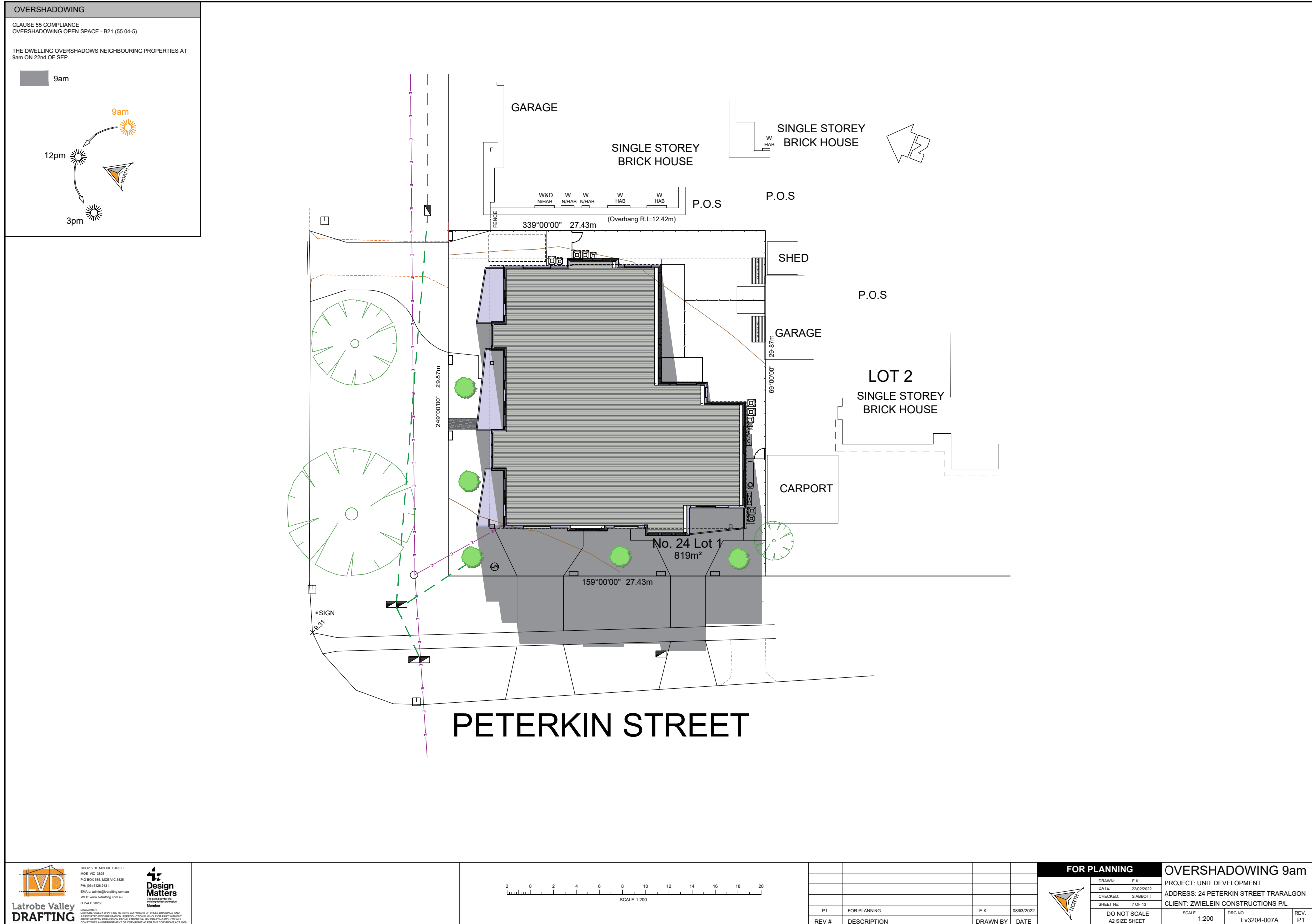
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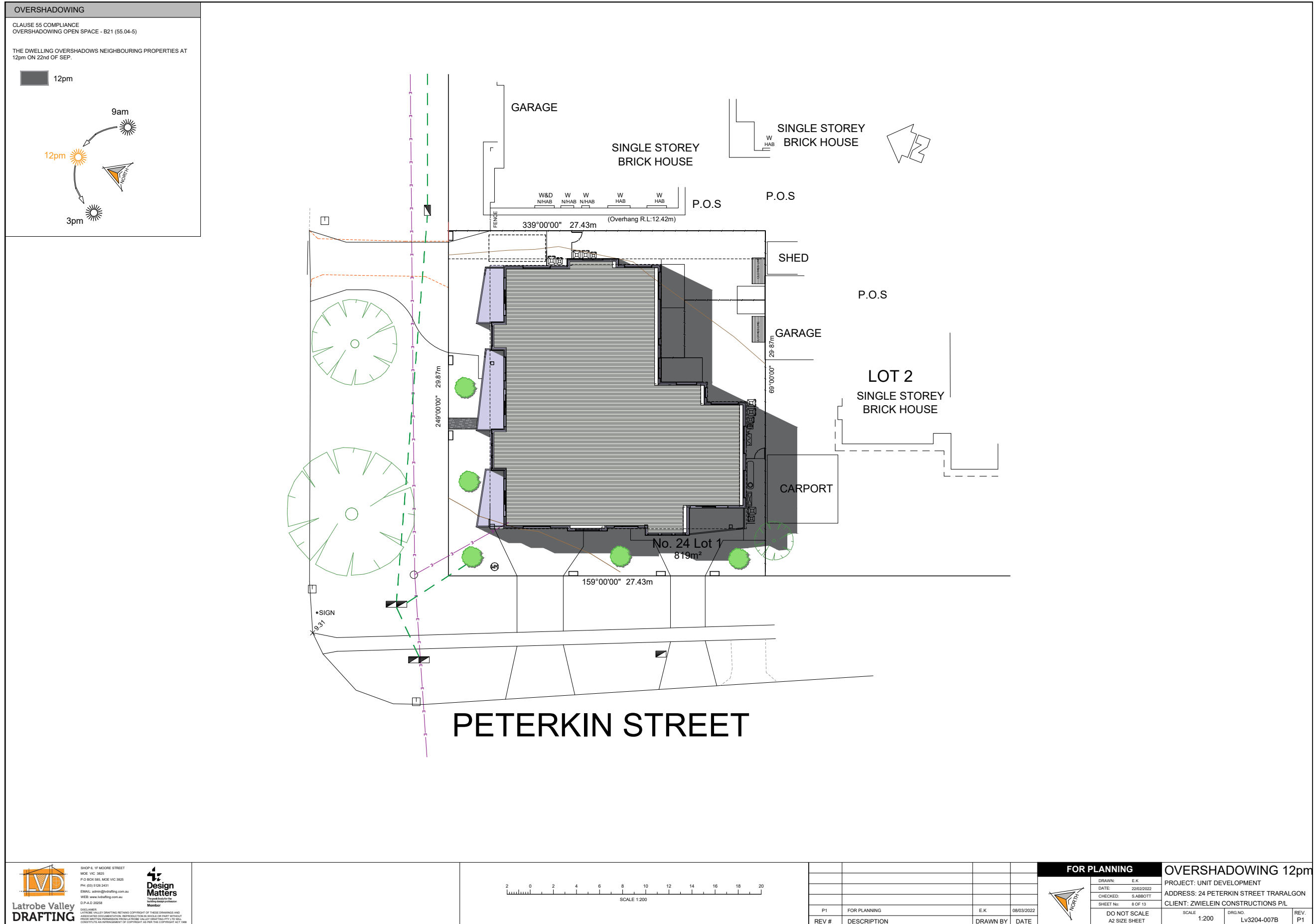
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FOR PLANNING				LANDSCAPE DETAILS			
REV #	DESCRIPTION	DRAWN BY	DATE	DRAWN	E.K	DATE	22/02/2022
P1	FOR PLANNING	E.K	08/03/2022	CHECKED	S.ABBOTT	SHEET No	6 OF 13
				DO NOT SCALE		SCALE	1:200
				A2 SIZE SHEET		DRG. NO.	LV3204-006
						REV.	P1

PROJECT: UNIT DEVELOPMENT  
 ADDRESS: 24 PETERKIN STREET TRARALGON  
 CLIENT: ZWIELEIN CONSTRUCTIONS PT/L





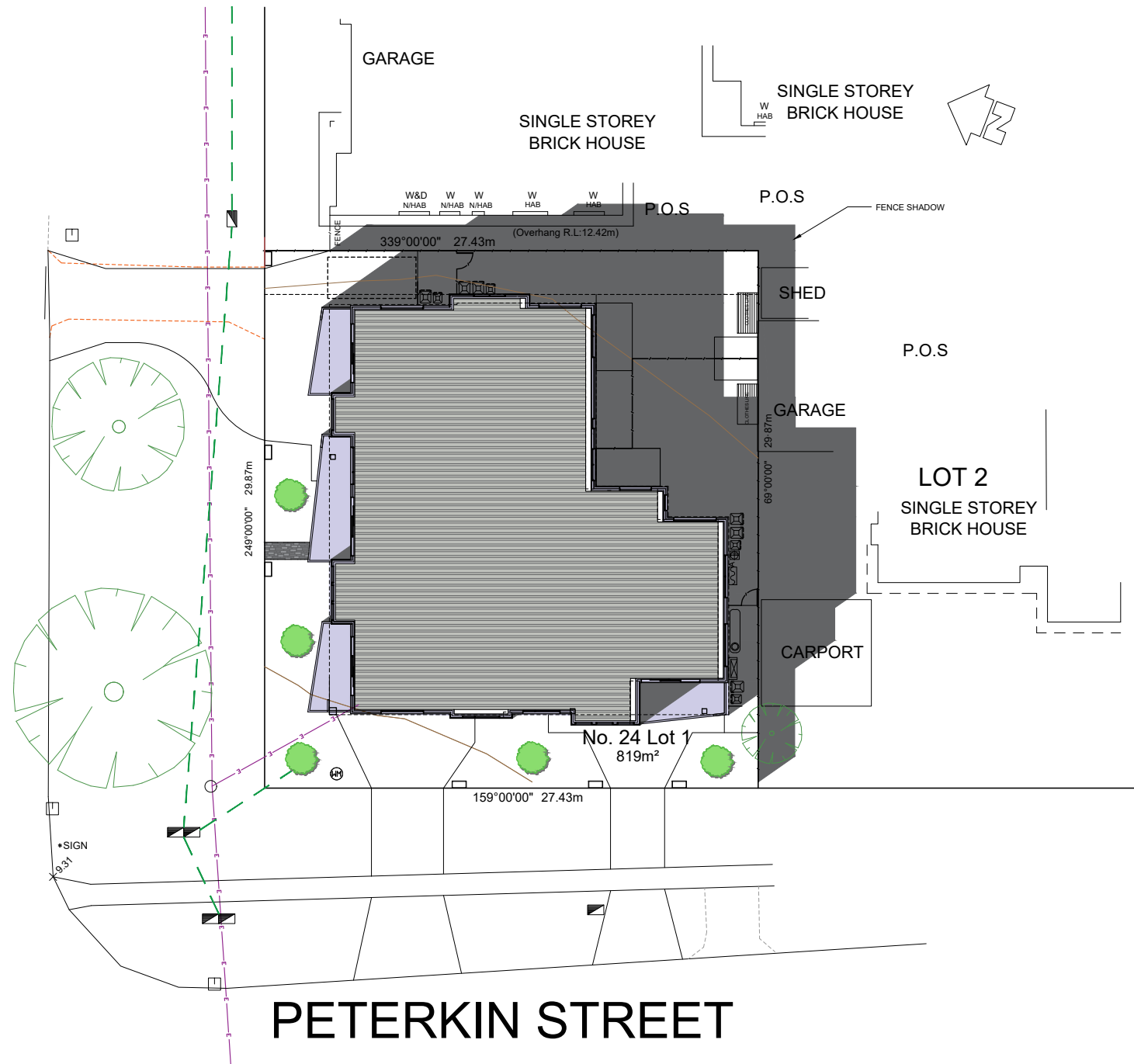


**OVERSHADOWING**

CLAUSE 55 COMPLIANCE  
OVERSHADOWING OPEN SPACE - B21 (55.04-5)

THE DWELLING OVERSHADOWS NEIGHBOURING PROPERTIES AT 3pm ON 22nd OF SEP.

3pm

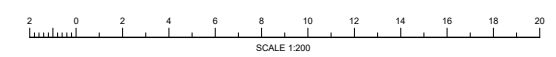


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**FOR PLANNING**

**OVERSHADOWING 3pm**

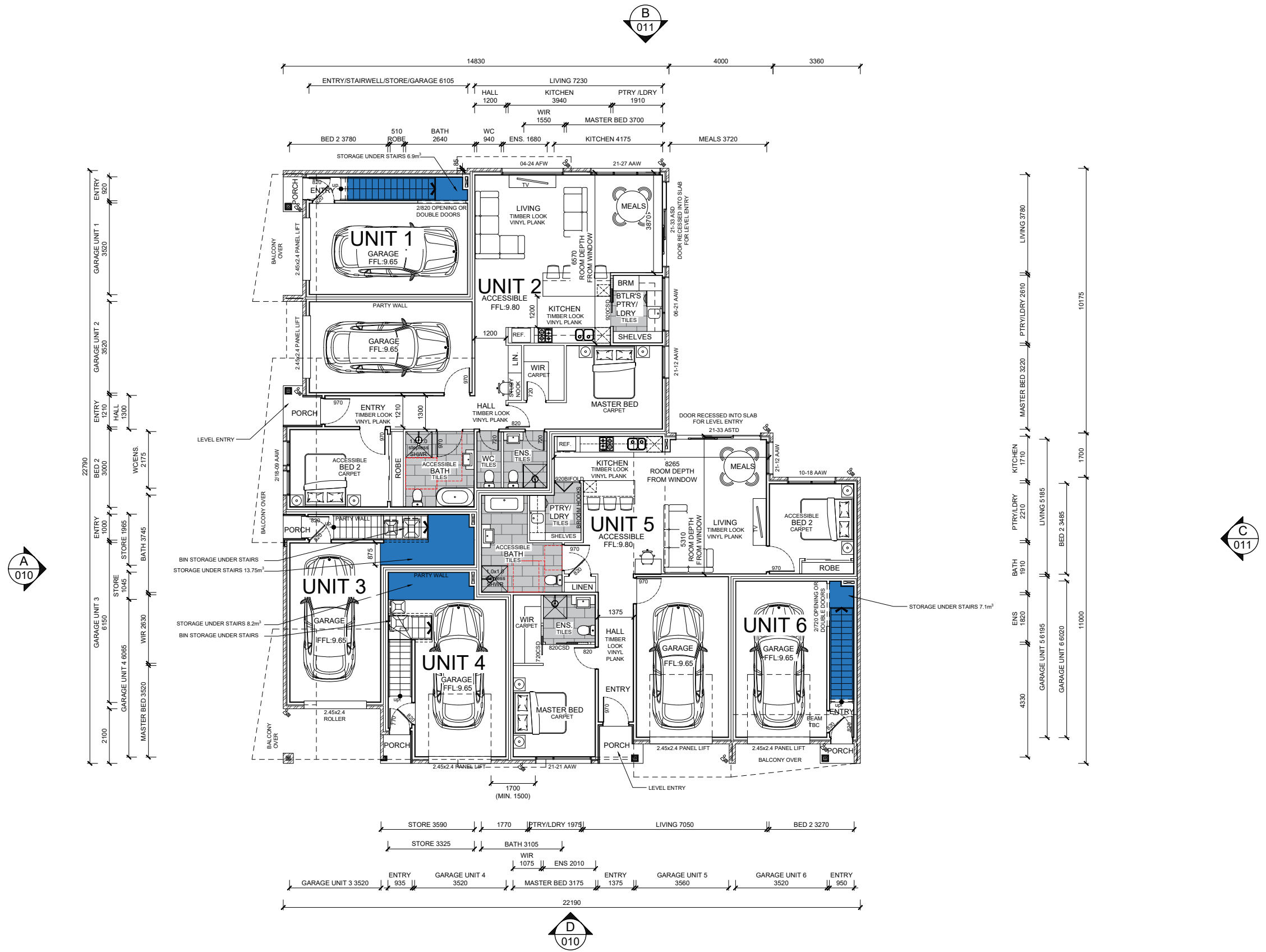
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DATE: 22/02/2022  
CHECKED: S.ABBOTT  
SHEET No: 9 OF 13

PROJECT: UNIT DEVELOPMENT  
ADDRESS: 24 PETERKIN STREET TRARALGON  
CLIENT: ZWIELEIN CONSTRUCTIONS P/L

DO NOT SCALE  
A2 SIZE SHEET

SCALE: 1:200  
DRG. NO.: LV3204-007C  
REV: P1

AREA ANALYSIS	
UNIT 1 LIVING AREA	96.6m <sup>2</sup>
UNIT 2 LIVING AREA	105.9m <sup>2</sup>
UNIT 3 LIVING AREA	95.6m <sup>2</sup>
UNIT 4 LIVING AREA	102.1m <sup>2</sup>
UNIT 5 LIVING AREA	94.7m <sup>2</sup>
UNIT 6 LIVING AREA	87.2m <sup>2</sup>
TOTAL AREA GROUND	409m <sup>2</sup>
TOTAL AREA UPPER	443m <sup>2</sup>
TOTAL AREA	852m <sup>2</sup> 91.7sq
TYPICAL CONSTRUCTION	
FRAME:	90mm THICKNESS
CLADDING:	FACE BRICK VENEER, RENDERED BRICK VENEER, CEMINTEL CLADDING TO GROUND FLOOR, HEBEL POWERPANEL, CEMINTEL CLADDING TO UPPER FLOOR AS NOTED ON PLANS.
EAVES:	NO EAVES. PARAPET WALLS.
DOORS:	2040x820 U.N.O
LEGEND	
	STORAGE AREA, MIN. 6m <sup>2</sup>



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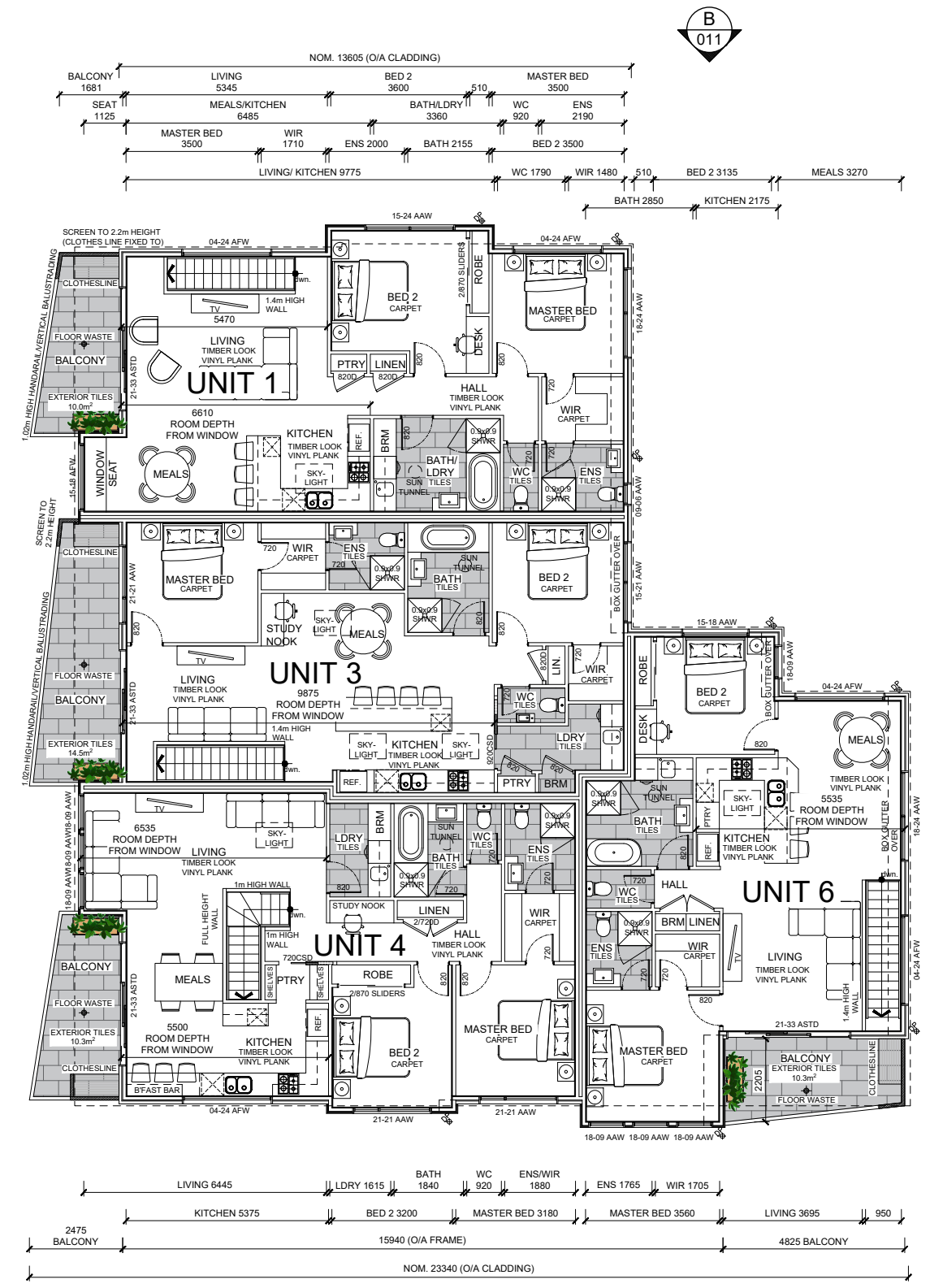
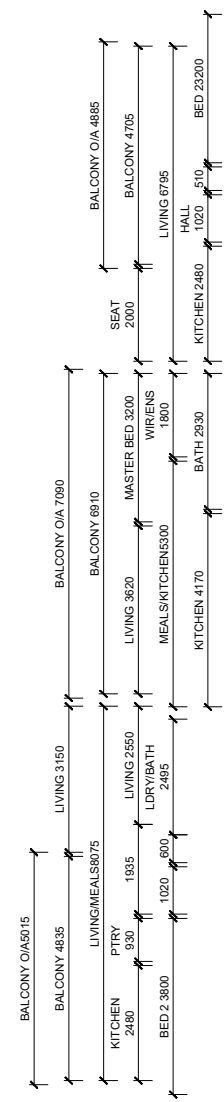
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 SHEET No: 10 OF 13  
 DO NOT SCALE  
 A2 SIZE SHEET

REV #	DESCRIPTION	DRAWN BY	DATE
P1	FOR PLANNING	E.K	08/03/2022

FOR PLANNING		GROUND FLOOR PLAN	
PROJECT: UNIT DEVELOPMENT	SCALE: 1:200	DRG. NO. LV3204-008	REV. P1
ADDRESS: 24 PETERKIN STREET TRARALGON			
CLIENT: ZWIELEIN CONSTRUCTIONS P/L			

AREA ANALYSIS	
UNIT 1 LIVING AREA	96.6m <sup>2</sup>
UNIT 2 LIVING AREA	105.9m <sup>2</sup>
UNIT 3 LIVING AREA	95.6m <sup>2</sup>
UNIT 4 LIVING AREA	102.1m <sup>2</sup>
UNIT 5 LIVING AREA	94.7m <sup>2</sup>
UNIT 6 LIVING AREA	87.2m <sup>2</sup>
TOTAL AREA GROUND	409m <sup>2</sup>
TOTAL AREA UPPER	443m <sup>2</sup>
TOTAL AREA	852m <sup>2</sup> 91.7sq
TYPICAL CONSTRUCTION	
FRAME:	90mm THICKNESS
CLADDING:	FACE BRICK VENEER, RENDERED BRICK VENEER, GEMINTEL CLADDING TO GROUND FLOOR, HEBEL POWERPANEL, CEMINTEL CLADDING TO UPPER FLOOR AS NOTED ON PLANS.
EAVES:	NO EAVES. PARAPET WALLS.
DOORS:	2040x820 U.N.O
LEGEND	
	STORAGE AREA, MIN. 6m <sup>2</sup>

A  
010



B  
011

C  
011

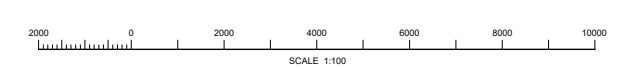
D  
010

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REV #	DESCRIPTION	DRAWN BY	DATE

**FOR PLANNING**

**UPPER FLOOR PLAN**

PROJECT: UNIT DEVELOPMENT  
ADDRESS: 24 PETERKIN STREET TRARALGON  
CLIENT: ZWIELEIN CONSTRUCTIONS P/L

SCALE 1:200

DRG. NO. LV3204-009

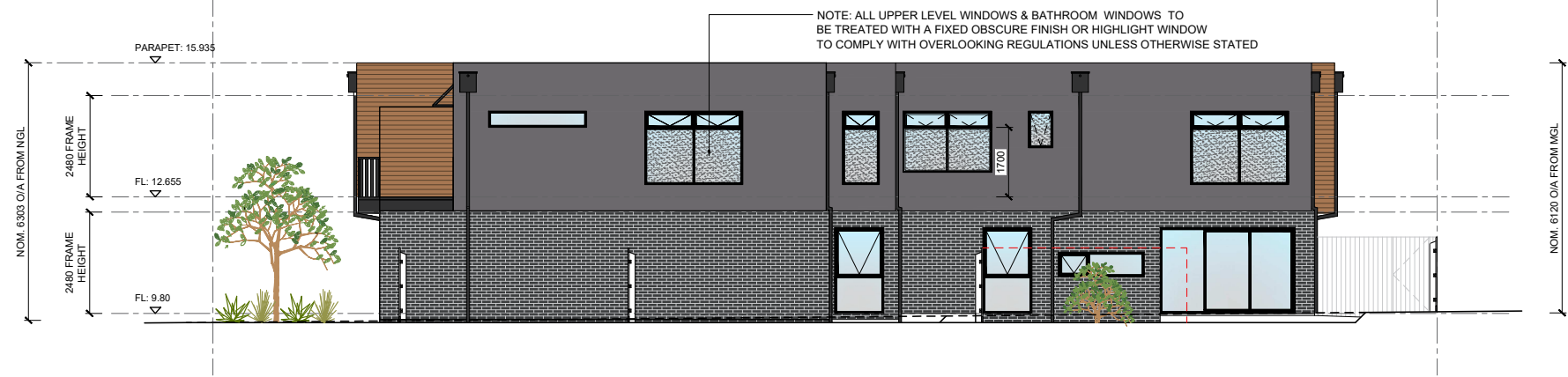
REV. P1





EAST ELEVATION **B**  
008/9

COLOUR/MATERIAL SCHEDULE			
ROLLAR DOORS/ PANEL LIFT DOORS COLOUR: COLORBOND MONUMENT		BALUSTRADE/HANDRAIL ALUMINIUM STYLE, POWDERCOATED DOORS COLORBOND MONUMENT	
CLADDING #1 CEMINTEL BARESTONE EXTERNAL COLOUR: ORIGINAL		WINDOWS ALUMINIUM COLOUR: BLACK	
CLADDING #2 CEMINTEL TERRITORY RIVERBED COLOUR: PEBBLE		FACE BRICKWORK AUSTRAL METALIX BRONZE	
CLADDING #2 CEMINTEL TERRITORY WOODLANDS COLOUR: TEAK		RENDERED BRICKWORK COLOUR: DULUX DIESKAU	
CLADDING #3 HEBEL POWERPANEL COLOUR: DULUX MONK		BALCONY SCREENING WOOD-LOOK ALUMINIUM FENCING EXACT COLOUR TBC, SIMILAR TO SHOWN	



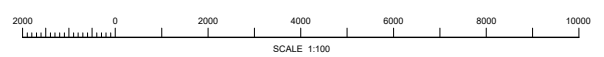
SOUTH ELEVATION **C**  
008/9

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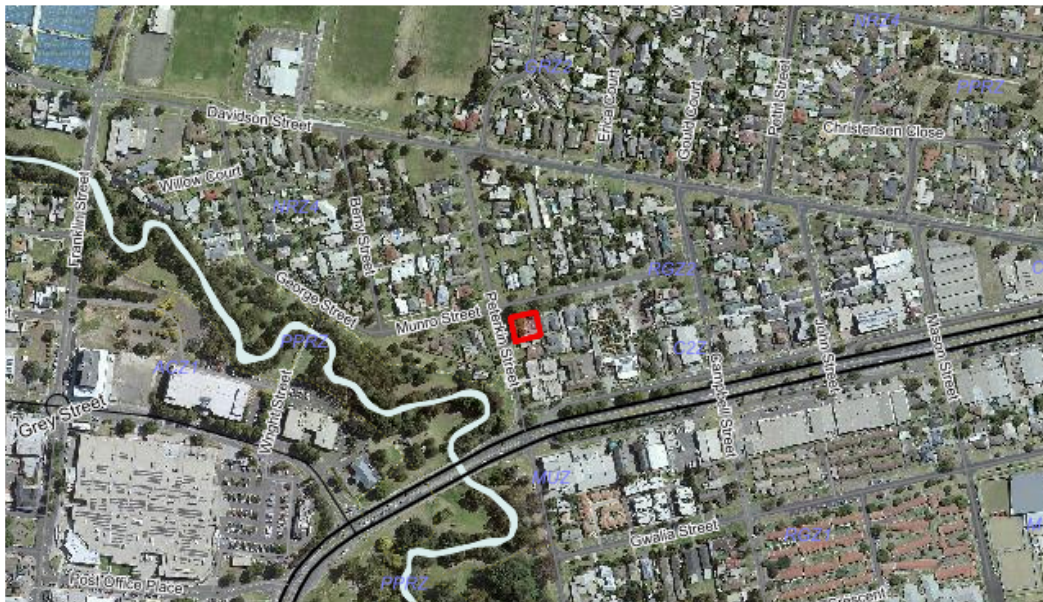
FOR PLANNING		ELEVATIONS B & C	
DRAWN: E.K	DATE: 22/02/2022	PROJECT: UNIT DEVELOPMENT	
CHECKED: S.ABBOTT	SHEET No: 13 OF 13	ADDRESS: 24 PETERKIN STREET TRARALGON	
DO NOT SCALE A2 SIZE SHEET	SCALE: 1:200	DRG. NO.: LV3204-011	REV: P1



**Subject site - 24 Peterkin Street, Traralgon**



*Fig 1: Aerial view of site (Intramaps)*



*Fig 2: Aerial view of site and broader area (Intramaps)*



*Fig 3: View of site from Peterkin Street (from applicant's submission)*



*Fig 4: View of site from Munro Street (from applicant's submission)*



***Relevant policy from Municipal Planning Strategy and Planning Policy Framework:***

- Clause 02.01 Context
- Clause 02.02 Vision
- Clause 02.03-1 Settlement
- Clause 02.03-5 Built Environment and Heritage
- Clause 02.03-6 Housing
- Clause 02.04 Strategic Framework Plans
- Clause 11.01-1S Settlement
- Clause 11.01-1R Settlement - Gippsland
- Clause 11.01-1L Latrobe Settlement Patterns
- Clause 15.01-1S Urban Design
- Clause 15.01-1L Urban Design
- Clause 15.01-2S Building Design
- Clause 15.01-2L Energy and Resource Efficiency
- Clause 15.01-5S Neighbourhood Character
- Clause 15.01-5L Neighbourhood Character
- Clause 16.01-1S Housing Supply
- Clause 16.01-1L Housing Supply
- Clause 16.01-2S Housing affordability



# **CORPORATE ITEMS FOR DECISION**

## 9. CORPORATE ITEMS FOR DECISION

Item Number 9.1

03 October 2022

Regional City Planning & Assets

# REVIEW OF PARKING OVERLAY WAIVER

## PURPOSE

The purpose of this report is to provide Council with a review of the 12-month parking overlay financial contribution waiver and options for next steps.

## EXECUTIVE SUMMARY

- The Parking Overlay was introduced into the Latrobe Planning Scheme on 7 April 2016, implementing the recommendations of the Morwell and Traralgon Parking Framework Plan (2014). This review was undertaken to help inform the preparation of the Traralgon Activity Centre Plan
- At the Council meeting held on Monday, 7 September 2021, Council resolved to implement a waiver for eligible business for the payment of the Traralgon parking overlay financial contribution for a 12-month period.
- Following the completion of the 12-month period officers were required to present a report to Councillors on the outcomes of the program.
- The program has seen four applications being approved for the waiver of the financial contribution totalling \$259,956;
- Since the implementation of the waiver there has been an increase in the number of small business applications applying for the reduction of parking space. This has increased from two applications during the 2016 to 2020 period (only one application being potentially eligible for the waiver) to three in the last 12 months.
- As part of the 2022/23 financial year budget, \$60,000 has been allocated to complete a review of the Traralgon Parking Framework Plan and the Parking Overlay Schedule 1.
- Therefore, the options available to Council following the review of this program are:
  1. Extend the waiver of the parking overlay financial contribution subject to the same criteria as the 7 September 2021 Council Meeting for a further 12 months;
  2. Implement a deferral of carparking waiver payment for two years, for new applications through a Section 173 Agreement; or
  3. Await the review of the Traralgon Parking Framework Plan and the Parking Overlay Schedule 1 (do nothing).
- In officer's opinion the most financially sustainable option is for Councillors to pursue option 2.

## OFFICER'S RECOMMENDATION

### **That Council:**

- 1. Offers a deferral of payment of the financial contribution for waiving of car park spaces, throughout the next 12 months with the following criteria:**
  - That there is a relevant planning permit in place with the condition to collect the financial contribution;**
  - That a formal request be made detailing why the deferral of payment is required;**
  - That this only applies to the development of an existing vacant premise where they do not benefit from a parking credit or an extension of an existing building where they do not benefit from a parking credit;**
  - That the deferral of the financial contribution is for 2 years; and**
  - That a Section 173 Agreement must be entered into outlining the deferral and indicating when the financial contribution will be made.**
- 2. Advises any current planning permit applicant of Council's decision.**

## BACKGROUND

Planning Scheme Amendment C94 was finalised and incorporated into the Latrobe Planning Scheme on 7 April 2016.

The Morwell and Traralgon Car Parking Framework (2014) suggested that due to concerns over all-day parking availability in the future, Council would require the need for further spaces to be developed. A Parking Overlay with a financial contribution requirement for the waiver of spaces was seen as an appropriate tool to help deliver the future need. The Framework suggested the Traralgon CBD and development would be able to support this financial contribution with these recommendations being adopted by Council.

At the Council meeting held on Monday, 6 September 2021 it was resolved:

*That Council:*

1. *Offers a waiver for the payment of the Traralgon Central Business District (CBD) Parking Overlay financial contribution to eligible small business planning permit applications for a period of 12 months which meets the following criteria:*
  - *That the planning permit application is for a small business (including not for profit):*
    - *of fewer 10 full time equivalent employees; and*
    - *has an Annual Victorian Payroll of less the \$10 million.*
  - *That is only applies to the development of an existing vacant premise where they do not benefit from a parking credit or an extension of an existing building where they do not benefit from a parking credit;*
  - *That an application is made requesting a waiver from Council and include the following:*
    - *Details of how they meet the above criteria, including:*
      - *Number of full-time equivalent employees;*
      - *Relevant planning permit application; and*
      - *Clear financial documents reporting on Annual Victorian Payroll.*
      - *A building occupancy permit (if required) for the development.*
      - *Whether the application is for a full of partial waiver of the parking overlay financial contributions and reasons why.*
2. *Allocates funds from the Accumulated Unallocated Cash Reserve to fund the waiver to the payment of the Traralgon CBD Parking Overlay financial contribution;*
3. *Requests a review be undertaken following the completion of the waiver program and a report be presented to Council on the outcomes of the program; and*
4. *Writes to the Traralgon Chamber of Commerce and Industry Inc advising them of Council's decision.*

The waiver ran from 7 September 2021 to 7 September 2022, with information regarding the waiver showcased on Council's website, provided to the statutory planning team and business concierge for distribution to any planning permit applicants who might be eligible.

As part of the 2022/23 budget, Council has allocated \$60,000 to review the Traralgon Parking Framework Plan and the Parking Overlay Schedule 1. The review will look at current parking vacancy rates, additional spaces being provided and make recommendations for Council to consider.

## ANALYSIS

A total of four applications have been received and approved for the waiver of the parking overlay contribution. Table 1 provides a breakdown of the applications. A total of \$259,956 was paid into the car parking contribution account from the accumulated unallocated cash reserve.

*Table 1 – Parking financial contribution waiver approved since 7 September 2021*

No.	Planning Permit No.	Address	Reduction of Spaces	Total / Rate applied
1.	2021/347	2 Seymour Street, Traralgon	4	\$37,888 (2021 Rate)
2.	2022/89	77 Seymour Street, Traralgon	2	\$20,188
3.	2022/168	72 Seymour Street, Traralgon	16	\$161,504
4.	2022/254	27-29 Franklin Street, Traralgon	4	\$40,376
Total				\$259,956

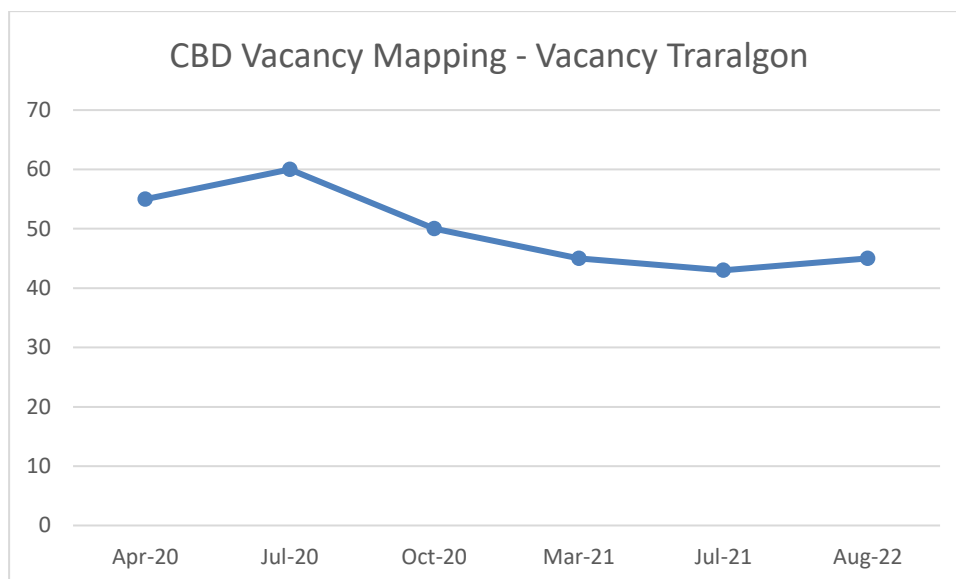
There are also enquiries Council have received from small business who have indicated they a planning permit is going to be applied for. The proposed applicants have indicated that they would want to apply for the waiver of the parking overlay contribution.

There has been an increase in interest in planning permit activity in the last year in relation to the waiver of parking spaces in the Traralgon CBD since the waiver has been in place. Prior to the waiver, only two planning permit applications which needed a reduction in spaces were applied for since the introduction of the overlay in 2016. Of the two applications only one had the potential to apply for the waiver.

### Vacancy Rates

Figure 1 provides a snapshot of the Traralgon CBD vacancy rates since 2020. The business development team have been undertaking vacancy mapping within the Traralgon CBD for retail and commercial premises. The CBD Vacancy mapping since April 2020 shows that there has been a decrease in the number of vacant retail and commercial premises (Figure 1). Please note, no data was collected between July 2021 and August 2022.

Figure 1 – Vacancy Rate Data



As part of the Retail Strategy 2020, the vacancy rate for the Traralgon CBD was 7% and was considered as a high functioning CBD. There is a total of 564 premises in the Traralgon CBD, indicating an 8% vacancy rate recorded in August 2022. The current vacancy rates would still consider the Traralgon CBD as a high functioning CBD.

In comparison to other towns within the municipality for August 2022:

- Churchill has a 15% vacancy rate (noting that this is in a state of flux with new owners);
- Morwell has a 20% vacancy rate; and
- Moe has a 14% vacancy rate.

Shepparton has a similar size CBD to Traralgon comprising of 630 business, as of April 2022 their vacancy rate was 4%. We do not currently have data on any other regional city. The Shepparton CBD has a Parking Overlay Schedule 1 applied since 2006.

### Options

The following are options for Councillors to consider following the review of the waiver to the parking overlay contributions:

1. Extend the waiver of the parking overlay financial contribution;
2. Implement a deferral of payment for new applications; or
3. Await the review of the Traralgon Parking Framework Plan and the Parking Overlay Schedule 1 (do nothing)

### Option 1 - Extension of the waiver of the parking overlay financial contribution

Councillors could consider an extension to the waiver of the parking overlay financial contribution using the same eligibility criteria for a further year or until such time that a report can be presented to Council on the Traralgon Parking Framework Plan and the Parking Overlay Schedule 1.

Further consideration of next steps could then be considered once the review has been completed. Any further extension to the waiver could also be considered at this time.

This option has a high financial implication on Council as Council has to pay the contribution for the amount of spaces reduced to an account for future parking provision. The amount paid for the term of the waiver was \$259,956.

If the review of the Traralgon Parking Framework Plan and the Parking Overlay Schedule recommends changes to the Latrobe Planning Scheme to either reduce or remove the financial contribution, a further extension may need to be considered to allow time for the planning scheme amendment to be completed.

#### Option 2 - Implement a deferral of payment for new applications

If a planning permit requires the waiver of car parking spaces in the Traralgon CBD where the Parking Overlay applies, a condition must be placed on the planning permit requiring the cash in lieu contribution.

In saying this, Clause 45.09 Parking Overlay Schedule 1, section 5.0, point 3, states:

- *The financial contribution must be made before the use commences, unless a permit condition allows payment by instalments pursuant to a Section 173 Agreement.*

Therefore, Council could enter into a Section 173 Agreement which delays the payment for a nominal period. This provides an opportunity for businesses to establish before the payment is required.

This option is likely to be an increased administrative burden on Council due to the requirement to ensure applicants comply with the Section 173 Agreement and that funds are collected. This is something that has not been managed well previously, where in some instances agreements have not been followed up and/or properly enforced. Therefore, additional processes will need to be put in place to ensure that this does not continue to happen.

It is proposed that the following should apply to the deferral of payment option:

- That the deferral of payment option is operational for a 12-month period or until the review of the Traralgon Parking Framework Plan and the Parking Overlay Schedule 1 is completed;
- That there is a relevant planning permit in place with the condition to collect the financial contribution;
- That a formal request be made detailing why the deferral of payment is required;
- That the deferral of the financial contribution is for 2 years;
- That this only applies to the development of an existing vacant premise where they do not benefit from a parking credit or an extension of an existing building where they do not benefit from a parking credit; and
- That a Section 173 Agreement must be entered into outlining the deferral and indicating when the financial contribution will be made.

This option still allows for the contribution to be collected and put towards the delivery of parking infrastructure in the Traralgon CBD as provided for by the Morwell and Traralgon Parking Framework Plan.

Only applying it to vacant premises or extensions to existing premises encourages new uses into buildings, potential relocation and expansion of existing business and redevelopment of existing buildings. This will also limit new larger developments where integrated parking can be achieved from being eligible.

A clause could be put into a Section 173 agreement that allows for adjustment or cancellation of the payment if changes are made to the Latrobe Planning Scheme.

Option 3 - Await the review of the Traralgon Parking Framework Plan and the Parking Overlay Schedule 1

This is officers' least preferred option and will require the collection of the financial contribution under the Parking Overlay.

Officers are currently writing a project brief to appoint a consultant to undertake a review of the Traralgon Parking Framework Plan and the Parking Overlay Schedule 1, this work is expected to be completed by June 2023. Once completed, the recommendations and any proposed changes would need to be implemented into the Latrobe Planning Scheme through a planning scheme amendment. This could take an additional 12 to 18 months to complete.

Therefore, there is at least another 12 months before the recommendations of the study are known and a further 12+ months for these controls to be implemented in the Planning Scheme. This could see less planning permit activity for small businesses over this time.

**RISK ASSESSMENT**

RISK	LIKELIHOOD	TREATMENT
<b>COMPLIANCE</b> Enforcement of the Section 173 Agreements and the potential for the funding not to be received (Option 2).	4 - Likely	This risk is only relevant if option 2 is pursued. A section 173 Agreement is kept which is to be proactively checked.  Procedures to be put in place to ensure that funds are collected as specified.
<b>STRATEGIC</b> Community perception about Council not supporting the development of business within a COVID environment.	3 - Possible	Resolve to progress with options 1 or 2.

**CONSULTATION**

No consultation is required for this report. As part of the review of the Traralgon Parking Framework Plan and the Parking Overlay Schedule 1 consultation will be undertaken with landowners, business operators and community groups.

**COMMUNICATION**

Officers have discussed the outcomes of the review of the waiver of the parking overlay contribution internally with relevant departments.



DECLARATIONS OF INTEREST

Officers preparing this report have declared they do not have a conflict of interest in this matter under the provisions of the *Local Government Act 2020*.

## APPENDIX 1 IMPACT ASSESSMENT

### **Financial**

Option 1 has the largest financial impact on Council. This option would extend the waiver of the parking overlay financial contribution and require Council to pay any of the reduction of parking spaces cost. This amount is unknown and depends on the number of spaces which have been permitted to be reduced. The total financial contribution to be paid for 2022/2023 financial year per space is \$10,094.

### **Attachments**

Nil

## 2021/22 END OF YEAR RESULT AND ACCUMULATED CASH SURPLUS

### PURPOSE

To provide Councillors with the 2021/22 realised cash surplus and to allocate funding from the unallocated cash reserve to fund projects not funded as part of the 2022/23 adopted budget.

### EXECUTIVE SUMMARY

- At the close of the 2021/22 Financial Year Council has realised a cash surplus of \$4.174M (unaudited).
- Combined the Accumulated Unallocated Cash Reserve (\$0.891M) and the 2021/22 Cash Surplus (\$4.174M) result in available unallocated cash reserves of \$5.065M.
- It is recommended that \$2.615M of unfunded priority projects be allocated funding from the unallocated cash reserve.
- The allocation of funding to the recommended projects would leave \$2.450M uncommitted funds in the reserve for future requirements.

### OFFICER'S RECOMMENDATION

#### That Council:

1. **Notes at the conclusion of the 2021/22 financial year Council generated a net cash surplus of \$4.174M; and**
2. **Allocates the 2021/22 net cash surplus of \$4.174M to the Accumulated Unallocated Cash Reserve; and**
3. **Allocates from the Accumulated Unallocated Cash Reserve \$2.615M to fund for the following projects**
  - **Place Brand Campaign** **\$450,000**
  - **Online Engagement Platform** **\$35,000**
  - **Landslip Rectification Works – High Priority** **\$650,000**
  - **Landslip Rectification Works – Medium Priority** **\$300,000**
  - **Reconstruction of Lake Narracan Retaining Wall** **\$500,000**
  - **Streetscape Strategy** **\$150,000**
  - **Hazelwood Mine Rehabilitation Environmental Effects Statement advice and representation** **\$100,000**
  - **Bus Shelter at Riggall Road** **\$30,000**
  - **Installation of water fountains** **\$20,000**
  - **Operating cost increases Performing Arts** **\$300,000**
  - **Commonwealth Games Project Officer** **\$80,000**

## BACKGROUND

Council finances are predominately managed on a cash basis with the annual budget set balancing budgeted expenditure with expected cash income. At the conclusion of the financial year the balancing up of the annual financial accounts will result in the recognition of either a cash surplus or a cash deficit. Variations mostly represent savings against the adopted annual budget or the recognition of additional unexpected revenue.

The recognition of a cash surplus allows the organisation to consider the funding of additional expenditure into the following financial year, the funding of previous years deficits (where applicable) or the transfer of the surplus to a reserve for future consideration.

During the financial year Council may need to seek funding for a project or unforeseen circumstance that is unbudgeted within the current financial year. Council has the ability to allocate funding from the accumulated unallocated cash surplus reserve via a resolution, or the matter may be referred by Council for consideration at a future budget review opportunity.

Council has an opportunity at the end of each financial year to allocate any realised cash surplus to those projects or issues which have been referred to the end of year process.

## ANALYSIS

For the financial year 2021/22 council has realised a cash surplus of \$4.174M.

The surplus is mainly as a result of:

- Budgeted annual surplus of \$1.636M resulting mainly from additional Grants Commission Funding of \$1.000M, additional 2020/21 rates revenue growth realised between the draft budget and the adopted budget \$0.471M and Capital Works Project Management fees.
- Additional supplementary rates revenue & interest \$0.799M
- Additional statutory fees revenue \$0.430M
- Employee related savings from vacancies and other related costs \$1.764M
- Offset by reduced revenue and operational costs associated with COVID impacted services

The carry forward balance of the Accumulated Unallocated Cash Reserve at the beginning of the year was \$2.790M, 2021/22 net movements total -\$0.180M with placeholders pending Council resolution of -\$1.000M being for Traralgon Recreation Reserve Flood Mitigation works. 2022/23 net movements total -\$0.719M leaving uncommitted funds of \$0.891M.

Combined, the Accumulated Unallocated Cash Reserve (\$0.891M) and the 2021/22 Cash Surplus (\$4.174M) result in available unallocated cash reserves of \$5.065M

The following projects were not funded as part of the 2022/23 adopted budget and are recommended for funding from the accumulated unallocated cash surplus;

Project Title	Funding \$M
Place Brand Campaign	\$0.450

Project Title	Funding \$M
Online Engagement Platform	\$0.035
Landslip Rectification Works - High Priority	\$0.650
Landslip Rectification Works - Medium Priority	\$0.300
Reconstruction of Lake Narracan Retaining Wall	\$0.500
Streetscape Strategy	\$0.150
Advice and representation of Latrobe City Council as part of the Hazelwood Mine Rehabilitation Environment Effects Statement	\$0.100
Riggall Road Bus Shelter	\$0.030
Water Fountain - Installation	\$0.020
Performing Arts including GPAC anticipated operating cost shortfall	\$0.300
Commonwealth Games - Project Officer (4-year funding required)	\$0.080
<b>Total</b>	<b>\$2.615</b>

In summary if Council were to allocate funding to the above recommended projects this would leave \$2.450M uncommitted funds in the reserve for future requirements.

In addition, there is the following which also require funding consideration including staged funding for known future commitments in lieu of funding the entire commitment in the year it is due;

Project Title	Funding \$M
Asset Plan Renewal Shortfall	\$7.000
Connection into the waste treatment system at Lake Narracan	\$1.500
Depot Service Review - Possible Additional Open Space Maintenance uplift	\$0.500
Building condition Assessment - Possible uplift in requirements	\$0.500
3 Year Kinder building expansion program reserve	\$0.500

Project Title	Funding \$M
- Estimate \$4m total cost (less any State Gov contribution)	
Commonwealth Games - Operational costs & Facility Upgrades	\$Unknown
Total	\$10.000

Projects identified which were considered however not recommended for funding at this time;

Project Title	Funding \$M
Landslip Rectification Works - Low Priority	3.800
Gippsland Logistics Precinct - Emergency Storage Vessel	0.590
Gippsland Regional Indoor Sports Stadium Solar and Battery	0.350
VIC Old Methodist Church - Traralgon	0.289
Public Open Space Strategy	0.250
Glenview Park - Outdoor Events Space	0.180
Old Trafford Oval Realignment	0.100
Renewal of change rooms at Gippsland Sports & Entertainment Park	0.100
Environmental Management and Improvement Plan GLP/GIFT	0.080
Concrete edging to car park	0.040
LRG - Brand Alignment	0.030
Purchase of Inspection Buggy	0.024
Creative Arts - Video Equipment	0.015
Accounts Payable staffing 1 day per week	0.010
Funding for Shared Integrated Water Management Shared Resource	0.010

Project Title	Funding \$M
GPAC - Outdoor Screen Content	0.010
LRG - Air Blower Door Testing	0.009
Total	\$5.887

## RISK ASSESSMENT

RISK	LIKELIHOOD	TREATMENT
SERVICE DELIVERY		
Service delivery expectations may be compromised should funding not be allocated to priority projects	Likely	Ensure surplus funds are allocated to the highest priority projects aligned with community expectations
FINANCIAL		
There is a risk that surplus funds could be used to fund projects that further negatively impact on Councils financial sustainability	Possible	Ensure rigorous financial business cases are prepared and assessed prior to allocating funds to new services or assets.
STRATEGIC (INC REPUTATIONAL)		
Council has identified through the asset plan and LTFP impending reductions in revenue and costs outstripping rate cap increases	Almost Certain	Recognise opportunities which will reduce future financial burdens

## CONSULTATION

There is no external consultation in relation to this report, all areas of council have had an opportunity to submit priority unfunded projects for consideration.

## COMMUNICATION

It is not anticipated that there will be any communications required in relation to this report however the exact nature and extent of any communication will depend on the agreed outcomes.

DECLARATIONS OF INTEREST

Officers preparing this report have declared they do not have a conflict of interest in this matter under the provisions of the *Local Government Act 2020*.



## APPENDIX 1 IMPACT ASSESSMENT

### **Social**

N/A

### **Cultural**

N/A

### **Health**

N/A

### **Environmental**

N/A

### **Economic**

N/A

### **Financial**

Suggested projects for consideration have been through a prioritisation process and represent projects which are not currently included in the adopted budget.

Proposed funding allocations can not exceed the identified funds available.

### **Attachments**

Nil

# AUTHORISATION OF COUNCILLORS FOR CERTIFICATION OF THE 2021/22 FINANCIAL REPORT AND PERFORMANCE STATEMENT

## PURPOSE

The purpose of this report is to authorise two Councillors to certify the performance statement and financial statements in their final form on behalf of Council for the year ended 30 June 2022 in accordance with the requirements of the *Local Government Act 2020*.

## EXECUTIVE SUMMARY

- In order for the Victorian Auditor General's Office (VAGO) to provide an audit report certifying Council's 2021/22 financial report and performance statement, as per Section 99 of the *Local Government Act 2020* (the Act), Council must first provide in principle approval of the statements and authorise two Councillors to certify the statements in their final form.
- The draft statements were presented to Council's Audit and Risk Committee on 27 September 2022. VAGO representatives were in attendance and tabled a closing audit report.
- It is recommended that Council gives its approval in principle to the draft performance statement and draft financial report for the year ended 30 June 2022 and that Council authorises two Councillors to certify these statements in their final form.

## OFFICER'S RECOMMENDATION

### That Council:

1. **Provides "in principle" approval to the performance and financial statements for the year ended 30 June 2022 as attached to this report; and**
2. **Authorises Councillors Ferguson and Gibson to certify the performance statement and financial statements in their final form on behalf of Council for the year ended 30 June 2022.**

## BACKGROUND

Under the provisions of the Act, a Council cannot submit its financial and performance statements to the Auditor-General or the Minister for Local Government (the Minister) unless a resolution has been passed by Council authorising two Councillors to certify the financial statements in their final form (section 99(3) of the Act).

Once the auditor's reports on the performance statement and financial statements have been received by Council, they will be incorporated into the annual report which must be presented at a Council meeting open to the public within 4 months of the end of the financial year, therefore 31 October 2022.

The table below sets out the process:

### ANALYSIS

Process	Date
Draft Audited Financial Statements presented to Audit and Risk Committee	27 September 2022
Council approval for two Councillors to certify the financial, standard and performance statements in their final form	03 October 2022
Certifications signed by the two nominated Councillors	03 October 2022
Auditor General issues audit reports	Upon receipt of signed certifications
Council Meeting to consider Annual report	Council meeting within four months of the end of the Financial year.

### RISK ASSESSMENT

RISK	LIKELIHOOD	TREATMENT
<b>COMPLIANCE</b>		
Non-compliance with legislative requirements	Rare	The recommendations in this report comply with statutory requirements of the Local Government Act 1989 and the Local Government (Planning and Reporting) Regulations 2014 (as per the transitional provisions of the Local Government Act 2020).

## CONSULTATION

N/A

## COMMUNICATION

N/A

## DECLARATIONS OF INTEREST

Officers preparing this report have declared they do not have a conflict of interest in this matter under the provisions of the *Local Government Act 2020*.

## APPENDIX 1 IMPACT ASSESSMENT

### **Social**

N/A

### **Cultural**

N/A

### **Health**

N/A

### **Environmental**

N/A


### **Economic**


N/A

### **Financial**

N/A

### **Attachments**

1 [↓](#).  Draft Financial Statements 2021/22

2 [↓](#).  Draft Performance Statement 2021/22

# 9.3

## Authorisation of Councillors for Certification of the 2021/22 Financial Report and Performance Statement

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# Latrobe City Council

2021/2022 Financial Report



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### Certification of the Financial Statements

In my opinion the accompanying financial statements have been prepared in accordance with the *Local Government Act 2020*, the *Local Government (Planning and Reporting) Regulations 2020*, Australian Accounting Standards and other mandatory professional reporting requirements.

Matthew Rogers CPA  
**Principal Accounting Officer**  
Dated: 3 October 2022

In our opinion the accompanying financial statements present fairly the financial transactions of Latrobe City Council for the year ended 30 June 2022 and the financial position of the Council as at the 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 2020* to certify the financial statements in their final form.

Cr Melissa Ferguson  
**Councillor**  
Dated: 3 October 2022

Cr Sharon Gibson  
**Councillor**  
Dated: 3 October 2022

Steven Piasente  
**Chief Executive Officer**  
Dated: 3 October 2022

Latrobe City Council  
**2021/2022 Financial Report**

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*Annual Report 2021/22*

**Latrobe City Council**  
**2021/2022 Financial Report**

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*Annual Report 2021/22*

Latrobe City Council  
2021/2022 Financial Report

## Comprehensive Income Statement

For the Year Ended 30 June 2022

	NOTE	2022 \$'000	2021 \$'000
<b>INCOME</b>			
Rates and charges	3.1	85,023	81,757
Statutory fees and fines	3.2	2,872	2,429
User fees	3.3	11,257	9,497
Grants - operating	3.4	43,292	33,627
Grants - capital	3.4	13,101	26,999
Contributions - monetary	3.5	872	696
Contributions - non monetary	3.5	16,080	6,766
Other income	3.6	3,639	3,478
<b>Total income</b>		<b>176,136</b>	<b>165,249</b>
<b>EXPENSES</b>			
Employee costs	4.1	(62,516)	(58,305)
Materials and services	4.2	(46,196)	(40,703)
Depreciation	4.3	(29,087)	(28,166)
Amortisation - intangible assets	4.4	(93)	(630)
Amortisation - right of use assets	4.5	(40)	(39)
Bad and doubtful debts	4.6	(62)	(9)
Borrowing costs	4.7	(305)	(289)
Finance costs - leases	4.8	(29)	(29)
Net loss on disposal of property, infrastructure, plant and equipment	4.9	(9,645)	(3,869)
Landfill rehabilitation provision movement	5.5	(1,166)	(1,409)
Other expenses	4.10	(4,585)	(6,562)
<b>Total expenses</b>		<b>(153,724)</b>	<b>(140,010)</b>
<b>Surplus/ (Deficit) for the year</b>		<b>22,412</b>	<b>25,239</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items that will not be reclassified to surplus or deficit in future periods</b>			
Net asset revaluation increment/(decrement)	6.1	54,147	20,408
<b>Total other comprehensive result</b>		<b>54,147</b>	<b>20,408</b>
<b>Total comprehensive result</b>		<b>76,559</b>	<b>45,647</b>

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

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## Balance Sheet

As at 30 June 2022

	NOTE	2022 \$'000	2021 \$'000
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5.1	27,825	39,905
Trade and other receivables	5.1	5,913	5,536
Other financial assets	5.1	80,000	70,800
Other assets	5.2	6,804	6,451
<b>Total current assets</b>		<b>120,542</b>	<b>122,692</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	5.1	10	5
Other financial assets	5.1	2	2
Property, infrastructure, plant and equipment	6.1	1,347,937	1,275,923
Right-of-use assets	5.8	700	684
Intangible assets	5.2	-	93
<b>Total non-current assets</b>		<b>1,348,649</b>	<b>1,276,707</b>
<b>TOTAL ASSETS</b>		<b>1,469,191</b>	<b>1,399,399</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	5.3	10,436	13,345
Trust funds and deposits	5.3	5,182	3,779
Unearned income/revenue	5.3	13,174	14,245
Provisions	5.5	16,076	15,638
Interest-bearing liabilities	5.4	1,570	1,459
Lease liabilities	5.8	19	27
<b>Total current liabilities</b>		<b>46,457</b>	<b>48,493</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	5.5	12,334	15,531
Interest-bearing liabilities	5.4	13,645	15,215
Lease liabilities	5.8	713	677
<b>Total non-current liabilities</b>		<b>26,692</b>	<b>31,423</b>
<b>TOTAL LIABILITIES</b>		<b>73,149</b>	<b>79,916</b>
<b>NET ASSETS</b>		<b>1,396,042</b>	<b>1,319,483</b>
<b>EQUITY</b>			
Accumulated surplus		831,565	810,012
Reserves	9.1	564,477	509,471
<b>TOTAL EQUITY</b>		<b>1,396,042</b>	<b>1,319,483</b>

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

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## Statement of Changes in Equity

For the Year Ended 30 June 2022

	NOTE	TOTAL \$'000	ACCUMULATED SURPLUS \$'000	REVALUATION RESERVE \$'000	OTHER RESERVES \$'000
<b>2022</b>					
<b>Balance at beginning of the financial year</b>		<b>1,319,483</b>	<b>810,012</b>	<b>504,846</b>	<b>4,625</b>
Surplus for the year		22,412	22,412	-	-
Net asset revaluation increment	6.1	54,147	-	54,147	-
Transfers to other reserves	9.1	-	(871)	-	871
Transfers from other reserves	9.1	-	12	-	(12)
<b>Balance at end of the financial year</b>		<b>1,396,042</b>	<b>831,565</b>	<b>558,993</b>	<b>5,484</b>
<b>2021</b>					
<b>Balance at beginning of the financial year</b>		<b>1,273,835</b>	<b>784,822</b>	<b>484,437</b>	<b>4,576</b>
Surplus for the year		25,239	25,239	-	-
Net asset revaluation decrement	6.1	20,409	-	20,409	-
Transfers to other reserves	9.1	-	(695)	-	695
Transfers from other reserves	9.1	-	646	-	(646)
<b>Balance at end of the financial year</b>		<b>1,319,483</b>	<b>810,012</b>	<b>504,846</b>	<b>4,625</b>

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

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**Statement of Cash Flows**  
**For the Year Ended 30 June 2022**

	NOTE	2022 \$'000	2021 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Rates and charges		83,503	83,753
Statutory fees and fines		2,896	2,427
User fees		12,276	9,518
Grants - operating		41,227	36,690
Grants - capital		14,975	27,980
Contributions - monetary		872	698
Interest received		1,001	1,467
Trust funds and deposits taken		14,147	12,687
Other receipts		2,841	2,186
Net GST refund/ (payment)		3,697	3,137
Employee costs		(61,617)	(59,466)
Materials and services		(55,857)	(45,915)
Short-term, low value and variable lease payments		(97)	(159)
Trust funds and deposits repaid		(12,744)	(12,155)
Other payments		(3,830)	(3,909)
<b>Net cash provided by operating activities</b>	<b>9.2</b>	<b>43,290</b>	<b>58,939</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for property, infrastructure, plant and equipment		(44,681)	(63,355)
Proceeds from sale of property, infrastructure, plant and equipment		336	165
Payments for investments		(165,000)	(210,800)
Proceeds from sale of investments		155,800	210,169
Loans and advances made		(11)	-
Payments of loans and advances		5	4
<b>Net cash used in investing activities</b>		<b>(53,551)</b>	<b>(63,817)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Finance costs		(303)	(288)
Proceeds from borrowings		-	7,125
Repayment of borrowings		(1,459)	(727)
Interest paid - lease liabilities		(29)	(29)
Repayment of lease liabilities		(28)	(29)
<b>Net cash used in financing activities</b>		<b>(1,819)</b>	<b>6,052</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>		<b>(12,080)</b>	<b>1,174</b>
Cash and cash equivalents at the beginning of the financial year		39,905	38,731
<b>Cash and cash equivalents at the end of the financial year</b>		<b>27,825</b>	<b>39,905</b>
Financing arrangements	5.6		
Restrictions on cash assets	5.1		

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

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## Statement of Capital Works

For the Year Ended 30 June 2022

	NOTE	2022 \$'000	2021 \$'000
<b>PROPERTY</b>			
Land		234	-
<b>Total land</b>		<b>234</b>	<b>-</b>
Buildings		16,990	34,822
Heritage buildings		-	-
<b>Total buildings</b>		<b>16,990</b>	<b>34,822</b>
<b>Total property</b>		<b>17,224</b>	<b>34,822</b>
<b>PLANT AND EQUIPMENT</b>			
Plant, machinery and equipment		1,584	1,776
Fixtures, fittings and furniture		358	71
Computers and telecommunications		305	653
Art collection		24	9
<b>Total plant and equipment</b>		<b>2,271</b>	<b>2,509</b>
<b>INFRASTRUCTURE</b>			
Roads		13,219	13,962
Bridges		857	914
Footpaths and cycleways		1,617	1,967
Drainage		615	398
Recreational, leisure and community facilities		30	3,552
Waste management		3,457	1,381
Parks, open space and streetscapes		866	807
Off street car parks		180	233
Other infrastructure		1,325	525
<b>Total infrastructure</b>		<b>22,166</b>	<b>23,739</b>
<b>Total capital works expenditure</b>		<b>41,661</b>	<b>61,070</b>
<b>Represented by:</b>			
New asset expenditure		16,945	37,775
Asset renewal expenditure		22,272	19,335
Asset expansion expenditure		-	-
Asset upgrade expenditure		2,444	3,960
<b>Total capital works expenditure</b>	<b>1.2</b>	<b>41,661</b>	<b>61,070</b>

The above Statement of Capital Works should be read in conjunction with the accompanying notes.

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## OVERVIEW

### Introduction

The Latrobe City Council was established by an Order of the Governor in Council on 2 December 1994 and is a body corporate. The Council's main office is located at 141 Commercial Road Morwell 3840.

### 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 Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board (AASB), the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

The Council is a not-for-profit entity and therefore applies the additional AUS paragraphs applicable to a not-for-profit entity under the Australian Accounting Standards.

### Significant Accounting Policies

#### (a) Basis of accounting

The accrual basis of accounting has been used in the preparation of these financial statements, except for the cash flow information, 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.

The financial statements are based on the historical cost convention unless a different measurement basis is specifically disclosed in the notes to the financial statements.

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.

The financial statements have been prepared on a going concern basis. The financial statements are in Australian dollars. The amounts presented in the financial statements have been rounded to the nearest thousand dollars unless otherwise specified. Minor discrepancies in tables between totals and the sum of components are due to rounding.

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 6.2)
- The determination of depreciation for buildings, infrastructure, plant and equipment (refer to note 6.2)
- The determination of employee provisions (refer to note 5.5)
- The determination of landfill provisions (refer to note 5.5)
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of *AASB 15 Revenue from Contracts with Customers* or *AASB 1058 Income of Not-for-Profit Entities* (refer to Note 3)
- the determination, in accordance with *AASB 16 Leases*, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is substance shot-term or low value (refer to Note 5.8)
- whether or not AASB 1059 Service Concession Arrangements: Grantors is applicable.
- other areas requiring judgements

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.

#### (a) Impact of Covid-19

During 2021-22 the COVID-19 pandemic continued to impact on Council's operations. Council has noted the following significant impacts on its financial operations:

- Revenue reductions – Across council's services there has been a reduction in user fees and charges because of service closures, restrictions on attendances and decreased demand. These reductions have primarily impacted the areas of leisure, performing arts and aged care services and has resulted in decreased revenue of \$2,027K relative to budget (2020/21 \$2,148K). In addition, there has also been a decrease in statutory fees and fines, namely parking fine revenue of \$197K (2020/21 \$328K). There has also been decreased associated expenses in these areas all linked to Covid of \$1,009K (2020/21 \$2,452K).
- Additional costs – Council incurred \$374K of expenditure directly related to Covid responses including additional advertising, OH&S supplies and protective clothing, cleaning, signage and employee costs (2020/21 \$1,285K).
- Financial hardship provisions continued for ratepayers experiencing Financial hardship which included in the deferral of rates revenue and waiver of penalty interest.

Notes to the Financial Report  
For the Year Ended 30 June 2022

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## NOTE 2.1 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 2020* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or \$250,000 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 7 June 2021. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for revenue 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 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

### 2.1.1 Income and Expenditure

	BUDGET 2022 \$'000	ACTUAL 2022 \$'000	VARIANCE \$'000	VARIANCE %	REF
<b>INCOME</b>					
Rates and charges	83,713	85,023	1,310	2%	1
Statutory fees and fines	2,545	2,872	327	13%	2
User fees	11,666	11,257	(409)	(4%)	3
Grants - operating	26,630	43,292	16,662	63%	4
Grants - capital	1,700	13,101	11,401	671%	5
Contributions - monetary	90	872	782	869%	6
Contributions - non monetary	4,000	16,080	12,080	302%	7
Other income	3,074	3,639	565	18%	8
<b>Total income</b>	<b>133,418</b>	<b>176,136</b>	<b>42,718</b>	<b>32%</b>	
<b>EXPENSES</b>					
Employee costs	66,645	62,516	4,129	6%	9
Materials and services	36,188	46,196	(10,008)	(28%)	10
Bad and doubtful debts	11	62	(51)	(464%)	11
Depreciation	30,226	29,087	1,139	4%	12
Amortisation - Intangible assets	93	93	-	0%	
Amortisation - Right of use assets	38	40	(2)	(5%)	
Borrowing costs	562	305	257	46%	13
Finance Costs - Leases	28	29	(1)	(4%)	
Net loss on disposal of property, infrastructure, plant and equipment	-	9,645	(9,645)	100%	14
Other expenses	3,607	4,585	(978)	(27%)	15
Landfill provision movement	-	1,166	(1,166)	100%	16
<b>Total expenses</b>	<b>137,398</b>	<b>153,724</b>	<b>(16,326)</b>	<b>(12%)</b>	
<b>SURPLUS/ (DEFICIT) FOR THE YEAR</b>	<b>(3,980)</b>	<b>22,412</b>	<b>26,392</b>	<b>(663%)</b>	

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Notes to the Financial Report  
For the Year Ended 30 June 2022

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## NOTE 2 Performance Against Budget (continued)

### (i) Explanation of material variations - Income and Expenditure

REF	ITEM	EXPLANATION			
1	<b>Rates and charges</b>	<b>Outcome</b>	<b>Favourable</b>	<b>\$1.31 million</b>	<b>2%</b>
		Higher than expected growth in Council's rates revenue is primarily a result of additional revenue from supplementary valuations associated with new subdivisions, property improvements and additional waste services. This represents an increase from the previous year of \$1.15M.			
2	<b>Statutory fees and fines</b>	<b>Outcome</b>	<b>Favourable</b>	<b>\$0.33 million</b>	<b>13%</b>
		Higher than expected income for planning permits \$0.31M, building services fees \$0.12M and works permits \$0.11M, together with the receipt of unbudgeted election fines \$0.10M. This has been partially offset by unfavourable parking fines income substantially due to the COVID-19 pandemic.			
3	<b>User fees</b>	<b>Outcome</b>	<b>Unfavourable</b>	<b>\$0.41 million</b>	<b>4%</b>
		Lower than expected fees & charges mainly due to COVID shutdowns and restrictions on council services. These include Latrobe Leisure programs \$0.68M and Creative Arts and Venues programs \$0.14M, together with a reduction due to the ceasing of services to third party aged care clients at the end of March \$0.22M and debt collection fee recovery \$0.17M. These variances have been partially offset by favourable landfill gate fees \$0.32M, subdivision fees \$0.31M and Child care fees \$0.17M.			
4	<b>Grants - operating</b>	<b>Outcome</b>	<b>Favourable</b>	<b>\$16.66 million</b>	<b>63%</b>
		The favourable variance is mainly due to the early receipt of 75% of the 2022/23 Victorian Grants Commission Financial Assistance Grants (FAGS) \$6.40M compared to a 50% advance received in 2020/21, this variance also incorporates an increase in overall funding of \$1.0M. Additionally unbudgeted/increased grants were received for emergency management & recovery \$2.29M and pre school programs \$1.11M. Funding budgeted in previous years was recognised in the reporting year for Drought communities funding \$1.77M, sports lighting projects \$1.24M and Traralgon South tennis/netball courts \$0.34M.			
5	<b>Grants - capital</b>	<b>Outcome</b>	<b>Favourable</b>	<b>\$11.40 million</b>	<b>671%</b>
		The favourable variance is largely due to timing variances mainly related to funding for the Gippsland Performing Arts Centre (GPAC) \$2.55M, Hazelwood South Reserve Pavilion \$0.98M, Safe Travel in Local Streets program \$0.73M, Nation Building Blackspot program \$0.68M, Gippsland Logistics Precinct \$0.53M, Latrobe Leisure Moe Newborough multi purpose facility \$0.35M. In addition unbudgeted grants were received for Local Roads and Community Infrastructure (LRCI) projects \$3.65M and Free Public WiFi \$0.71M together with a number of other smaller grants.			
6	<b>Contributions - monetary</b>	<b>Outcome</b>	<b>Favourable</b>	<b>\$0.78 million</b>	<b>869%</b>
		The favourable variance is mainly due to the higher than expected receipt of contributions for public open space \$0.26M, future infrastructure \$0.21M and other works associated with new property subdivision development.			
7	<b>Contributions - non monetary</b>	<b>Outcome</b>	<b>Favourable</b>	<b>\$12.08 million</b>	<b>302%</b>
		Council receives non-monetary contributions of land and infrastructure from property developers. It is difficult to predict the annual level of contributions as they are realised at the time the subdivision statement of compliance is received. This year saw a higher than expected level of development activity which resulted in higher contributions.			
8	<b>Other income</b>	<b>Outcome</b>	<b>Favourable</b>	<b>\$0.57 million</b>	<b>18%</b>
		The favourable variance is primarily due to unbudgeted non-capital sundry contributions e.g. Glengarry Mechanics Hall floor \$0.16M and One Gippsland contributions \$0.11M, and higher than expected interest on investments \$0.26M and rates & charges \$0.16M. These have been partially offset by reduced Kiosk Sales across leisure facilities largely as a result of COVID related closures \$0.22M.			

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Notes to the Financial Report  
For the Year Ended 30 June 2022

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## NOTE 2 Performance Against Budget (continued)

### Explanation of material variations - Income and Expenditure

REF	ITEM	EXPLANATION				
9	<b>Employee costs</b>	<b>Outcome</b>	<b>Favourable</b>	<b>\$4.13 million</b>	<b>6%</b>	
		The favourable variance is mainly due to reduced long service leave accruals as a result of higher discount rates applied to calculate the present value of leave liabilities \$1.84M, lower than expected costs of the Aged Care services transition \$0.87M, higher than expected capitalisation of wages associated with works carried forward and government funding \$0.57M, lower than expected workcover premium \$0.31M and other savings related to positions that were vacant for part of the year.				
10	<b>Materials and services</b>	<b>Outcome</b>	<b>Unfavourable</b>	<b>\$10.01 million</b>	<b>28%</b>	
		The variance is predominantly a result of expenditure associated with the clean-up after the June 2021 storm and flood event \$3.63M, increased costs associated with the management and operations of GRAC \$0.83M, costs that were budgeted as capital but have been expensed as a result of not meeting the criteria required to be capitalised \$0.92M, together with expenditure funded from unbudgeted government grants and income received in previous financial years.				
11	<b>Bad and doubtful debts</b>	<b>Outcome</b>	<b>Unfavourable</b>	<b>\$0.05 million</b>	<b>464%</b>	
		Larger than expected increase in provision for doubtful debts due to calculations based on historic debt write-off profile in sundry debtors.				
12	<b>Depreciation</b>	<b>Outcome</b>	<b>Favourable</b>	<b>\$1.14 million</b>	<b>4%</b>	
		The favourable variance is mainly in the Buildings category (\$2.23M) due to the later than anticipated timing of completion of major projects such as the Gippsland Regional Aquatic Facility and Gippsland Performing Arts Centre. Partially offsetting this are higher levels of infrastructure depreciation largely as a result of unbudgeted gifted assets and new and upgraded infrastructure funded from government grants increasing the depreciable value of assets over the past two years.				
13	<b>Borrowing costs</b>	<b>Outcome</b>	<b>Favourable</b>	<b>\$0.26 million</b>	<b>46%</b>	
		Lower loan repayments due to a lower than expected interest rate received and the delay in drawdown of loan funds for the Moe Revitalisation Project Stage 2 and Kernot Hall Refurbishment works.				
14	<b>Net loss on disposal of property, infrastructure, plant and equipment</b>	<b>Outcome</b>	<b>Unfavourable</b>	<b>\$9.65 million</b>	<b>100%</b>	
		The variation is associated with the write down of the residual value of assets renewed as part of the capital works program. This process was not allowed for in to the 2021/22 budget due to the uncertainty in identifying the values and relates mainly to asset classes of infrastructure (\$5.82M) and buildings (\$2.73M). This has been partially offset by a gain on disposal of plant and fleet (\$0.19M).				
15	<b>Other expenses</b>	<b>Outcome</b>	<b>Unfavourable</b>	<b>\$0.98 million</b>	<b>27%</b>	
		The unfavourable variance is mainly due to the expensing of items from opening Capital Works in Progress (\$0.81M) due to them not meeting Council's capitalisation criteria together with higher than expected State Government landfill levies associated with increased levels of waste to landfill during the year (\$0.18M).				
16	<b>Landfill provision movement</b>	<b>Outcome</b>	<b>Unfavourable</b>	<b>\$1.17 million</b>	<b>100%</b>	
		An internal annual review of the expected costs to rehabilitate Council's existing and legacy landfill sites has resulted in an increase in the required provision. The main factors are increasing costs and additional works required as a result of EPA notices and audits undertaken. At the time the 2021/22 budget was formulated it was not anticipated that there would be a movement in this provision.				

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Notes to the Financial Report  
For the Year Ended 30 June 2022Latrobe City Council  
2021/2022 Financial Report**NOTE 2 Performance Against Budget (continued)****2.1.2 Capital Works**

	BUDGET 2022 \$'000	ACTUAL 2022 \$'000	VARIANCE \$'000	VARIANCE %	REF
<b>PROPERTY</b>					
Land	-	234	(234)	100%	1
<b>Total land</b>	<b>-</b>	<b>234</b>	<b>(234)</b>	<b>100%</b>	
Buildings	4,771	16,990	(12,219)	(256%)	2
<b>Total buildings</b>	<b>4,771</b>	<b>16,990</b>	<b>(12,219)</b>	<b>(256%)</b>	
<b>Total property</b>	<b>4,771</b>	<b>17,224</b>	<b>(12,453)</b>	<b>(261%)</b>	
<b>PLANT AND EQUIPMENT</b>					
Plant, machinery and equipment	2,605	1,584	1,021	39%	3
Fixtures, fittings and furniture	10	358	(348)	(3480%)	4
Computers and telecommunications	600	305	295	49%	5
Art collection	15	24	(9)	(60%)	6
<b>Total plant and equipment</b>	<b>3,230</b>	<b>2,271</b>	<b>959</b>	<b>30%</b>	
<b>INFRASTRUCTURE</b>					
Roads	10,206	13,219	(3,013)	(30%)	7
Bridges	445	857	(412)	(93%)	8
Footpaths and cycleways	1,208	1,617	(409)	(34%)	9
Drainage	503	615	(112)	(22%)	10
Recreational, leisure and community facilities	-	30	(30)	100%	11
Waste management	2,530	3,457	(927)	(37%)	12
Parks, open space and streetscapes	8,170	866	7,304	89%	13
Off street car parks	243	180	63	26%	14
Other infrastructure	-	1,325	(1,325)	100%	15
<b>Total infrastructure</b>	<b>23,305</b>	<b>22,166</b>	<b>1,139</b>	<b>5%</b>	
<b>Total capital works expenditure</b>	<b>31,306</b>	<b>41,661</b>	<b>(10,355)</b>	<b>(33%)</b>	
<b>Represented by:</b>					
New asset expenditure	7,945	16,945	(9,000)	(113%)	16
Asset renewal expenditure	20,801	22,272	(1,471)	(7%)	17
Asset upgrade expenditure	2,560	2,444	116	5%	
<b>Total capital works expenditure</b>	<b>31,306</b>	<b>41,661</b>	<b>(10,355)</b>	<b>(33%)</b>	

Notes to the Financial Report  
For the Year Ended 30 June 2022Latrobe City Council  
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REF	ITEM	EXPLANATION	Outcome:	Overspend		
1	<b>Land</b>				<b>\$0.23 million</b>	<b>100%</b>
		Final settlement of land parcels relating to Churchill Central Activity Centre Plan funded from prior year budgets carried forward.				
2	<b>Buildings</b>				<b>\$12.2 million</b>	<b>256%</b>
		Completion of the Gippsland Performing Arts Centre (GPAC) project. Completed March '22 (\$12M), budgeted for completion in 2020/21 with funding carried forward to 2021/22.				
3	<b>Plant, machinery and equipment</b>				<b>\$1.021 million</b>	<b>39%</b>
		Delays in fleet replacement (\$0.64M) and plant replacement (\$0.56M) due to COVID supply chain delays.				
4	<b>Fixtures, fittings and furniture</b>				<b>\$0.35 million</b>	<b>3480%</b>
		Primarily relates to GPAC furniture acquisitions (\$0.2M), funded within the project budget.				
5	<b>Computers and telecommunications</b>				<b>\$0.295 million</b>	<b>49%</b>
		Underspend (\$0.27M) driven by current requirements of computer and telecommunications equipment, the budget is prepared on the basis of an average annual requirement with surplus funds in one year transferred to a discretionary reserve to be drawdown in future years that exceed the average annual requirement.				
6	<b>Art collection</b>				<b>\$0.009 million</b>	<b>60%</b>
		New artworks funded from unspent budgets carried forward from prior years				
7	<b>Roads</b>				<b>\$3.01 million</b>	<b>30%</b>
		Landslip Repairs (Strzelecki Ranges Road) funded from Local Road and Community Infrastructure (LRCI) funding (\$1.7M). Safe Traffic in Local Streets Program funded by Regional Roads Victoria (\$0.75M), these government funding programs were not included in the budget.				
8	<b>Bridges</b>				<b>\$0.41 million</b>	<b>93%</b>
		Downies Lane bridge construction completion. A jointly funded with the Commonwealth government project funded from grants together with unspent budget funds carried forward from the prior year (\$0.42M).				
9	<b>Footpaths and cycleways</b>				<b>\$0.41 million</b>	<b>34%</b>
		Footpath projects funded from LRCI grants (\$0.41M) not included in the budget.				
10	<b>Drainage</b>				<b>\$0.11 million</b>	<b>22%</b>
		Gross Pollutant Traps funded from LRCI funding (\$0.3M) not included in the budget.				
11	<b>Recreational, leisure and community</b>				<b>\$0.03 million</b>	<b>100%</b>
		Completion of works at Gippsland Regional Aquatics Centre (\$0.012M) and Morwell Recreation Reserve (\$0.017M). These projects were substantially completed and funded in prior years as part of the suite of Major Recreation Projects.				
12	<b>Waste management</b>				<b>\$0.93 million</b>	<b>37%</b>
		Hyland Hwy Landfill Cell 6 Construction Landfill (\$0.9M) spanning multiple financial years . Prior year underspend now caught up as the project nears completion.				
13	<b>Parks, open space and streetscapes</b>				<b>\$7.3 million</b>	<b>89%</b>
		Moe Revitalisation Project Stage 2 (\$7.36M). Project was budgeted in 2021/22 however delayed until 2022/23 as project design was completed with community input.				
14	<b>Off street car parks</b>				<b>\$0.06 million</b>	<b>26%</b>
		Gippsland Performing Arts Centre on street parking capitalised as roads (budgeted in off street car parking) \$0.23M, partially offset by expenditure related to unbudgeted government grant for the Regional CarParks project \$0.17M.				
15	<b>Other infrastructure</b>				<b>\$1.33 million</b>	<b>100%</b>
		Unbudgeted government funded project - Free Public WiFi Services Latrobe Valley (\$0.6M). On going works on funded project - Gippsland Logistics Precinct and Intermodal Freight Terminal (\$0.56M).				
16	<b>New asset expenditure</b>				<b>\$9 million</b>	<b>113%</b>
		Funded works carried over from previous financial year include the GPAC (\$12M), offset by delayed works for the Moe Revitalisation Project Stage 2 (\$7.36M) to the 22/23 financial year.				
17	<b>Asset renewal expenditure</b>				<b>\$1.47 million</b>	<b>7%</b>
		Landslip Repairs (Strzelecki Ranges Road) funded from LRCI funding (\$1.7M) not included in budget.				

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**Note 2.2 Analysis of Council results by program**

Council delivers its functions and activities through the following programs.

**2.2.1 Office of the Chief Executive**

Office of the Chief Executive  
Mayoral and Council Support and Operations

**Regional City Strategy & Transition**

Engagement & Customer Focus  
Regional City Strategy & Transition Management  
Business Development  
Economic Investment & Transition  
Advocacy & Transition  
Governance

**Organisational Performance**

Financial Support  
People & Culture  
Organisational Performance Management  
Business Improvement  
Property & Commercial

**Regional City Planning & Assets**

City Assets (Infrastructure Design, Infrastructure Planning, Civil Works, Major Projects & Building Maintenance and Recreation & Open Space Planning)  
City Presentation (includes Infrastructure Maintenance, Open Space Maintenance and Recreation Liaison)  
Environment  
Regional City Planning

**Community Health & Wellbeing**

Active Communities & Partnerships (includes Community Strengthening, Safe & Inclusive Communities, Community Resilience, Libraries and Leisure Facilities)  
Safe Communities (includes Building Services, Health Services, Local Laws and Legal Proceedings)  
Aged Care Services  
Family Services  
Emergency Management

**Sustainability**

Landfill Services  
Waste & Recycling  
Litter Bins  
Sustainability Rates & Charges

**Major Recreation Projects**

Latrobe Valley Sports and Community Initiative Project Director's Office

**Other Operating**

Other unattributable items e.g. Loan interest, unattributable cash & investments and sundry receivables. A surplus is expected to be generated to fund repayment of loan principal.

**Capital Works Program**

Capital Works Program (includes items not capitalised, excludes Latrobe Valley Sports and Community Initiative and Waste & Landfill capital works )

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Note 2.2 Analysis of Council results by program

2.2.2 Summary of income, expenses, assets and capital expenses by program

	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2022</b>					
Office of the Chief Executive	1,591	(1,986)	(395)	256	38
Regional City Strategy & Transition	10,529	(11,328)	(799)	2,318	28,674
Organisational Performance	14,522	(16,403)	(1,881)	3,058	6,039
Regional City Planning & Assets	65,700	(56,210)	9,490	13,019	1,053,032
Community Health & Wellbeing	49,793	(49,077)	716	20,918	241,415
Sustainability	17,042	(13,534)	3,508	179	31,459
Major Recreation Projects	169	3	172	-	118
Other Operating	(17)	205	188	-	74,502
Capital Works Program	16,807	(5,394)	11,413	16,645	33,914
	<b>176,136</b>	<b>(153,724)</b>	<b>22,412</b>	<b>56,393</b>	<b>1,469,191</b>
<b>2021</b>					
Office of the Chief Executive	1,464	(1,565)	(101)	150	49
Regional City Strategy & Transition	11,107	(9,527)	1,580	1,965	34,174
Organisational Performance	14,234	(15,004)	(770)	3,323	6,682
Regional City Planning & Assets	46,331	(48,931)	(2,600)	6,776	1,009,089
Community Health & Wellbeing	45,805	(42,381)	3,424	18,924	182,061
Sustainability	16,583	(13,810)	2,773	135	26,729
Major Recreation Projects	7,753	(3)	7,750	1,165	2,255
Other Operating	332	310	642	-	78,704
Capital Works Program	21,640	(9,099)	12,541	28,188	59,656
	<b>165,249</b>	<b>(140,010)</b>	<b>25,239</b>	<b>60,626</b>	<b>1,399,399</b>



Notes to the Financial Report  
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## NOTE 3 Funding for the delivery of our services

### 3.1 Rates and charges

Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is the value of its land and all its improvements.

This valuation base was used to calculate general rates, excluding valuations for power generation companies and Australian Paper.

The valuation base used to calculate general rates for 2021/22 was \$13.836 billion (2020/21 was \$12.305 billion).

	2022 \$'000	2021 \$'000
General rates	56,104	54,504
Municipal charge	5,515	5,415
Garbage charge	12,865	12,607
EPA Victoria landfill levy	890	821
Supplementary rates and rates adjustments	1,527	380
Cultural and recreational	80	92
Revenue in lieu of rates	8,042	7,938
<b>Total rates and charges</b>	<b>85,023</b>	<b>81,757</b>

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2021, and the valuation was first applied in the rating year commencing 1 July 2021.

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

Infringement and costs	486	453
Town planning fees	17	18
Land information certificates	89	107
Permits	1,031	965
Pool and Spa Registrations	24	114
Health registrations	411	(25)
Animal registrations	592	572
Other	222	225
<b>Total Statutory fees and fines</b>	<b>2,872</b>	<b>2,429</b>

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

### 3.3 User fees

Aged and health services	1,833	1,931
Leisure centre and recreation	1,927	1,335
Child care/children's programs	3,759	3,481
Waste management services	2,552	1,988
Other fees and charges	1,186	762
<b>Total User fees</b>	<b>11,257</b>	<b>9,497</b>

#### User fees by timing of revenue recognition

User fees recognised over time	-	-
User fees recognised at a point in time	11,257	9,497
<b>Total User fees</b>	<b>11,257</b>	<b>9,497</b>

User fees are recognised as revenue at a point in time, when (or as) the performance obligation is satisfied. Recognition is based on the underlying contractual terms.

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	2022	2021
	\$'000	\$'000

**3.4 Funding from other levels of government**

Grants were received in respect of the following:

**Summary of grants**

Commonwealth funded grants	31,091	26,592
State funded grants	25,302	34,034
<b>Total grants received</b>	<b>56,393</b>	<b>60,626</b>

**(a) Operating Grants****Recurrent – Commonwealth Government**

Financial assistance grant	18,719	11,436
Aged and disability programs	2,283	3,035
Employment facilitation	486	226
Family and children programs	56	98

**Recurrent – State Government**

Preschools	5,286	5,802
Family and children programs	2,131	2,283
Maternal and child health	830	779
Aged and disability programs	1,507	319
Libraries	552	534
School crossing supervision	194	187
Arts programs	155	155
Environment sustainability	36	33
<b>Total recurrent operating grants</b>	<b>32,235</b>	<b>24,887</b>

**Non-Recurrent – Commonwealth Government**

Family and children programs	-	415
Recreational, Leisure & Community Facilities	1,769	231
Economic development	40	160
Aged and disability programs	-	46
Events And International Relations	66	21
Other	23	72

**Non-Recurrent – State Government**

Working for Victoria COVID19 Response	289	1,773
Recreational, Leisure & Community Facilities	1,577	1,560
Pre Schools	651	875
Economic development	846	838
Community support and development programs	119	752
Natural disaster recovery	5,009	685
Employment Facilitation Programs	75	-
Infrastructure Planning	35	350
Family and children programs	245	344
Strategic Planning	-	245
Public Lighting	-	120
Events & International Relations	5	25
Arts program	-	25
Other	308	203
<b>Total non-recurrent operating grants</b>	<b>11,057</b>	<b>8,740</b>

<b>Total operating grants</b>	<b>43,292</b>	<b>33,627</b>
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	2022 \$'000	2021 \$'000
<b>(b) Capital Grants</b>		
<b>Recurrent – Commonwealth Government</b>		
Roads to recovery program	1,700	2,550
<b>Total recurrent capital grants</b>	<b>1,700</b>	<b>2,550</b>
<b>Non-Recurrent – Commonwealth Government</b>		
Buildings	5,029	5,395
Roads	586	1,114
Recreation, leisure and community facilities	101	1,045
Parks, Open Spaces And Streetscapes	23	628
Bridges	210	120
<b>Non-Recurrent – State Government</b>		
Buildings	2,453	12,502
Recreation, leisure and community facilities	19	1,533
Parks, Open Spaces And Streetscapes	724	292
Roads	1,536	1,490
Footpath & Cycleways	16	41
Offstreet Carparks	170	-
Other Infrastructure	534	289
<b>Total non-recurrent capital grants</b>	<b>11,401</b>	<b>24,449</b>
<b>Total capital grants</b>	<b>13,101</b>	<b>26,999</b>
<b>Total Grants</b>	<b>56,393</b>	<b>60,626</b>
<b>(c) Unspent grants received on condition that they be spent in a specific manner</b>		
<b>Operating</b>		
Balance at start of year	3,948	2,956
Received during the financial year and remained unspent at balance date	6,037	3,605
Received in prior years and spent during the financial year	(3,459)	(2,613)
<b>Balance at year end</b>	<b>6,526</b>	<b>3,948</b>
<b>(d) Recognition of grant income</b>		
Before recognising funding from government grants as revenue the Council assesses whether there is a contract that is enforceable and has sufficiently specific performance obligations in accordance with AASB 15 Revenue from Contracts with Customers. When both these conditions are satisfied, the Council:		
- identifies each performance obligation relating to revenue under the contract/agreement		
- determines the transaction price		
- recognises a contract liability for its obligations under the agreement		
- recognises revenue as it satisfies its performance obligations, at the time or over time when services are rendered.		
Where the contract is not enforceable and/or does not have sufficiently specific performance obligations, the Council applies AASB 1058 Income for Not-for-Profit Entities.		
Grant revenue with sufficiently specific performance obligations is recognised over time as the performance obligations specified in the underlying agreement are met. Where performance obligations are not sufficiently specific, grants are recognised on the earlier of receipt or when an unconditional right to receipt has been established. Grants relating to capital projects are generally recognised progressively as the capital project is completed. The following table provides a summary of the accounting framework under which grants are recognised.		
<b>Income recognised under AASB 1058 Income of Not-for-Profit Entities</b>		
General purpose	18,719	11,436
Specific purpose grants to acquire non-financial assets	13,101	26,999
Other specific purpose grants	15,486	18,114
<b>Revenue recognised under AASB 15 Revenue from Contracts with Customers</b>		
Specific purpose grants	9,087	4,077
	<b>56,393</b>	<b>60,626</b>

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	2022 \$'000	2021 \$'000
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**3.5 Contributions**

Monetary	872	696
Non-monetary	16,080	6,766
<b>Total Contributions</b>	<b>16,952</b>	<b>7,462</b>

*Contributions of non-monetary assets were received in relation to the following asset classes*

Roads	3,012	3,089
Drainage	2,065	1,711
Land	7,985	1,045
Buildings	1,967	-
Footpaths	1,038	878
Other	13	43
<b>Total non-monetary contributions</b>	<b>16,080</b>	<b>6,766</b>

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

**3.6 Other Income**

Interest	1,170	1,190
Other Rent	683	689
Sales	322	443
Contributions other	1,315	794
Rebates	96	358
Other	53	4
<b>Total other income</b>	<b>3,639</b>	<b>3,478</b>

Interest is recognised as it is earned.

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

Notes to the Financial Report  
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	2022 \$'000	2021 \$'000
<b>4.1 (a) Employee costs</b>		
Salaries and wages	53,781	50,091
Workcover	1,054	1,423
Superannuation	5,210	4,947
Fringe benefits tax	250	285
Other	2,221	1,559
<b>Total employee costs</b>	<b>62,516</b>	<b>58,305</b>

**(b) Superannuation**

Council made contributions to the following funds:

**Defined benefit fund**

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	263	309
Employer contributions payable at reporting date	-	-
	<b>263</b>	<b>309</b>

**Accumulation funds**

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	4,352	4,079
Employer contributions payable at reporting date	595	559
	<b>4,947</b>	<b>4,638</b>

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

**4.2 Materials and services**

Cleaning	993	861
Family Day Care Educators	-	47
Vehicle Expenses	1,046	865
Management and Operation of Gippsland Regional Aquatic Centre	1,384	806
Parks and Reserves	164	714
Sporting Grounds & Facilities	623	1,850
Domestic Rubbish Collection	3,636	3,370
Transfer Stations	1,202	997
Materials Recovery Facility	1,400	1,442
Green Waste Processing	796	679
Litter Bins	443	426
Street Sweeping	557	523
Other Contracts	10,613	6,028
Building maintenance	1,901	2,157
General maintenance	4,215	3,423
Utilities	3,466	3,210
Office administration	2,213	1,955
Information technology	2,601	2,426
Insurance	1,285	1,109
Consultants	3,105	3,415
Other	4,553	4,400
<b>Total materials and services</b>	<b>46,196</b>	<b>40,703</b>

Expenses are recognised as they are incurred and reported in the financial year to which they relate

Notes to the Financial Report  
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	2022 \$'000	2021 \$'000
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#### 4.3 Depreciation

Property	6,692	6,055
Plant, furniture and equipment	2,581	2,331
Infrastructure	19,814	19,780
<b>Total depreciation and amortisation</b>	<b>29,087</b>	<b>28,166</b>

Refer to note 5.2(b) and 6.2 for a more detailed breakdown of depreciation and amortisation charges.

#### 4.4 Amortisation - Intangible assets

Software	4	18
Landfill	89	612
<b>Total Amortisation - Intangible assets</b>	<b>93</b>	<b>630</b>

#### 4.5 Amortisation - Right of use assets

Property	26	23
Vehicles	14	16
<b>Total Amortisation - Right of use assets</b>	<b>40</b>	<b>39</b>

#### 4.6 Bad and doubtful debts

Other debtors	62	9
<b>Total bad and doubtful debts</b>	<b>62</b>	<b>9</b>

#### Movement in provision for doubtful debts

Balance at the beginning of the year	15	20
New Provisions recognised during the year	66	5
Amounts already provided for and written off as uncollectible	(29)	(10)
Amounts provided for but recovered during the year	-	-
<b>Balance at the end of the year</b>	<b>52</b>	<b>15</b>

Provision for doubtful debts is recognised based on an expected credit loss model. This model considers both historic and forward looking information in determining the level of impairment.

#### 4.7 Borrowing costs

Interest on borrowings	305	289
<b>Total borrowing costs</b>	<b>305</b>	<b>289</b>

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.

#### 4.8 Finance Costs - Leases

Interest - Lease liabilities	29	29
<b>Total finance costs</b>	<b>29</b>	<b>29</b>

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

Proceeds of sale	336	164
Write down value of assets disposed (sold/written off)	(1,428)	(92)
Write down value of assets disposed (asset renewal)	(8,553)	(3,941)
<b>Total net gain/(loss) on disposal of property, infrastructure, plant and equipment</b>	<b>(9,645)</b>	<b>(3,869)</b>

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

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**Notes to the Financial Report  
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	2022	2021
	\$'000	\$'000
<b>4.10 Other expenses</b>		
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	85	62
Auditors' remuneration - Internal Audit	87	118
Audit other	78	45
Councillors' allowances	339	309
Operating lease rentals	88	145
Grants	1,156	1,890
Levies	1,944	1,274
Assets written-off / impaired	808	2,719
<b>Total other expenses</b>	<b>4,585</b>	<b>6,562</b>

Notes to the Financial Report  
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	2022	2021
	\$'000	\$'000

**5.1 Financial assets****(a) Cash and cash equivalents****Current**

Cash on hand	11	11
Cash at bank	27,814	39,894
Term Deposits	-	-
<b>Total cash and cash equivalents</b>	<b>27,825</b>	<b>39,905</b>

**(b) Other financial assets**

Term Deposits - current	80,000	70,800
MAPS Group Ltd. Shares - non-current	2	2
<b>Total other financial assets</b>	<b>80,002</b>	<b>70,802</b>

**(c) Restrictions over cash and cash equivalents**

Council's 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))	5,182	3,779
<b>Total restricted funds</b>	<b>5,182</b>	<b>3,779</b>
<b>Total unrestricted cash and cash equivalents</b>	<b>22,643</b>	<b>36,126</b>

**Intended Allocations**

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

Reserve funds allocated for specific future purposes (Note 9.1 (b))	5,484	4,625
Cash held to fund carried forward capital works	7,090	13,366
Unspent grants (Note 3.4)	6,527	3,947
Funds held to rehabilitate previous landfill cells and fund future landfill cell construction	21,965	21,953
Funds held to repay principal for "Interest Only" loan facility	1,340	670
Defined Benefits Superannuation calls	1,500	1,500
Funds held to meet future Information Technology capital investment requirements	3,661	4,101
Funds held to meet future Developer Contribution Plan (DCP) infrastructure requirements	1,154	1,166
<b>Total funds subject to intended allocations</b>	<b>48,721</b>	<b>51,328</b>

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

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

Other financial assets include term deposits and those with original maturity dates of three to 12 months are classified as current, whilst term deposits with maturity dates greater than 12 months are classified as non-current



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	2022 \$'000	2021 \$'000
<b>(d) Trade and other receivables</b>		
<b>Current</b>		
<i>Statutory receivables</i>		
Rates debtors*	4,108	2,628
Health Registrations	1	(50)
Net GST receivable	1,167	1,048
<i>Non-statutory receivables</i>		
Loans and advances to community organisations	5	3
Other debtors	684	1,922
Provision for doubtful debts - other debtors	(52)	(15)
<b>Total current trade and other receivables</b>	<b>5,913</b>	<b>5,536</b>
*Rates are payable by four instalments during the year or by lump sum in February. Arrears attract interest, currently at the rate of 10.0% per annum.		
<b>Non-Current</b>		
<i>Non-statutory receivables</i>		
Loans and advances to community organisations	10	5
<b>Total non-current trade and other receivables</b>	<b>10</b>	<b>5</b>
<b>Total trade and other receivables</b>	<b>5,923</b>	<b>5,541</b>

Short term receivables are carried at invoice amount as amortised cost using the effective interest rate method would not impact the carrying value. 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.

**(e) Ageing of receivables**

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

Current (not yet due)	350	607
Past due by up to 30 days	163	581
Past due between 31 and 60 days	53	380
Past due between 61 and 90 days	55	141
Past due by more than 90 days	26	206
<b>Total trade and other receivables</b>	<b>647</b>	<b>1,915</b>

**(f) Ageing of individually impaired receivables**

At balance date, other debtors representing financial assets with a nominal value of \$52K (2021 \$15K) were impaired. The amount of the provision raised against these debtors was \$52K (2021 \$15K). 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.

Current (not yet due)	-	-
Past due by up to 30 days	-	-
Past due between 31 and 60 days	-	-
Past due between 61 and 90 days	-	-
Past due by more than 90 days	52	15
<b>Total trade and other receivables</b>	<b>52</b>	<b>15</b>

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	2022	2021
	\$'000	\$'000

**5.2 Non-financial assets****(a) Other assets****Current**

Prepayments	1,154	1,142
Accrued income	5,650	5,309
<b>Total other assets</b>	<b>6,804</b>	<b>6,451</b>

**(b) Intangible assets****Non-current**

Software	-	4
Landfill Air Space	-	89
<b>Total intangible assets</b>	<b>-</b>	<b>93</b>

	SOFTWARE	LANDFILL AIR SPACE	TOTAL
	\$'000	\$'000	\$'000
<b>Gross Carrying Amount</b>			
Balance at 1 July 2021	1,147	18,422	19,569
Additions from internal developments	-	-	-
Other additions	-	-	-
<b>Balance at 30 June 2022</b>	<b>1,147</b>	<b>18,422</b>	<b>19,569</b>

**Accumulated Amortisation and Impairment**

Balance at 1 July 2021	(1,143)	(18,333)	(19,476)
Amortisation Expense	(4)	(89)	(93)
<b>Balance at 30 June 2022</b>	<b>(1,147)</b>	<b>(18,422)</b>	<b>(19,569)</b>

Net Book Value at 30 June 2021	4	89	93
<b>Net Book Value at 30 June 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>

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.

	2022	2021
	\$'000	\$'000

**5.3 Payables, trust funds and deposits and unearned income/revenue****(a) Trade and other payables****Current***Non-statutory payables*

Trade Payables	5,927	11,617
Accrued Expenses	4,509	1,728
<b>Total trade and other payables</b>	<b>10,436</b>	<b>13,345</b>

**(b) Trust funds and deposits****Current**

Refundable deposits	3,729	2,777
Fire Service Levy	811	828
Retention amounts	95	95
Other refundable deposits	547	79
<b>Total trust funds and deposits</b>	<b>5,182</b>	<b>3,779</b>

**(c) Unearned income****Current**

Grants received in advance - operating	3,819	5,916
Grants received in advance - capital	9,355	8,299
Other	-	30
<b>Total unearned income</b>	<b>13,174</b>	<b>14,245</b>

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Unearned income/revenue represents contract liabilities and reflect consideration received in advance from customers in respect of government grants. Unearned income/revenue are derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to Note 3.

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 the 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 contracts, asset protection, planning permit works and the use of civic facilities.

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

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

	2022 \$'000	2021 \$'000
<b>5.4 Interest-bearing liabilities</b>		
<b>Current</b>		
Treasury Corporation of Victoria Borrowings – Secured	967	876
Borrowings – Secured	603	583
<b>Total current</b>	<b>1,570</b>	<b>1,459</b>
<b>Non-Current</b>		
Treasury Corporation of Victoria Borrowings – Secured	7,082	8,048
Borrowings – Secured	6,563	7,167
<b>Total non-current</b>	<b>13,645</b>	<b>15,215</b>
<b>Total interest-bearing loans and borrowings</b>	<b>15,215</b>	<b>16,674</b>

All borrowings are secured over Council's Rate Revenue

The maturity profile for Council's borrowings is:

Not later than one year	1,570	1,459
Later than one year and not later than five years	9,405	9,424
Later than five years	4,240	5,791
	<b>15,215</b>	<b>16,674</b>

Borrowings are initially measured at fair value, being the cost of the interest bearing liabilities, net of transaction costs. The measurement basis subsequent to initial recognition depends on whether the Council has categorised its interest-bearing liabilities as either financial liabilities designated at fair value through the profit and loss, or financial liabilities at amortised cost. Any difference between the initial recognised amount and the redemption value is recognised in net result over the period of the borrowing using the effective interest method.

The classification depends on the nature and purpose of the interest bearing liabilities. The Council determines the classification of its interest bearing liabilities at initial recognition.

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## 5.5 Provisions

	ANNUAL LEAVE \$'000	LONG SERVICE LEAVE \$'000	LANDFILL REHABILITATION \$'000	TOTAL \$'000
<b>2022</b>				
Balance at Beginning of the Financial Year	5,199	9,118	16,852	31,169
Additional/(Reduced) Provisions	4,465	522	1,563	6,550
Amounts Used	(4,440)	(1,421)	(2,354)	(8,215)
Increase/ (Decrease) in the discounted amount arising because of time and effect of any change in the discount rate	(11)	(688)	(397)	(1,096)
<b>Balance at the End of the Financial Year</b>	<b>5,214</b>	<b>7,531</b>	<b>15,664</b>	<b>28,410</b>
<b>2021</b>				
Balance at Beginning of the Financial Year	4,854	10,792	18,099	33,745
Additional/(Reduced) Provisions	4,466	(51)	1,978	6,393
Amounts Used	(4,109)	(1,111)	(2,656)	(7,876)
Increase/ (Decrease) in the discounted amount arising because of time and effect of any change in the discount rate	(12)	(512)	(569)	(1,093)
<b>Balance at the End of the Financial Year</b>	<b>5,199</b>	<b>9,118</b>	<b>16,852</b>	<b>31,169</b>

## (a) Employee provisions

	2022 \$'000	2021 \$'000
<b>Current Provisions Expected to be wholly settled within 12 months</b>		
Annual leave	4,848	4,830
Long service leave	2,219	2,495
	<b>7,067</b>	<b>7,326</b>
<b>Current Provisions Expected to be wholly settled after 12 months</b>		
Annual leave	366	369
Long service leave	4,453	5,511
	<b>4,819</b>	<b>5,880</b>
<b>Total current employee provisions</b>	<b>11,886</b>	<b>13,206</b>
<b>Non-Current</b>		
Long service leave	859	1,111
<b>Total non-current employee provisions</b>	<b>859</b>	<b>1,111</b>
<b>Aggregate Carrying Amount of Employee Provisions</b>		
Current	11,886	13,206
Non-Current	859	1,111
	<b>12,745</b>	<b>14,317</b>

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

*Annual Leave*

A liability for annual leave is recognised in the provision for employee benefits as a current liability because the Council does not have an unconditional right to defer settlement of the liability. Liabilities for annual leave are measured at:

- nominal value if the Council expects to wholly settle the liability within 12 months
- present value if the Council does not expect to wholly settle within 12 months.

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.

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Liability for long service leave (LSL) is recognised in the provision for employee benefits. Unconditional LSL is disclosed as a current liability as the Council does not have an unconditional right to defer settlement. Unconditional LSL is measured at nominal value if expected to be settled within 12 months or at present value if not expected to be settled within 12 months. 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 and measured at present value.

	2022	2021
	\$'000	\$'000
Key assumptions:		
- discount rate	2.38%	1.09%
- wage inflation rate	2.70%	1.50%
- settlement period	25 years	25 years

**(b) Landfill restoration**

Current	4,190	2,432
Non-Current	11,475	14,420
	<b>15,665</b>	<b>16,852</b>

Council is obligated to restore the current Highland Highway landfill site and legacy sites at Moe, Morwell, Traralgon and Yinnar to a particular standard. The forecast life of the Highland Highway landfill site is based on current estimates of remaining capacity and the forecast rate of infill. The provision for landfill rehabilitation 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 restore the sites 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	3.05%	0.98%
- inflation rate	4.00%	2.00%
- settlement period	9.7 years	10.1 years

**5.6 Financing arrangements**

The Council has the following funding arrangements in place As at 30 June 2022

Bank overdraft	1,000	1,000
Credit card facilities	500	500
Treasury Corporation of Victoria facilities	18,048	8,925
Other facilities	7,167	7,749
<b>Total facilities</b>	<b>26,715</b>	<b>18,174</b>
<b>Used facilities</b>	<b>15,290</b>	<b>16,749</b>
<b>Unused facilities</b>	<b>11,425</b>	<b>1,425</b>

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## 5.7 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.

## (a) Commitments for expenditure

	NOT LATER THAN 1 YEAR	LATER THAN 1 YEAR AND NOT LATER THAN 2 YEARS	LATER THAN 2 YEAR AND NOT LATER THAN 5 YEARS	LATER THAN 5 YEARS	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2022</b>					
<b>Operating</b>					
Recycling	2,754	-	-	-	2,754
Garbage Collection	3,868	1,934	-	-	5,802
Processing of Organic Waste	957	-	-	-	957
Cleaning contracts for council amenities/streets	1,147	139	-	-	1,286
Cleaning contracts for council buildings	990	-	-	-	990
Landfill	677	550	-	-	1,227
Software	10	-	-	-	10
Management and Operation of GRAC	1,166	-	-	-	1,166
Building Assets Condition Assessment	72	-	-	-	72
<b>Total</b>	<b>11,641</b>	<b>2,623</b>	<b>-</b>	<b>-</b>	<b>14,264</b>
<b>Capital construction</b>					
Buildings	796	-	-	-	796
Landfill	186	-	-	-	186
Other Infrastructure	21	-	-	-	21
Logistics Precinct and Intermodal Freight Terminal	3,787	-	-	-	3,787
Car Parks	1,156	-	-	-	1,156
Roads	733	-	-	-	733
<b>Total</b>	<b>6,679</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,679</b>
<b>2021</b>					
<b>Operating</b>					
Recycling	2,993	-	-	-	2,993
Garbage collection	3,900	1,950	-	-	5,850
Processing of Organic Waste	857	-	-	-	857
Cleaning contracts for council amenities/streets	1,738	377	-	-	2,115
Cleaning contracts for council buildings	961	-	-	-	961
Meals for Delivery	265	-	-	-	265
Landfill	2,452	525	673	-	3,650
Software	70	-	-	-	70
Management and Operation of GRAC	1,399	1,399	-	-	2,798
Business Development Program	143	99	-	-	242
<b>Total</b>	<b>14,778</b>	<b>4,350</b>	<b>673</b>	<b>-</b>	<b>19,801</b>
<b>Capital construction</b>					
Buildings	12,091	-	-	-	12,091
Other Infrastructure	145	-	-	-	145
<b>Total</b>	<b>12,236</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,236</b>

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**5.8 Leases**

At inception of a contract, all entities would assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To identify whether a contract conveys the right to control the use of an identified asset, it is necessary to assess whether:

- The contract involves the use of an identified asset;
- The customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The customer has the right to direct the use of the asset.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

As a lessee, Council recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date less any lease incentives received; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, an appropriate incremental borrowing rate. Generally, Council uses an appropriate incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that Council is reasonably certain to exercise, lease payments in an optional renewal period if Council is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless Council is reasonably certain not to terminate early.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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Council has elected to apply the temporary option available under AASB 16 Leases which allows not-for-profit entities to not measure right-of-use assets at initial recognition at fair value in respect of leases that have significantly below-market terms.

**Right-of-Use Assets**

	PROPERTY \$'000	VEHICLES \$'000	TOTAL \$'000
Balance at 1 July 2021	670	14	684
Additions	56	-	56
Amortisation charge	(26)	(14)	(40)
<b>Balance at 30 June 2022</b>	<b>700</b>	<b>-</b>	<b>700</b>
Balance at 1 July 2020	693	30	723
Additions	-	-	-
Amortisation charge	(23)	(16)	(39)
<b>Balance at 30 June 2021</b>	<b>670</b>	<b>14</b>	<b>684</b>

**Lease Liabilities**

	2022 \$'000	2021 \$'000
Maturity analysis - contractual undiscounted cash flows		
Less than one year	22	56
One to five years	112	206
More than five years	1,118	973
<b>Total undiscounted lease liabilities as at 30 June</b>	<b>1,252</b>	<b>1,235</b>
Lease liabilities included in the Balance Sheet at 30 June		
Current	19	27
Non-Current	713	677
<b>Total lease liabilities</b>	<b>732</b>	<b>704</b>

**Short-term and low value leases**

Council has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets (individual assets worth less than existing capitalisation thresholds for a like asset up to a maximum of \$10,000), including IT equipment. Council recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

	2022 \$'000	2021 \$'000
<b>Expenses relating to:</b>		
Short-term leases	88	145
Leases of low value assets	-	-
<b>Total</b>	<b>88</b>	<b>145</b>
Variable lease payments (not included in measurement of lease liabilities)		

**Non-cancellable lease commitments - Short-term and low-value leases**

Commitments for minimum lease payments for short-term and low-value leases are payable as follows:

Payable:		
Within one year	3	4
Later than one year but not later than five years	1	1
Later than 5 years	4	4
<b>Total lease commitments</b>	<b>8</b>	<b>9</b>



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Summary of property, infrastructure, plant and equipment

	CARRYING AMOUNT 30 JUNE 2021 \$'000	ACQUISITIONS \$'000	CONTRIBUTIONS \$'000	REVALUATION \$'000	DEPRECIATION \$'000	DISPOSAL \$'000	TRANSFERS \$'000	CARRYING AMOUNT 30 JUNE 2022 \$'000
Land	194,598	234	7,985	54,147	-	(1,285)	-	255,680
Buildings	255,188	12,957	1,967	-	(6,692)	(2,728)	33,099	293,791
Plant and equipment	12,809	2,271	13	-	(2,581)	(143)	1,929	14,298
Infrastructure	767,283	8,837	6,115	-	(19,814)	(5,825)	8,597	765,192
Work in progress	46,045	17,362	-	-	-	(808)	(43,625)	18,976
	<b>1,275,923</b>	<b>41,661</b>	<b>16,080</b>	<b>54,147</b>	<b>(29,087)</b>	<b>(10,789)</b>	<b>-</b>	<b>1,347,937</b>

## Summary of works in progress

	OPENING WIP \$'000	ADDITIONS \$'000	TRANSFERS \$'000	WRITE OFFS \$'000	CLOSING WIP \$'000
Buildings	33,592	4,033	(33,419)	(73)	4,133
Infrastructure	12,453	13,329	(10,205)	(735)	14,843
<b>Total</b>	<b>46,045</b>	<b>17,362</b>	<b>(43,624)</b>	<b>(808)</b>	<b>18,976</b>

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## (a) Property

NOTE	LAND - SPECIALISED (INCL LAND UNDER ROADS)	LAND - NON SPECIALISED	TOTAL LAND	BUILDINGS - SPECIALISED	TOTAL BUILDINGS	WORK IN PROGRESS	TOTAL PROPERTY
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2021	143,067	51,531	194,598	335,763	335,763	33,592	563,953
Accumulated depreciation at 1 July 2021	-	-	-	(80,575)	(80,575)	-	(80,575)
	143,067	51,531	194,598	255,188	255,188	33,592	483,378
<b>Movements in fair value</b>							
Additions	234	-	234	12,957	12,957	4,033	17,224
Contributions	6,156	1,830	7,986	1,967	1,967	-	9,953
Revaluation	27,223	26,924	54,147	-	-	-	54,147
Disposal	-	-	-	(3,915)	(3,915)	-	(3,915)
Write-off	(1,285)	-	(1,285)	-	-	(73)	(1,358)
Transfers	(2,712)	2,712	-	33,099	33,099	(33,419)	(320)
	29,616	31,466	61,082	44,108	44,108	(29,459)	75,731
<b>Movements in accumulated depreciation</b>							
Depreciation and amortisation	-	-	-	(6,692)	(6,692)	-	(6,692)
Accumulated depreciation of disposals	-	-	-	1,187	1,187	-	1,187
	-	-	-	(5,505)	(5,505)	-	(5,505)
At fair value 30 June 2022	172,683	82,997	255,680	379,871	379,871	4,133	639,684
Accumulated depreciation at 30 June 2022	-	-	-	(86,080)	(86,080)	-	(86,080)
<b>Carrying Amount</b>	172,683	82,997	255,680	293,791	293,791	4,133	553,604

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## (b) Plant and Equipment

NOTE	PLANT MACHINERY AND \$'000	FIXTURES FITTINGS AND \$'000	COMPUTERS AND \$'000	ART COLLECTION \$'000	TOTAL PLANT AND EQUIPMENT \$'000
At fair value 1 July 2021	17,720	1,854	7,140	3,901	30,615
Accumulated depreciation at 1 July 2021	(10,387)	(1,531)	(5,888)	-	(17,806)
	<b>7,333</b>	<b>323</b>	<b>1,252</b>	<b>3,901</b>	<b>12,809</b>
<b>Movements in fair value</b>					
Additions	1,584	358	305	24	2,271
Contributions	-	-	-	13	13
Disposal	(1,129)	(16)	(3)	-	(1,148)
Transfers	1,929	-	-	-	1,929
	<b>2,384</b>	<b>342</b>	<b>302</b>	<b>37</b>	<b>3,065</b>
<b>Movements in accumulated depreciation</b>					
Depreciation and amortisation	(1,972)	(72)	(537)	-	(2,581)
Accumulated depreciation of disposals	986	16	3	-	1,005
	<b>(986)</b>	<b>(56)</b>	<b>(534)</b>	<b>-</b>	<b>(1,576)</b>
At fair value 30 June 2022	20,104	2,196	7,442	3,938	33,680
Accumulated depreciation at 30 June 2022	(11,373)	(1,587)	(6,422)	-	(19,382)
<b>Carrying Amount</b>	<b>8,731</b>	<b>609</b>	<b>1,020</b>	<b>3,938</b>	<b>14,298</b>

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## (c) Infrastructure

NOTE	ROADS	BRIDGES	FOOTPATHS AND CYCLEWAYS	DRAINAGE	WASTE MANAGEMENT	PARKS OPEN SPACES AND STREETSCAPES	AERODROMES	OFF-STREET CAR PARKS	RECREATION, LEISURE AND COMMUNITY FACILITIES	WORK IN PROGRESS	TOTAL INFRASTRUCTURE
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2021	737,087	51,799	97,658	234,930	10,251	9,885	4,928	10,672	23,325	12,453	1,192,988
Accumulated depreciation at 1 July 2021	(238,649)	(18,663)	(39,884)	(96,565)	(10,015)	(3,719)	(1,370)	(3,129)	(1,258)	-	(413,252)
	498,438	33,136	57,774	138,365	236	6,166	3,558	7,543	22,067	12,453	779,736
<b>Movements in fair value</b>											
Additions	6,660	579	931	321	-	307	-	9	30	13,330	22,167
Contributions	3,012	-	1,038	2,065	-	-	-	-	-	-	6,115
Disposal	(9,020)	(728)	(818)	(18)	-	(407)	-	(188)	-	(735)	(11,914)
Transfers	5,313	889	1,452	104	-	651	-	181	7	(10,205)	(1,608)
	5,965	740	2,603	2,472	-	551	-	2	37	2,390	14,760
<b>Movements in accumulated depreciation</b>											
Depreciation and amortisation	(13,298)	(596)	(1,770)	(2,361)	(236)	(449)	(226)	(222)	(657)	-	(19,815)
Accumulated depreciation of disposals	4,294	463	367	1	-	192	-	38	-	-	5,355
	(9,004)	(133)	(1,403)	(2,360)	(236)	(257)	(226)	(184)	(657)	-	(14,460)
At fair value 30 June 2022	743,052	52,539	100,261	237,401	10,251	10,436	4,928	10,674	23,362	14,843	1,207,747
Accumulated depreciation at 30 June 2022	(247,653)	(18,796)	(41,287)	(98,925)	(10,251)	(3,976)	(1,596)	(3,313)	(1,915)	-	(427,712)
<b>Carrying Amount</b>	<b>495,399</b>	<b>33,743</b>	<b>58,974</b>	<b>138,476</b>	<b>-</b>	<b>6,460</b>	<b>3,332</b>	<b>7,361</b>	<b>21,447</b>	<b>14,843</b>	<b>780,035</b>

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**Acquisition**

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

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

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

ASSET CATEGORY	DEPRECIATION PERIOD	THRESHOLD LIMIT \$'000
<b>Property</b>		
land	na	Nil
buildings	10-100 years	10
<b>Plant and equipment</b>		
plant, machinery and equipment	3 - 12 years	1
fixtures, fittings and furniture	5 - 10 years	1
computers and telecommunications	3 - 7 years	1
art works collection	na	1
<b>Infrastructure</b>		
road pavements and seals	14 - 87 years	10
road formation and earthworks	na	10
road kerb and channel	77 years	10
bridges deck	100 years	10
bridges substructure	100 years	10
footpaths and cycleways	15 - 60 years	10
drainage	100 years	10
waste management	2 - 20 years	10
parks, open space and streetscapes	20-40 years	5
recreation, leisure and community facilities	40 years	10
off street car parks	14 - 87 years	10
<b>Intangible assets</b>		
software	5 years	5
landfill air space	2 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.

**Repairs and maintenance**

Routine maintenance, repair costs and minor renewal costs are expensed as incurred. 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.

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**Valuation of land and buildings**

Valuation of land and buildings were undertaken by a qualified independent valuers Gippsland Property Valuations (Registration number: 71139) for land and Assetic Pty Ltd for buildings. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

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

The date of the current valuation for land assets is June 2022 and for buildings June 2018.

The real estate market is being impacted by the uncertainty that the COVID-19 outbreak has caused. Market conditions are changing daily at present. As at the date of the valuation we consider that there is significant market uncertainty.

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2022 are as follows:

	LEVEL 1 \$'000	LEVEL 2 \$'000	LEVEL 3 \$'000
Land – Non specialised	-	82,997	-
Land – Specialised	-	-	172,683
Buildings – Specialised	-	-	293,791
<b>Total</b>	-	<b>82,997</b>	<b>466,474</b>

**Valuation of infrastructure**

Valuation of infrastructure assets has been determined in accordance with an independent valuation undertaken by Assetic Pty Ltd MIE(Aust) CPEng, NPER : Membership 1102199.

The valuation is at fair value based on current 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 2022 are as follows:

	LEVEL 1 \$'000	LEVEL 2 \$'000	LEVEL 3 \$'000	Date of Valuation
Roads	-	-	495,399	Jun-2020
Bridges	-	-	33,743	Jun-2021
Footpaths and cycleways	-	-	58,974	Jun-2020
Drainage	-	-	138,476	Jun-2020
Recreational, Leisure and community facilities	-	-	-	Jun-2019
Waste management	-	-	6,460	n/a
Parks, open space and streetscapes	-	-	3,332	Jun-2019
Aerodromes	-	-	7,361	Jun-2015
Off street car parks	-	-	21,447	Jun-2020
<b>Total</b>	-	-	<b>765,192</b>	

**Notes to the Financial Report  
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**Specialised land and land under roads** is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 5% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$0 and \$951 per square metre

**Specialised buildings** are valued using a current replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are calculated on a square metre basis and ranges from \$84 to \$5,480 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 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 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 current 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 0 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.

	2022 \$'000	2021 \$'000
<b>Reconciliation of specialised land</b>		
Land under roads	31,143	19,714
Parks, reserves and other specialised land	141,540	123,353
<b>Total specialised land</b>	<b>172,683</b>	<b>143,067</b>

**6.2 Investments in associates, joint arrangements and subsidiaries****(a) Associates and joint arrangements**

Council had no investments in associates or joint arrangements in 2021/22 (2020/21 nil).

**(b) Subsidiaries**

Council had no subsidiaries in the 2021/22 financial year (2020/21 nil).

**(c) Community Asset Committee**

All entities controlled by Council that have material income, expenses, assets or liabilities, such as committees of management, have been included in this financial report. Any transactions between these entities and Council have been eliminated in full. The Yallourn North Community Housing Committee is not included in this financial report based on their materiality.

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## NOTE 7 People and relationships

### 7.1 Council and key management remuneration

#### (a) Related Parties

*Parent entity*  
Latrobe City Council

#### (b) Key Management Personnel

Key management personnel (KMP) are those people with the authority and responsibility for planning, directing and controlling the activities of Latrobe City Council. The Councillors, Chief Executive Officer and General Managers are deemed KMP.

Details of KMP at any time during the year are:

<b>Councillors</b>	Councillor S Gibson (Mayor from 1/07/2021 to 15/11/2021) Councillor K O'Callaghan (Mayor from 16/11/2021 to 30/06/2022) Councillor D Harriman Councillor D Howe Councillor B Law Councillor T Lund Councillor D Clancey Councillor G Middlemiss Councillor M Ferguson
<b>Other KMP</b>	Chief Executive Officer General Manager Regional City Planning & Assets General Manager Community Health and Wellbeing* General Manager Regional City Strategy & Transition General Manager Organisational Performance Executive Manager Office of the CEO

	2022 No.	2021 No.
Total Number of Councillors	9	11
Chief Executive Officer and other Key Management Personnel	7	6
<b>Total Key Management Personnel</b>	<b>16</b>	<b>17</b>

\* Note: Two employees occupied the role of General Manager Community Health and Wellbeing during 2021-22.



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Total remuneration of key management personnel was as follows:

	2022 \$,000	2021 \$,000
Short-term benefits	1,474	1,455
Long-term benefits	32	11
Post employment benefits	108	102
Termination benefits	14	-
<b>Total</b>	<b>1,628</b>	<b>1,568</b>

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

	2022 No.	2021 No.
\$0 - \$9,999	-	2
\$10,000 - \$19,999	-	3
\$20,000 - \$29,999	6	5
\$30,000 - \$39,999	2	-
\$40,000 - \$49,999	-	1
\$50,000 - \$59,999	1	-
\$60,000 - \$69,999	-	1
\$70,000 - \$79,999	1	-
\$90,000 - \$99,999	2	-
\$200,000 - \$209,999	-	1
\$230,000 - \$239,999	-	2
\$240,000 - \$249,999	3	1
\$320,000 - \$329,999	-	1
\$340,000 - \$349,999	1	-
<b>Total</b>	<b>16</b>	<b>17</b>

**(d) Senior Officer Remuneration**

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

- has management responsibilities and reports directly to the Chief Executive; or
- whose total annual remuneration exceeds \$151,000

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

	2022 No.	2021 No.
<b>Income Range:</b>		
\$151,000 - \$159,999	8	9
\$160,000 - \$169,999	6	7
\$170,000 - \$179,999	4	3
<b>Total</b>	<b>18</b>	<b>19</b>
<b>Total Remuneration</b>	<b>\$2,939</b>	<b>\$2,585</b>

**Notes to the Financial Report  
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During the period Council entered into the following transactions with related parties:

	2022 \$,000	2021 \$,000
Employee expenses for close family members of key personnel *	-	3
Purchase of materials & services from related parties of key management personnel	33	37
<b>Total</b>	<b>33</b>	<b>40</b>

\* All close family members of key management personnel were employed through an arm's length process. They are paid in accordance with the Award for the job they perform. The council employs in excess of 1000 staff of whom only one is a close family member of key management personnel.

**(b) Outstanding balances with related parties**

Council has no outstanding balances to/from any related parties.

No expense has been recognised in the current year or prior year for bad or doubtful debts in respect of amounts owed by related parties.

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

No loans have been made, guaranteed or secured by the council to a key management person, or a related party of a key management person during the reporting period.

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

The following commitments were in place at the end of the reporting period in relation to related parties

	2022 \$,000	2021 \$,000
Employee commitments for close family members of key personnel	-	5
<b>Total</b>	<b>-</b>	<b>5</b>

## NOTE 8 Managing uncertainties

### 8.1 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Balance Sheet, but are disclosed and if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable, respectively.

#### (a) Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council.

Construction of infrastructure assets by developers in the course of creating new subdivisions results in the infrastructure assets being vested in Council when Council issues a Statement of Compliance. These assets are brought to account as revenue and capitalised. At reporting date, developers had commenced construction of assets that will eventually be transferred to Council contingent upon Council issuing a Statement of Compliance. Due to the nature of the arrangements in place and the assets involved, a contingent asset cannot be reliably measured prior to completion.

#### (b) Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council; or
- present obligations that arise from past events but are not recognised because:
  - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - the amount of the obligation cannot be measured with sufficient reliability.

#### 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 contribution, there were no contributions outstanding at the 30 June 2022.

Latrobe City Council has paid unfunded liability payments to Vision Super totalling \$nil (2020/21 \$nil). There were \$nil contributions outstanding and \$nil loans issued from or to the above schemes as at 30 June 2022. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2023 are \$0.3 million.

#### Landfill

Council has set aside a provision for the rehabilitation of landfill sites. The amounts provisioned are management's best estimates of the cost to rehabilitate these sites however until the rehabilitation plans have been designed and approved by the Environment Protection Authority Victoria (EPA) there is a possibility that Council's obligations could further increase in respect to these sites.

In addition Council has provided bank guarantees to the value of \$2.9 million to Environment Protection Authority Victoria (EPA) for performance obligations in relation to the rehabilitation of these landfill sites.

#### Liability Mutual Insurance

Council is a participant of the MAV Liability Mutual Insurance (LMI) Scheme. The LMI scheme provides public liability and professional indemnity insurance cover. The LMI scheme states that each participant will remain liable to make further contributions to the scheme in respect of any insurance year in which it was a participant to the extent of its participant's share of any shortfall in the provision set aside in respect of that insurance year, and such liability will continue whether or not the participant remains a participant in future insurance years.

**Gippsland Regional Aquatic Centre site**

Latrobe City Council has been issued with a clean-up notice from the Environmental Protection Authority (EPA) in relation to the site located at the corner of Breed Street and Kay Street Traralgon. The location is the former site of the Traralgon Gasworks and the current site of the Gippsland Regional Aquatic Centre. Extensive clean up and remediation of the site has been undertaken by Latrobe City Council and council is working with an EPA approved Environmental Consultant to ensure that the contamination on site has been cleaned up to the satisfaction of the EPA.

Council has until 30 September 2022 to produce an environmental audit report, prepared in accordance with section 53X of the Environment Protection Act 1970 and in accordance with the approved EPA audit scope along with either a Certificate of Environmental Audit in accordance with section 53Y of the Act; or a Statement of Environmental Audit in accordance with section 53Z of the Act, demonstrating that that site has been cleaned to the EPA's satisfaction. The EPA has sole discretion as to whether the works undertake have been sufficiently undertaken or whether further works are required to be completed.

**(c) Guarantees for loans to other entities**

Council has not provided any guarantees for loans to other entities as at the balance date.

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**

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2022 reporting period. Council assesses the impact of these new standards. As at 30 June 2022 there were no new accounting standards or interpretations issued by the AASB which are applicable for the year ending 30 June 2023 that are expected to impact Council.

**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), bank and/or TCV borrowings. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in the Notes of the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

**(b) Market risk**

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

**Interest rate risk**

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

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 2020*. 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.

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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. Details of the maturity profile for borrowings are disclosed at Note 5.4.

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 0.85%.

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.

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**Notes to the Financial Report  
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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 3 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 other matters have occurred after balance date that requires disclosure in the financial report.

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## NOTE 9 Other matters

### 9.1 Reserves

#### (a) Asset revaluation reserves

	BALANCE AT BEGINNING OF REPORTING PERIOD \$'000	INCREMENT/ (DECREMENT) \$'000	BALANCE AT END OF REPORTING PERIOD \$'000
<b>2022</b>			
<b>Property</b>			
Land	135,217	54,147	189,364
Buildings	110,489	-	110,489
	<b>245,706</b>	<b>54,147</b>	<b>299,853</b>
<b>Infrastructure</b>			
Roads	117,377	-	117,377
Bridges	30,575	-	30,575
Footpaths and cycleways	18,205	-	18,205
Off street carparks	8,282	-	8,282
Drainage	79,047	-	79,047
Recreation, leisure and community facilities	1,159	-	1,159
Parks, open space and streetscapes	3,387	-	3,387
	<b>258,032</b>	<b>-</b>	<b>258,032</b>
<b>Other</b>			
Artworks	1,095	-	1,095
Other	13	-	13
	<b>1,108</b>	<b>-</b>	<b>1,108</b>
<b>Total Asset Revaluation Reserves</b>	<b>504,846</b>	<b>54,147</b>	<b>558,993</b>
<b>2021</b>			
<b>Property</b>			
Land	116,600	18,617	135,217
Buildings	110,489	-	110,489
	<b>227,089</b>	<b>18,617</b>	<b>245,706</b>
<b>Infrastructure</b>			
Roads	117,377	-	117,377
Bridges	28,982	1,593	30,575
Footpaths and cycleways	18,205	-	18,205
Off street carparks	8,282	-	8,282
Drainage	79,047	-	79,047
Recreation, leisure and community facilities	1,159	-	1,159
Parks, open space and streetscapes	3,387	-	3,387
	<b>256,439</b>	<b>1,593</b>	<b>258,032</b>
<b>Other</b>			
Artworks	895	200	1,095
Other	13	-	13
	<b>908</b>	<b>200</b>	<b>1,108</b>
<b>Total Asset Revaluation Reserves</b>	<b>484,436</b>	<b>20,410</b>	<b>504,846</b>

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

#### (b) Other reserves

	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>2022</b>				
Developer Contributions	4,625	871	(12)	5,484
<b>Total other reserves</b>	<b>4,625</b>	<b>871</b>	<b>(12)</b>	<b>5,484</b>
<b>2021</b>				
Developer Contributions	4,576	695	(646)	4,625
<b>Total other reserves</b>	<b>4,576</b>	<b>695</b>	<b>(646)</b>	<b>4,625</b>

#### Purpose and nature of other reserves

*Developer Contributions* – The development contribution reserve is maintained to account for funds held by the Council for specific development purposes include off street parking, drainage, playgrounds and public open spaces and tree planting development.

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**Notes to the Financial Report  
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**9.2 Reconciliation of cash flows from operating activities to surplus (deficit)**

	2022 \$'000	2021 \$'000
<b>Surplus/(deficit) for the year</b>	22,412	25,239
Depreciation and amortisation	29,220	28,835
Net (gain)/loss on disposal of property, infrastructure, plant and equipment	9,645	3,869
Contributions non-monetary assets	(16,080)	(6,766)
Finance costs	334	318
Impairment losses/ Work in progress written off	808	2,719
<b>Changes in assets and liabilities</b>		
(Increase)/ decrease in trade and other receivables	(380)	1,144
(Increase)/ decrease in prepayments	(12)	(323)
(Increase)/ decrease in accrued income	(336)	(1,725)
Increase/ (decrease) in trade and other payables	106	2,302
Increase/ (decrease) in unearned income/revenue	(1,071)	5,371
Increase/ (decrease) in trust funds and deposits	1,403	532
Increase/ (decrease) in provisions	(2,759)	(2,576)
<b>Net cash provided by operating activities</b>	<b>43,290</b>	<b>58,939</b>

**9.3 Superannuation**

Latrobe City Council makes some of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. Obligations for contributions to the Fund are recognised as an expense in Comprehensive Operating 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 2022, this was 10.0% as required under Superannuation Guarantee legislation (2021: 9.5%)).

**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 [Employer name] 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 Employee Benefits.

**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 2021, 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 109.8%. The financial assumptions used to calculate the VBI were:

Net investment returns 4.75% pa  
Salary inflation 2.75% pa  
Price inflation (CPI) 2.25% pa

As at 30 June 2022, an interim actuarial investigation is underway as the Fund provides lifetime pensions in the Defined Benefit category. It is expected to be completed by 31 October 2022.

Vision Super has advised that the VBI at 30 June 2022 was 102.2%. Council was notified of the 30 June 2022 VBI during August 2022 (2021: August 2021). The financial assumptions used to calculate this VBI were:

Net investment returns 5.5% pa  
Salary information 2.5% pa to 30 June 2023, and 3.5%pa thereafter  
Price inflation (CPI)3.0% pa.

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2021 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 2021 triennial actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2022, this rate was 10.0% of members' salaries (9.5% in 2020/2021). This rate is expected to increase in line with any increases in the SG contribution rate and was reviewed as part of the 30 June 2020 triennial valuation.

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 Latrobe City 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.

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**Notes to the Financial Report  
For the Year Ended 30 June 2022**

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**The 2021 triennial actuarial investigation surplus amounts**

An actuarial investigation is conducted annually for the Defined Benefit category of which Council is a contributing employer. Generally, a full actuarial investigation is conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2021 and the last full investigation was conducted as at 30 June 2020.

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

	2021 (Interim) \$m	2020 (Triennial) \$m
- A VBI surplus	214.7	100
- A total service liability surplus	270.3	200
- A discounted accrued benefits surplus	285.2	217.8

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2021.

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 2021.

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 2021.

Council was notified of the 30 June 2021 VBI during August 2021 (2020: August 2020).

**The 2022 interim actuarial investigation**

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2022 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2022. Council was notified of the 30 June 2022 VBI during August 2022 (2021: August 2021).

**Superannuation contributions**

Contributions by Latrobe City Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2022 are detailed below:

Scheme	Type of Scheme	Rate	2022 \$'000	2021 \$'000
Vision Super	Defined Benefits	10.0%	263	309
Various	Accumulation	10.0%	4,352	4,079

In addition to the above contributions, Latrobe City Council has paid unfunded liability payments to Vision Super totalling \$nil (2020/21 \$nil).

There were \$595K contributions outstanding (2020/21 \$559K) and \$nil loans issued (2020/21 \$nil) from or to the above schemes as at 30 June 2022.

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2023 is \$263K.

**NOTE 10 Change in accounting policy**

There have been no changes to accounting policies in the 2021-22 year.

There are no pending accounting standards that are likely to have a material impact on council

# **Latrobe City Council**

## **Performance Statement**

For the year ended 30 June 2022

## Performance Statement

For the year ended 30 June 2022

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### Description of municipality

Latrobe City is Victoria's eastern Regional City and Gippsland's primary service centre and employment hub, providing retail, entertainment, education, government and health services to the region with a population of 76,156<sup>1</sup>.

Latrobe City is located an hour and half drive east of Melbourne covering an area of 1,425 square kilometres situated between the Strzelecki Ranges to the south and the Great Dividing Range to the north. The city is made up of four major towns; Churchill, Moe/Newborough, Morwell and Traralgon; and seven rural townships of Boolarra, Glengarry, Toongabbie, Tyers, Traralgon South, Yallourn North and Yinnar. The rural landscape in between townships houses a large population of hard working farmers and residents who enjoy the peace and tranquillity that comes with country life.

<sup>1</sup> Australian Bureau of Statistics Regional Population, 2020-21 Australia, 29 March 2022 ERP 2021

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## Sustainable Capacity Indicators

For the year ended 30 June 2022

<i>Indicator/measure</i>	Results 2019	Results 2020	Results 2021	Results 2022	Material Variations
<b>Population</b>					
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$1,813	\$1,805	\$1,844	\$2,019	The result for this measure has increased by \$174 over the year. This is largely attributed to price increases, together with one -off expenditure items e.g. costs incurred in the clean-up after the June 2021 storm and flood event and the transition of the Commonwealth Home Support Program and Community Care Program for Young People (HACC PYP) services to other service providers within the community.
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$13,210	\$13,865	\$14,244	\$14,342	The result for this measure increased by \$1,132 per capita, over the four year period, in line with large capital works programs undertaken by Council with the assistance of State and Commonwealth Government grants.
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	46	46	52	53	Minor movement in 2022. The large increase in 2021 was the result of a review of Council's asset database which found on-street parking had previously been included in road length data, this has been revised to give the true length of the road.
<b>Own-source revenue</b>					
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,326	\$1,356	\$1,280	\$1,350	The increase experienced in 2022 is directly related to increased user fees and charges revenue, as a result of services reopening following the COVID-19 pandemic together with higher than expected growth in rates and charges revenue.
<b>Recurrent grants</b>					
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$353	\$375	\$361	\$446	The result for this measure has increased by \$85 per capita from the 2021 year. This is mainly related to 2022/2023 Commonwealth Financial Assistance Grants funding, received in advance in 2022 exceeding the equivalent advance in 2021 by \$71 per capita.
<b>Disadvantage</b>					
<i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic Disadvantage by decile]	1	1	1	1	The result for this measure has remained unchanged over the four year period.

## Sustainable Capacity Indicators

For the year ended 30 June 2022

<i>Indicator/measure</i>	Results	Results	Results	Results	<b>Material Variations</b>
	2019	2020	2021	2022	
<b>Workforce Turnover</b> <i>Percentage of staff turnover</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	12.5%	10.7%	17.2%	26.5%	The increase in turnover rate over the past 12 months can be attributed to the cessation of the Aged and Disability program . In addition to this, the volatility of the labour market resulted in increased staff movements and departures from Council. This was reflective of the Local Government sector as a whole, with increased opportunities to work remote opening up a broader range of employment opportunities for people in regional areas.

### 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 2022

<i>Service/indicator/measure</i>	<b>Results 2019</b>	<b>Results 2020</b>	<b>Results 2021</b>	<b>Results 2022</b>	<b>Material Variations</b>
<b>Aquatic facilities</b> <b>Utilisation</b> <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	4.9	3.6	2.4	3.2	Utilisation of aquatic centres continues to rebound from the impacts of COVID-19 pandemic restrictions. Attendance numbers continue to increase as a result of the return of Learn to Swim programs.
<b>Animal management</b> <b>Health and safety</b> <i>Animal management prosecutions</i>  [Number of successful animal management prosecutions/Number of animal management prosecutions]x100	New in 2020	100%	100%	100%	While recording 100% successful prosecutions, it should be noted that the number of cases put forward was significantly less due to the impacts of COVID-19 on non-urgent criminal matters before the Court. This resulted in a substantial reduction in the number of matters lodged and an increase in the number of adjournments moved to the 2022/2023 year.
<b>Food safety</b> <b>Health and safety</b> <i>Critical and major non-compliance notifications</i> [Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about a food premises] x100	88.5%	63.1%	75.3%	40.3%	The 2022 results indicate a decrease in the number of follow up visits, this was primarily as a result of resourcing being reallocated to assist with issues associated with the major flooding event in June 2021 and the requirement to provide assistance to families isolating due to COVID-19.
<b>Governance</b> <b>Satisfaction</b> <i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	54	53	56	52	Satisfaction with Council decisions has decreased from 56 out of 100 in 2021 to 52 in 2022.
<b>Libraries</b> <b>Participation</b> <i>Active library members</i> [Number of active library borrowers in the last 3 years / The sum of the population for the last three years] x100	10.3%	10.3%	9.8%	9.1%	Participation at libraries continued to be impacted by COVID-19 restrictions, which saw facilities closed to the public during periods, however a click and collect service continued during this period.

## Service Performance Indicators

For the year ended 30 June 2022

<i>Service/indicator/measure</i>	Results 2019	Results 2020	Results 2021	Results 2022	Material Variations
<b>Maternal and Child Health (MCH)</b> <b>Participation</b> <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	70.3%	72.6%	74.5%	71.5%	During the year, 3,631 children were enrolled in the Maternal and Child Health (MCH) service with 2,597 of those children having attended the service at least once during the year. This is a slight decrease from the previous year due to COVID-19 restrictions and a decrease in MCH nurses.
<b>Participation</b> <i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	69.1%	76.0%	86.7%	82.5%	During the year, 208 Aboriginal children were enrolled in the Maternal and Child Health (MCH) service, and of those, 171 children attended the service at least once during the year. This has slightly decreased from the previous year measure which can be attributed to COVID-19 restrictions and a decrease in MCH nurses.
<b>Roads</b> <b>Satisfaction</b> <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	60	57	61	57	The annual Community Satisfaction Survey assesses the community's satisfaction with Council's performance. Satisfaction with sealed local roads has decreased to a rating of 57%. Council's understanding of the sealed local road network, gained through customer service requests and the ongoing inspection program, indicates the network is generally in good condition. There may be instances of confusion between Council maintained and Department of Transport maintained roads.
<b>Statutory Planning</b> <b>Decision making</b> <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	40.0%	40.0%	0.0%	0.0%	In the 2021/2022 financial year two applications were reviewed at VCAT, with VCAT not upholding Council's decision in both matters.
<b>Waste Collection</b> <b>Waste diversion</b> <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	52.1%	51.4%	49.2%	50.2%	Council has seen a decrease in the percentage of waste diverted from landfill over the last four years, it is suspected that this is partly due to a higher level of contaminated recycle material being diverted to landfill and the impact of more people working from home due to COVID-19 restrictions.

## Service Performance Indicators

For the year ended 30 June 2022

### 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 98 of the Act

"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

"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*

"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



**Financial Performance Indicators**

For the year ended 30 June 2022

Dimension/indicator/measure	Results				Forecasts				Material Variations
	2019	2020	2021	2022	2023	2024	2025	2026	
<b>Efficiency</b> <b>Expenditure level</b> <i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$3,534	\$3,519	\$3,613	\$3,896	\$3,409	\$3,429	\$3,466	\$3,507	The result for this measure has increased by \$283 over the year. This is largely due to one-off items expenditure items e.g. costs incurred in the clean-up after the June 2021 storm and flood event and the transition of the Commonwealth Home Support Program and Community Care Program for Young People (HACC PYP) services to other service providers within the community. A reduction is forecasted in 2023 aligned to Council no longer being the providers of these HACC PYP services. The average rate per property assessment is expected to increase in line with expected Rate Cap amounts of 1.75% in 2023 and are currently estimated at 2% per annum from 2024 to 2026.
<b>Revenue level</b> <i>Average rate per property assessment</i> [Total rate revenue (General rates and Municipal charges) / Number of property assessments]	New in 2020	\$1,542	\$1,556	\$1,601	\$1,613	\$1,646	\$1,678	\$1,712	
<b>Liquidity</b> <b>Working capital</b> <i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	324.7%	267.5%	253.0%	259.5%	190.0%	212.4%	205.5%	223.3%	The result for this measure has had a minor favourable increase in 2022, it is expected to fall in 2023 as Council expends carry forward capital works and unspent grants reducing the levels of cash and investments.  The reduced ratio of 7.6% is mainly due to lower cash holdings at 30 June 2022 and higher levels of monies held in investments in Term Deposits. This ratio is forecasted to remain in a positive position due to assumptions of lower restrictions on cash as current capital works projects are completed and unspent grants are expected to reduce. As indicated, this ratio is influenced by the timing and level of investments not classified as cash which are timed to mature to meet current liabilities as they fall due.
<b>Unrestricted cash</b> <i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	(71.2%)	25.1%	29.3%	7.6%	38.0%	41.0%	42.1%	54.3%	

**Financial Performance Indicators**

For the year ended 30 June 2022

Dimension/indicator/measure	Results				Forecasts				Material Variations
	2019	2020	2021	2022	2023	2024	2025	2026	
<b>Obligations</b>									
<b>Loans and borrowings</b>									
<i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x100	19.3%	12.7%	20.4%	17.9%	23.2%	19.7%	16.5%	9.8%	The result for this measure has decreased to 17.9% in 2022 due to the repayment of borrowings during the year. The ratio is forecasted to increase to 23.2% in 2023 as Council draws down a further \$7.8 million of new borrowings for the Moe Rail Precinct Revitalisation Stage 2 and Kernot Hall Refurbishment projects. The ratio is then forecast to decrease with no further borrowings currently planned across the remaining three year period.
<i>Loans and borrowings repayments compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	2.9%	12.0%	1.2%	2.1%	3.3%	3.3%	3.2%	6.6%	The result for this measure increased to 2.1% in 2022 due to an increase in repayments from the final drawdown on the loan for the Gippsland Regional Aquatic Facility in June 2021. The measure is forecasted to increase to 3.3% in 2023, with the expected drawdown of a further \$7.8 million new borrowings for the Moe Rail Precinct Revitalisation Stage 2 and Kernot Hall Refurbishment projects. The 6.6% ratio forecasted in 2026 is due to the principal repayment of an interest only loan falling due in that year.
<b>Indebtedness</b>									
<i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	26.9%	24.7%	32.3%	26.0%	27.4%	24.7%	18.5%	16.1%	The decreased ratio in 2022 was mainly due to increases in own source revenue as a result of the impact of the COVID-19 pandemic on user fees such as leisure, performing arts and parking fines being lesser than in the previous year, together with higher than expected growth in rates and charges. The ratio is forecasted to remain relatively steady for the next two years and then decrease in 2025 as an interest only loan moves into current liabilities for repayment in 2026.

**Financial Performance Indicators**

For the year ended 30 June 2022

Dimension/indicator/measure	Results				Forecasts				Material Variations
	2019	2020	2021	2022	2023	2024	2025	2026	
<b>Asset renewal and upgrade</b> <i>Asset renewal and upgrade compared to depreciation</i> [Asset renewal and upgrade expense / Asset depreciation] x100	New in 2020	152.2%	82.7%	85.0%	88.2%	65.8%	69.1%	63.9%	The ratio has had a minor improvement in 2022 largely supported from external grant funding. The reduction in the ratio in future years is symbolic of the increased depreciation costs associated with over \$100M of new infrastructure assets predominately funded by State and Commonwealth Government grants. Council's largest asset class, roads, is expected to be maintained around 100%, however other classes such as drainage, which is renewed only on a reactive basis, and buildings which are often reliant on government funding for major renewal and upgrade works are forecasted to remain below 100%.
<b>Operating position</b> <b>Adjusted underlying result</b> <i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	(5.0%)	(1.5%)	(5.0%)	(4.0%)	(3.5%)	(2.6%)	(2.3%)	(2.1%)	Council's underlying deficit reduced by a further 1.0% compared to 2021. The results are forecasted to remain in deficit mainly due to restrictions on Council's ability to increase revenue and uplifts in depreciation expenses resulting from the recent construction of major new infrastructure. e.g. Gippsland Regional Aquatic Facility (GRAC) and the Gippsland Performing Arts Centre (GPAC).
<b>Stability</b> <b>Rates concentration</b> <i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	60.1%	60.1%	61.3%	57.5%	67.4%	67.6%	67.9%	68.1%	The ratio reduced to 57.5% in 2022 largely as a result of a large advance received for the Victoria Grants Commission Finance Assistance grants for 2023 together with improved receipt of User Charges linked to COVID-19 recovery. Council's reliance on rates revenue is expected to continue to rise into the future primarily based on moderate estimates of future levels of recurrent government funding and user fees and charges.
<b>Rates effort</b> <i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality ] x100	0.7%	0.7%	0.7%	0.6%	0.5%	0.5%	0.5%	0.5%	The result for this measure has remained stable over the past four year period. A small decrease occurred in 2022, and a further decrease is forecast in 2023 as a result of increasing property valuations across the municipality.

## Financial Performance Indicators

For the year ended 30 June 2022

### 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 in paragraphs (a) and (b)

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

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

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

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

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

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

"non-recurrent grant" means a grant obtained on the condition that it be expended in a specified manner and is not expected to be received again during the period covered by a council's Strategic 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 and financial assets, 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 2022

### 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 2020* and *Local Government (Planning and Reporting) Regulations 2020*.

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 2020* 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 detailed 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 budget on 6 June 2022. The budget 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 budget 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 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

Matthew Rogers, CPA  
**Principal Accounting Officer**  
**Dated:** 3 October 2022

In our opinion, the accompanying performance statement of the Latrobe City Council for the year ended 30 June 2022 presents fairly the results of council's performance in accordance with the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

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 2020* to certify this performance statement in its final form.

Cr. Melissa Ferguson  
**Councillor**  
**Dated:** 3 October 2022

Cr. Sharon Gibson  
**Councillor**  
**Dated:** 3 October 2022

Steven Piasente  
**Chief Executive Officer**  
**Dated:** 3 October 2022

PERFORMANCE STATEMENT  
2021/22

**Auditor General's Report on Performance Statement**

**PERFORMANCE STATEMENT**  
**2021/22**



# AUTHORISATION OF A COUNCIL OFFICER UNDER THE PLANNING & ENVIRONMENT ACT 1987

## PURPOSE

This report seeks to authorise Jenna Weir Smith, Statutory Planning Administration Officer, under section 147(4) of the *Planning and Environment Act 1987* and section 313 of the *Local Government Act 2020*.

## EXECUTIVE SUMMARY

- Council utilises Instruments of Appointment and Authorisation to identify specific officer's incumbent in roles and, in turn, appoint the officer to be authorised officers for the administration and enforcement of legislation under applicable Acts.
- By authorising Jenna Weir Smith, the officer will be able to perform their duties with respect to the planning powers and functions of the Council

## OFFICER'S RECOMMENDATION

**That Council in the exercise of the powers conferred by section 147(4) of the Planning and Environment Act 1987 resolves that:**

- 1. Jenna Weir Smith be appointed and authorised as set out in the instrument;**
- 2. The instrument comes into force immediately, the common seal of Council is affixed to the instrument and remains in force until Council determines to vary or revoke it; and**
- 3. The instrument be sealed.**

## BACKGROUND

Only a handful of Acts and Regulations require specific roles within an organisation to be identified to undertake a specific function. There are often clauses within Acts or Regulations that state an “authorised officer” can undertake a specific function and therefore the authorised officer needs to be identified by role and officer name.

Section 147(4) of the *Planning and Environment Act 1987* provides for the following:

*Any reference in this Act to an Authorised officer of a responsible authority or of the Department is a reference to an officer or employee of the authority or employee of the Department whom the authority or the Secretary to the Department (as the case requires) authorises in writing generally or in a particular case to carry out the duty or function or to exercise the power in connection with which the expression is used.*

Section 313 of the *Local Government Act 2020* provides for the following:

- (1) *The Secretary, a Council or a person authorised by the Council either generally or in a particular case may institute proceedings in the corporate name of the Council for—*
  - (a) *the recovery of any municipal rates, service charges, special purpose charges, fees or other money due to the Council under any Act, regulation or local law; or*
  - (b) *the enforcement of any provision of any Act, regulation or local law for which the Council is responsible; or*
  - (c) *the recovery of any penalty or surcharge in relation to any offence under any Act, regulation or local law the enforcement of which is the responsibility of the Council; or*
  - (d) *any other purpose specified by the Council.*
- (2) *A Chief Executive Officer or person authorised by the Council either generally or in a particular case may represent the Council in all respects as though the Chief Executive Officer or person authorised by the Council was the party concerned in any proceedings in which the Council is a party or has an interest.*
- (3) *Proceedings for a summary offence under this Act may be commenced within the period of 3 years after the commission of the alleged offence.*

## ANALYSIS

Section 147(4) of the *Planning and Environment Act 1987* and section 313 of the *Local Government Act 2020* specifically require that the appointment of an authorised officer must come from Council.

## RISK ASSESSMENT

RISK	LIKELIHOOD	TREATMENT
<p>COMPLIANCE (LEGAL, CONTRACTUAL, OHS AND SAFETY)</p> <p>Officers not authorised by Council; officers will be unable to adequately perform their duties</p>	3 (Possible)	Authorisation of Planning Officer
<p>SERVICE DELIVERY</p> <p>Delays in processing decisions on planning applications.</p>	3 (Possible)	Authorisation of Planning Officer
<p>FINANCIAL</p> <p>Cost of lost economic benefit within team's budget</p>	3 (Possible)	Authorisation of Planning Officer
<p>STRATEGIC (INC REPUTATIONAL)</p> <p>Risk that developers will become frustrated with delays and appeal to the Victorian Civil and Administrative Tribunal.</p>	3 (Possible)	Authorisation of Planning Officer

## CONSULTATION

Not Applicable

## COMMUNICATION

Not Applicable

## DECLARATIONS OF INTEREST

Officers preparing this report have declared they do not have a conflict of interest in this matter under the provisions of the *Local Government Act 2020*.

## APPENDIX 1 IMPACT ASSESSMENT

### **Social**

Nil

### **Cultural**

Nil

### **Health**

Nil

### **Environmental**

Nil

### **Economic**

The authorisation of officers allows Council to enable infrastructure supporting private and public investment.

### **Financial**

The authorisation of the officer ensures that the officer is able to perform duties that they are required to undertake as part of their role.

### **Attachments**

Nil

# **URGENT BUSINESS**

## 10. URGENT BUSINESS

Business may be admitted to the meeting as urgent business in accordance with clause 17 of the Governance Rules, by resolution of the Council and only then if it:

- 17.1 Relates to or arises out of a matter which has arisen since distribution of the agenda; and
- 17.2 Cannot reasonably or conveniently be deferred until the next Council meeting.

# **REPORTS FOR NOTING**

**11. REPORTS FOR NOTING**

Nil reports



## **12. QUESTIONS ON NOTICE**

Nil reports

# **NOTICES OF MOTION**

**13. NOTICES OF MOTION**

# ITEMS FOR TABLING

## 14. ITEMS FOR TABLING

Item Number 14.1

03 October 2022

Chief Executive Office

# PRESENTATION OF THE AUDIT AND RISK COMMITTEE MINUTES - 25 AUGUST 2022

## PURPOSE

The purpose of this report is to present the Audit and Risk Committee Meeting minutes for the meeting held on 25 August 2022 as per the requirement under the *Audit and Risk Charter*.

## EXECUTIVE SUMMARY

- The Audit and Risk Committee (Committee) is a statutory committee of the Council. The Committee held its last meeting on 25 August 2022. A number of motions were made at the meeting (as summarised in this report and set out in full in the attached minutes).

## OFFICER'S RECOMMENDATION

### **That Council:**

- 1. Receives and notes the attached Audit and Risk Committee Minutes for the 25 August 2022 Meeting.**

BACKGROUND

At the meeting held on 25 August 2022, the Committee resolved the following:

<b><i>Item</i></b>	<b><i>Motion</i></b>
<b>Confirmation of Minutes</b>	That the minutes of the Audit and Risk Committee meeting held on 09 June 2022 be confirmed and ratified as true and correct.
<b>Items Referred by the Committee to this Meeting for Consideration</b>	There are no Items Referred by the Committee to this Meeting for Consideration reports tabled for this meeting.
<b>Status of Actions Arising</b>	That the Audit and Risk Committee receives and notes the Status of Actions Arising Report.
<b>External Audit</b>	There were no reports tabled for this meeting.
<b>Internal Audit Status Report</b>	That the Audit and Risk Committee receives and notes the Internal Audit Status report.
<b>Presentation of Internal Audit Scopes/Plans for Endorsement</b>	That the Audit and Risk Committee endorse the following scopes/plans as presented: <ul style="list-style-type: none"> <li>• Review of Procurement and Contract Management; and</li> <li>• Review of Organisational Compliance</li> </ul>
<b>Progress Update to the HLB Mann Judd - Review of Cybersecurity (including Essential 8)</b>	That the Audit and Risk Committee receives and notes LCC ITS team’s audit activity progress completed to date.
<b>Review of Cash Handling Procedures (Moe Library)</b>	That the Audit and Risk Committee receives and notes the findings and management responses contained in the Review of Cash Handling Procedures (Moe Library).
<b>Review of Council Facilities</b>	That the Audit and Risk Committee receives and notes the findings and management responses contained in the Review of Council Facilities report.
<b>Review of Internal Auditors Performance</b>	That the Audit and Risk Committee receives and notes this report.
<b>Response to VAGO reports - Fraud Control Over Local Government Grants and Managing Body-Worn Cameras</b>	That the Audit and Risk Committee receives the report and shares its feedback on it.

<b><i>Item</i></b>	<b><i>Motion</i></b>
<b>Quarterly Risk Management Report and Strategic Risk Register September 2022</b>	That the Audit and Risk Committee notes and receives the Quarterly Risk Management Report and updated Strategic Risk Register
<b>VAGO, Ombudsman, Inspectorate and IBAC Reports</b>	That the Audit and Risk Committee receives and notes this report on VAGO, Victorian Ombudsman, IBAC, Victorian Inspectorate and other reports
<b>Gifts, Benefits and Hospitality Compliance Reporting - January - June 2022</b>	That the Audit and Risk Committee receives and notes this report into the Gift Register Review for the period of 01 January 2022 to 30 June 2022.
<b>Fraud and Corruption Reporting</b>	That the Audit and Risk Committee receives and notes this report.
<b>Insurance of non-Council assets on Crown land</b>	That the Audit and Risk Committee receives and notes the report.
<b>Internal Control Environment - Program development update</b>	That the Audit and Risk Committee notes the report.
<b>Audit Compliance Report - August 2022</b>	That the Audit and Risk Committee receives and notes this report and approves the extension to the audit action due date as set out in this report.
<b>Update on the Protection Data Security Plan (The Victorian Data Security Protection Framework)</b>	That the Audit and Risk Committee acknowledge LCC's PDSP 2022 submission to OVIC, in compliance with the Privacy and Data Protection Act 2014 (PDP Act).
<b>Quarter 4 2021/22 People and Workcover Reports</b>	That the Audit and Risk Committee note the Quarterly People Report, Workcover Report and Lost Time Injuries Report for Q4 of the 2021/22 financial year
<b>Quarter 4 2021/22 Performance Report Summary</b>	That the Audit and Risk Committee note the Quarterly Performance Summary Reports for Q4 2021-22.
<b>Finance</b>	There are no Finance reports tabled for this meeting.

<i>Item</i>	<i>Motion</i>
<b>Annual Committee Assessment Process</b>	That the Audit and Risk Committee: <ol style="list-style-type: none"> <li>1. Confirms that the proposed questions are to be utilised for the annual Committee Assessment process this year;</li> <li>2. Invites the Audit &amp; Risk Committee members, Chief Executive Officer and Senior Officers to complete the survey; and</li> <li>3. Requests the results are compiled and presented back to the next meeting of the Audit and Risk Committee.</li> </ol>
<b>Bi-Annual Report to Council</b>	That the Audit and Risk Committee endorse the attached report for presentation to Council.
<b>General Business</b>	There were no General Business reports tabled for this meeting.

## ANALYSIS

All motions made at the meeting and their corresponding actions arising can be found in the full minutes attached to this report.

## RISK ASSESSMENT

RISK	LIKELIHOOD	TREATMENT
<p>COMPLIANCE RISK (LEGAL, CONTRACTUAL, OHS AND SAFETY)</p> <p>Latrobe City Council practices are not complaint with the current expectations of the public sector.</p>	Possible	A number of reports tabled at each meeting of the Audit and Risk Committee relate to legal or compliance related matters. In addition, a report is tabled for the committee to consider any reports that have been published by the Victorian Ombudsman, Victorian Auditor-Generals Office, Inspectorate or the Independent Broad-based Anti-Corruption Commission to ensure that practices within Council are compliant with current expectations of the public sector

## CONSULTATION

There is no engagement required as part of this process.

## COMMUNICATION

The provision and circulation of the minutes to Council provides reassurance and awareness as a communication loop back to Council as part of good governance practices.



DECLARATIONS OF INTEREST

Officers preparing this report have declared they do not have a conflict of interest in this matter under the provisions of the *Local Government Act 2020*.

## APPENDIX 1 IMPACT ASSESSMENT

### **Social**

N/A

### **Cultural**

N/A

### **Health**

N/A

### **Environmental**

N/A

### **Economic**

N/A

### **Financial**

The Audit and Risk Committee is managed through existing budget provisions. Recommendations and actions arising from the meeting are considered by management within the constraints of budget requirements

### **Attachments**

1. [Audit & Risk Committee Meeting Minutes - August 2022](#)

# 14.1

## **Presentation of the Audit and Risk Committee Minutes - 25 August 2022**

- 1 **Audit & Risk Committee Meeting Minutes - August 2022 ..... 168**



## Audit and Risk Committee Meeting Minutes - 25 August 2022

I hereby designate that all matters in this agenda and any discussion about or arising from any such matters will remain confidential until:

- Council passes a resolution that the information is not confidential; or,
- a report on the matter has been released in a subsequent meeting agenda, minute's paper or is approved in writing by the Chief Executive Officer.

Steven Piasente, Chief Executive Officer

Date

### Audio-visual Link

**141 Commercial Road, Morwell**

Meeting commenced at 10.00 AM

### Attendance

- Members:**
- Bev Excell (Chair) (10:00am – 11:58am), David Kortum (10:01am – 11:58am), John Purcell (10:01am – 11:58am), Cr Bradley Law (10:01am – 11:58am).
- In Attendance:**
- Kendrea Pope (Executive Manager Office of the CEO) (10:00am – 11:58am)
  - Greg Drumm (General Manager Organisational Performance) (10:01am – 11:48am)
  - Jody Riordan (Regional City Planning and Assets) (10:01am – 11:48am)
  - Tim Ellis (General Manager Regional City Strategy and Transition) (10:01am – 11:48am)



## Audit and Risk Committee Meeting Minutes - 25 August 2022

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- Shay Ferguson (General Manager Community Health and Wellbeing) (10:02am – 11:48am)
- Matthew Rogers (Manager Financial Performance) (10:01am – 11:48am)
- Kapil Kukreja (HLB Mann Judd) (11:23am – 11:48am)
- Nathan Frith (Compliance Officer) (10:00am – 11:48am)
- Louise Van Der Velden (Senior Compliance Officer) (10:01am – 11:48am)
- Paul Howard (Coordinator Audit, Risk and Compliance) (10:01am – 11:48am)
- Mark Micallef (Coordinator Information & Technology) (10:20am – 10:36am)

**Teleconference:** Nil

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### IN CAMERA MEETING

The Audit and Risk Committee met in camera from 11:48am to 11:58am and consulted the Internal Auditor, the General Manager Organisational Performance, the General Manager Regional City Planning and Assets, the General Manager Regional City Strategy and Transition, and the General Manager Community Health and Wellbeing for updates on various matters.

#### 1. OPENING AND WELCOME

The Chairperson opened the meeting and welcomed all present.

#### 2. APOLOGIES

- Steve Piasente (CEO)
- Cr Melissa Ferguson
- Mark Holloway (HLB Mann Judd)



## Audit and Risk Committee Meeting Minutes - 25 August 2022

### 3. DECLARATIONS OF INTEREST

Nil.

### 4. PROBITY QUESTIONS

The Audit and Risk Committee Chair asked if the CEO was aware of any legislative non-compliance issues, any fraud incidents that have occurred or if there were any strategic risks been triggered since the last Audit and Risk Committee meeting.

The CEO responded no.

The Audit and Risk Committee Chair asked the Councillors:

- a. If there was any matter arising from the Council meetings that needed to be brought to the attention of the Committee
- b. If there was any feedback or direction required from Council relating to the Audit Committee members.

The Councillors responded no.

The Audit and Risk Committee Chair then asked the auditor representatives if they were satisfied that their work had not been impeded.

The auditor representatives responded it had not.

### 5. CONFIRMATION OF MINUTES

#### **RECOMMENDATION**

That the minutes of the Audit and Risk Committee meeting held on 09 June 2022 be confirmed and ratified as true and correct.

#### **OUTCOME/ACTIONS ARISING:**

1. Confirmed and ratified as true and correct.



## Audit and Risk Committee Meeting Minutes - 25 August 2022

### 6. ITEMS REFERRED BY THE COMMITTEE TO THIS MEETING FOR CONSIDERATION

There are no Items Referred by the Committee to this Meeting for Consideration reports tabled for this meeting.

### 7. STATUS OF ACTIONS ARISING

#### 7.1 Status of Actions Arising - August 2022

##### RECOMMENDATION

That the Audit and Risk Committee receives and notes the Status of Actions Arising Report.

##### OUTCOME/ACTIONS ARISING:

1. Received and noted.

### 8. EXTERNAL AUDIT

#### 8. External Audit

There are no External Audit reports tabled for this meeting.

##### OUTCOME/ACTIONS ARISING:

1. Update given by Manager Finance as to the status of VAGO's external audit.

### 9. INTERNAL AUDIT

#### 9.1 Internal Audit Status Report

##### RECOMMENDATION

That the Audit and Risk Committee receives and notes the Internal Audit Status report.



## Audit and Risk Committee Meeting Minutes - 25 August 2022

### OUTCOME/ACTIONS ARISING:

1. Received and noted.

### 9.2 Presentation of Internal Audit Scopes/Plans for Endorsement

#### RECOMMENDATION

That the Audit and Risk Committee endorse the following scopes/plans as presented:

- Review of Procurement and Contract Management; and
- Review of IT General Controls.

#### OUTCOME/ACTIONS ARISING:

1. Review of Procurement and Contract Management received and endorsed by the Committee; and
2. Review of IT General Controls received and endorsed by the Committee.

### 9.3 Progress Update to the HLB Mann Judd - Review of Cybersecurity (including Essential 8)

#### RECOMMENDATION

That the Audit and Risk Committee receives and notes LCC ITS team's audit activity progress completed to date.

#### OUTCOME/ACTIONS ARISING:

1. Update on outstanding cybersecurity audit actions to be brought to the March 2023 ARC meeting;
2. Update to be provided at the November 2022 ARC Meeting on the disaster recovery testing that took place 25 August 2022; and





## Audit and Risk Committee Meeting Minutes - 25 August 2022

3. Update to be provided at the March 2023 ARC Meeting on the IT social engineering/phishing testing.

### 9.4 Review of Cash Handling Procedures (Moe Library)

#### **RECOMMENDATION**

That the Audit and Risk Committee receives and notes the findings and management responses contained in the Review of Cash Handling Procedures (Moe Library).

#### **OUTCOME/ACTIONS ARISING:**

1. Receives and notes the findings within the report.

### 9.5 Review of Council Facilities

#### **RECOMMENDATION**

That the Audit and Risk Committee receives and notes the findings and management responses contained in the Review of Council Facilities report.

#### **OUTCOME/ACTIONS ARISING:**

1. Receives and notes the findings within the report.

### 9.6 Review of Internal Auditors Performance

#### **RECOMMENDATION**

That the Audit and Risk Committee receives and notes this report.

#### **OUTCOME/ACTIONS ARISING:**

1. Received and noted report.



## Audit and Risk Committee Meeting Minutes - 25 August 2022

### 10. RISK

#### 10.1 Response to VAGO reports - Fraud Control Over Local Government Grants and Managing Body-Worn Cameras

**RECOMMENDATION**

That the Audit and Risk Committee receives the report and shares its feedback on it.

**OUTCOME/ACTIONS ARISING:**

1. Received and noted report.

#### 10.2 Quarterly Risk Management Report and Strategic Risk Register September 2022

**RECOMMENDATION**

That the Audit and Risk Committee notes and receives the Quarterly Risk Management Report and updated Strategic Risk Register.

**OUTCOME/ACTIONS ARISING:**

1. Receives and notes the strategic risk register and quarterly risk management report.

### 11. MONITORING

#### 11.1 VAGO, Ombudsman, Inspectorate and IBAC Reports

**RECOMMENDATION**

That the Audit and Risk Committee receives and notes this report on VAGO, Victorian Ombudsman, IBAC, Victorian Inspectorate and other reports



## Audit and Risk Committee Meeting Minutes - 25 August 2022

### OUTCOME/ACTIONS ARISING:

1. Received and noted this report.

### 11.2 Gifts, Benefits and Hospitality Compliance Reporting - January - June 2022

#### RECOMMENDATION

That the Audit and Risk Committee receives and notes this report into the Gift Register Review for the period of 01 January 2022 to 30 June 2022.

#### OUTCOME/ACTIONS ARISING:

1. Received and noted this report.

### 11.3 Fraud and Corruption Reporting

#### RECOMMENDATION

That the Audit and Risk Committee receives and notes this report.

#### OUTCOME/ACTIONS ARISING:

1. Received and noted report.

### 11.4 Insurance of non-Council assets on Crown land

#### RECOMMENDATION

That the Audit and Risk Committee receives and notes the report.

#### OUTCOME/ACTIONS ARISING:

1. Update to be provided at the March 2022 ARC Meeting.



## Audit and Risk Committee Meeting Minutes - 25 August 2022

### 11.5 Internal Control Environment - Program development update

**RECOMMENDATION**

That the Audit and Risk Committee notes the report.

**OUTCOME/ACTIONS ARISING:**

1. Received and noted report.

### 11.6 Audit Compliance Report - August 2022

**RECOMMENDATION**

That the Audit and Risk Committee receives and notes this report and approves the extension to the audit action due date as set out in this report.

**OUTCOME/ACTIONS ARISING:**

1. Future reports to provide further insight in to the original due date (along with current) for each audit action;
2. Update report to be presented at the November 2022 ARC Meeting for outstanding Review of Asset Management audit actions; and
3. Provide a report on Compliance of Council's Obligations under the Local Government Act 2020 to the November 2022 ARC Meeting

### 11.7 Update on the Protection Data Security Plan (The Victorian Data Security Protection Framework).

**RECOMMENDATION**

That the Audit and Risk Committee acknowledge LCC's PDSP 2022 submission to OVIC, in compliance with the Privacy and Data Protection Act 2014 (PDP Act).



## Audit and Risk Committee Meeting Minutes - 25 August 2022

### OUTCOME/ACTIONS ARISING:

1. Receives and notes that this has been submitted to OVIC.

## 12. PERFORMANCE REPORTING

### 12.1 Quarter 4 2021/22 People and Workcover Reports

#### RECOMMENDATION

That the Audit and Risk Committee note the Quarterly People Report, Workcover Report and Lost Time Injuries Report for Q4 of the 2021/22 financial year.

#### OUTCOME/ACTIONS ARISING:

1. Receives and notes the Q4 2021/22 people and Workcover report.

### 12.2 Quarter 4 2021/22 Performance Report Summary

#### RECOMMENDATION

That the Audit and Risk Committee note the Quarterly Performance Summary Reports for Q4 2021-22.

#### OUTCOME/ACTIONS ARISING:

1. Receives and notes the Q4 2021/22 performance report summary.



## Audit and Risk Committee Meeting Minutes - 25 August 2022

### 13. FINANCE

#### 13. Finance

There are no Finance reports tabled for this meeting.

#### **OUTCOME/ACTIONS ARISING:**

1. Provide a report to the November 2022 ARC Meeting into the risk of financial impact onflows to capital works and maintenance; and how Council is mitigating this risk.

### 14. REPORTING REQUIREMENTS

#### 14.1 Annual Committee Assessment Process

#### **RECOMMENDATION**

That the Audit and Risk Committee:

1. Confirms that the proposed questions are to be utilised for the annual Committee Assessment process this year;
2. Invites the Audit & Risk Committee members, Chief Executive Officer and Senior Officers to complete the survey; and
3. Requests the results are compiled and presented back to the next meeting of the Audit and Risk Committee.

#### **OUTCOME/ACTIONS ARISING:**

1. Issue the ARC self-assessment survey after November 2022 ARC Meeting with results presented at the March 2023 ARC Meeting



## Audit and Risk Committee Meeting Minutes - 25 August 2022

### 14.2 Bi-Annual Report to Council

#### RECOMMENDATION

That the Audit and Risk Committee endorse the attached report for presentation to Council.

#### OUTCOME/ACTIONS ARISING:

1. Provide a section in the Bi-Annual report to Council thanking the previous ARC independent members;
2. Provide an update in the bi-annual report for consideration of a stand-in Councillor to attend the ARC meeting on-behalf of a Councillor in apology;
3. Highlight the substantive progress made to the completion of Committee Actions; and
4. The draft updated ARC Charter to be circulated to independent members for review and feedback before the November 2022 ARC Meeting.

### 15. GENERAL BUSINESS

There are no General Business reports tabled for this meeting.

#### Next Meeting Date

The next Audit and Risk Committee meeting is to be held on Tuesday 27<sup>th</sup> September 2022.

**Meeting Closed at 11:58am.**

## **15. ACKNOWLEDGEMENTS**

*Councillors may raise any formal acknowledgements that need to be made at this time, including congratulatory or condolences.*



**MEETING CLOSED TO  
THE PUBLIC TO  
CONSIDER  
CONFIDENTIAL  
INFORMATION**

## **16. MEETING CLOSED TO THE PUBLIC TO CONSIDER CONFIDENTIAL INFORMATION**

Section 66 of the Local Government Act 2020 enables Council to close the meeting to the public to consider confidential information as defined in that Act.

### **Proposed Resolution:**

**That Council pursuant to section 66(1) and 66(2)(a) of the Local Government Act 2020 (the Act) close the Council Meeting to the public to consider the following items containing confidential information as defined in section 3(1) of the Act:**

- 16.1 Gippswide Kerbside Collaborative Tender - Organics Processing Agenda item 19.1 *Gippswide Kerbside Collaborative Tender - Organics Processing* is designated as confidential under subsection (g) of the definition of confidential information contained in section 3(1) of the *Local Government Act 2020*, as it relates to private commercial information, being information provided by a business, commercial or financial undertaking that—**
- (i) relates to trade secrets; or**
  - (ii) if released, would unreasonably expose the business, commercial or financial undertaking to disadvantage.**
- Contractual matters**