



LATROBE CITY COUNCIL

AGENDA FOR THE ORDINARY COUNCIL MEETING

**TO BE HELD VIA AUDIO-VISUAL LINK
AT 6PM ON
05 OCTOBER 2020**

CM555

Please note:

Pursuant to s66(2)(b) and s66(2)(c), this Council Meeting will not be open to the public to attend in person. Instead participation may occur by video link and the Meeting may be viewed live on the internet from Council's website or Facebook page.

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

The Victorian Government's COVID-19 Omnibus (Emergency Measures) Act 2020 has introduced into the Local Government Act 2020 new mechanisms that allow for virtual Council Meetings to ensure local government decision-making can continue during the coronavirus pandemic.

Pursuant to section 394 of the *COVID-19 Omnibus (Emergency Measures) Act 2020*, a Councillor may attend this Council Meeting remotely by electronic means of communication; and

Pursuant to section 395 *COVID-19 Omnibus (Emergency Measures) Act 2020* this Council Meeting may be closed to the attendance by members of the public by making available access to a live stream of the Meeting on the Council's internet site.

1. OPENING 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.

2. 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.

3. APOLOGIES AND LEAVE OF ABSENCE

4. DECLARATION OF INTERESTS

5. ADOPTION OF MINUTES

RECOMMENDATION

That Council confirm the minutes of the Ordinary Council Meeting held on 7 September 2020 and Special Council Meeting held on 17 September 2020.

6. ACKNOWLEDGEMENTS

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

7. PUBLIC PARTICIPATION TIME

Attend as an observer

The Victorian Government's COVID-19 Omnibus (Emergency Measures) Act 2020 has introduced into the Local Government Act 2020 new mechanisms that allow for virtual Council Meetings and allow for Council Meetings to be closed to the public.

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 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.

8. ITEMS HELD OVER FOR REPORT AND/OR CONSIDERATION/QUESTIONS ON NOTICE

Date of Council Meeting	Item	Notes
Regional City Growth and Investment		
23 October 2017	Development Proposal - Expression of Interest <i>Previously declared confidential under Section 89(2) (d) (e) of the Local Government Act 1989, as it deals with contractual matters; AND proposed developments.</i>	Councillor Briefing reports presented 26 March 2018 and 24 July 2018. Report will be scheduled once an update is available. 30 April 2020 Council report to be presented at a future meeting that outlines a proposal wasn't forthcoming. We will continue to market the Airport in line with our investment prospectus in line with the investment roadmap.
5 February 2018	Signage on Overhead Bridges on Freeway	8 March 2018 A report to Council will be prepared for a future Council meeting once a response is received from Vic Roads. Response from Vic Roads indicated their position is electronic signage on bridges is not permitted at this time. Further investigations being undertaken in 2018 and 2019. 31 October 2019 A future report to be presented to Council late 2020. 22 April 2020 A briefing is to be provided in June 2020.

Date of Council Meeting	Item	Notes
		<p>16 June 2020</p> <p>Additional information is still being gathered for the report; it is now expected a report will be made to Council later in 2020.</p> <p>6 August 2020</p> <p>A letter is being sent from the CEO to the Regional Director Eastern Victoria Regional Roads Victoria regarding this matter; additional options are being determined for the report.</p>
3 April 2018	Future Use of the Visitor Information Centre Building	<p>4 April 2018</p> <p>The resolution is noted. A report outlining options for the future use of the existing Visitor Information Centre building in Traralgon will be presented to Council closer to the transition of the service to the foyer of the new performing arts centre (Latrobe Creative Precinct).</p> <p>20 July 2018</p> <p>No further updates - Update to be provided as the opening of the LCP approaches.</p> <p>28 November 2019</p> <p>A decision on the future use of the VIC building pending relocation to the foyer of the Latrobe Creative Precinct. This is scheduled for March/April 2021.</p> <p>New target date set at September 2020 so the process of identifying options and presenting them to Council can begin.</p> <p>11 June 2020</p> <p>A report is being prepared to present options to Councillors.</p> <p>24 August 2020</p> <p>The briefing previously scheduled for 24 August</p>

Date of Council Meeting	Item	Notes
		has been delayed to sometime in the next few months.
2 September 2019	<p>SEA Electric: Request for Land at the Gippsland Logistics Precinct</p> <p><i>Previously declared confidential under Section 89(2) (e) of the Local Government Act 1989, as it deals with proposed developments.</i></p>	<p>30 April 2020</p> <p>A further report to be prepared for Council consideration following work undertaken over the coming months.</p> <p>12 June 2020</p> <p>Draft lease being prepared.</p> <p>7 July 2020</p> <p>Discussions continuing with State Government in relation to milestones for the lease agreement</p>
3 June 2019	Latrobe Creative Precinct - Gippsland FM Proposal to Co-locate at the Precinct	<p>11 February 2020</p> <p>The expression of interest (EOI) is being publicly released on 17/2/2020. Timelines have allowed for a briefing to Councillors on 20 April 2020, followed by a report on 4 May 2020.</p> <p>9 April 2020</p> <p>The deadline for submissions of EOI extended at the request of potential submitters due to the COVID-19 pandemic. The deadline extended to 30 April 2020; a Councillor briefing report will be scheduled after this.</p> <p>10 June 2020</p> <p>Submissions currently being assessed.</p> <p>4 August 2020</p> <p>The assessment panel decided to invite applicants to provide additional information to assess their submissions. This is currently occurring. Target date has been revised to 30 November 2020 to allow this activity.</p>

Date of Council Meeting	Item	Notes
11 November 2019	Celebrating the 20th Anniversary of the Sister City Relationship with Taizhou - Taizhou Garden in Latrobe	<p>Present the final design for consideration at a future Council meeting.</p> <p>1 May 2020</p> <p>Survey work continues.</p> <p>11 June 2020</p> <p>The Infrastructure team provided a site survey map and photos to Taizhou on 23 March. Due to the lockdown in China, Taizhou Foreign Affairs Office returned to work in May.</p> <p>Taizhou indicated that the process may take longer than expected due to the COVID-19 pandemic. Once a draft design is received from Taizhou, a further meeting with interested parties will be arranged and an update will be provided.</p>
2 December 2019	<p>2019/17: NIEIR Report</p> <p><i>Previously declared confidential under Section 89(2) (h) of the Local Government Act 1989, as it deals with a matter which the Council or special committee considers would prejudice the Council or any person.</i></p>	<p>6 May 2020</p> <p>Data will be finalised following an analysis of the impact of the COVID-19 situation on information previously presented.</p>
3 August 2020	Investment Roadmap	Receives a report at a future Council meeting that presents any feedback received.
7 September 2020	Amendment C122 (Planning Policy Framework)	<p>8 September 2020</p> <p>Planning Panel Request made 8 September</p>

Date of Council Meeting	Item	Notes
	Translation) - Consideration of Submissions	<p>2020.</p> <p>Notification to all submitters on Council Resolution sent 8 September 2020.</p> <p>A further report will not be presented to Council until the planning panel report is received. This is not expected to occur until early 2021.</p>
Community Health and Wellbeing		
01 June 2020	Managing Camping at the Lake Narracan Foreshore Reserve	<p>A further report presenting data collected from security and maintenance patrols to inform options for future utilisation of the area to its full potential.</p> <p>5 August 2020</p> <p>Following the collection of data from the period from 10 October 2020 until 1 May 2021, a report will be presented to Councillors outlining the results of the data and potential options to manage the foreshore area</p> <p>11 September 2020</p> <p>Council report due by June 2021.</p>
3 August 2020	2019/20 Outdoor Pool Season Review	<p>11 September 2020</p> <p>A report will be presented to Council at the June 2021 meeting providing data from the 2020/2021 outdoor pool season.</p>
Organisational Performance		
11 September 2017	Proposed Road Renaming - Ashley Avenue, Morwell	<p>20 September 2017</p> <p>Pending further discussions before a report is rescheduled for decision.</p> <p>9 August 2018</p> <p>A report for Council to consider the submissions</p>

Date of Council Meeting	Item	Notes
		<p>received is being prepared for the September Meeting.</p> <p>17 September 2018</p> <p>A further report will be determined after Councillor speaks with property owner.</p> <p>17 January 2019</p> <p>Report expected to council in April 2019.</p> <p>13 February 2019</p> <p>Report pending scheduling.</p> <p>8 August 2019</p> <p>Proposed road renaming to be referred to Road Naming Committee for consideration when convened.</p> <p>14 April 2020</p> <p>Report considered at Councillor Briefing held on 23 March 2020.</p> <p>7 May 2020</p> <p>Letters sent to all property owners in Ashley Avenue advising of potential name change and inviting preliminary feedback.</p> <p>23 June 2020</p> <p>Feedback received from property owners to be considered at future meeting of the Road & Place Names Committee following which a Briefing Report will be presented to Council with recommendation as to how to proceed.</p> <p>13 July 2020</p> <p>Road & Place Names Committee meeting to be held on Monday, 13th July to considered the proposed renaming of Ashley Avenue. Report to be presented to a subsequent Councillor Briefing based upon recommendation from the committee</p>

Date of Council Meeting	Item	Notes
		<p>as to which road should be renamed.</p> <p>14 September 2020</p> <p>Consideration of Briefing Report deferred until after Council elections.</p>
6 July 2020	Englobo Land Valuations	<p>Requests a report at the next available Council Meeting following receipt of this information from the Valuer-General Victoria.</p> <p>21 July 2020</p> <p>A letter has been sent to The Valuer General Victoria non 13 July 2020 requesting the value of each parcel of current englobo land previously zoned farm land as if it had remained zoned as farm land. To date, no substantive response has been received.</p>
3 August 2020	Community Consultation - Potential Community Housing Victoria Development, 2-14 Tobruk Street Morwell	<p>No submissions were received regarding the proposed sale of 2-14 Tobruk Street, Morwell, being Lot 1 on PS 824686, to Community Housing Victoria Limited by private treaty. The matter will now proceed in accordance with Council's resolution.</p>
7 September 2020	2020/11: Naming of Reserves in Latrobe City	<p>That Council receives a report in relation to options to identify how information about an individual after whom a reserve in Latrobe City has been named can be recognised and recorded.</p>
Assets and Presentation		
3 September 2018	2018/11 Explore alternate options available to replace the supply and use of single use water	<p>Matter was researched and considered during 2018/19.</p> <p>14 August 2019</p> <p>A briefing report will be presented to Council in</p>

Date of Council Meeting	Item	Notes
	bottles	<p>September 2019.</p> <p>16 January 2020</p> <p>A further Briefing Report will be presented in 2020.</p> <p>7 May 2020</p> <p>A further report will be presented to Council in July for information.</p> <p>19 August 2020</p> <p>A report will be presented to Council for discussion at Briefing Session in August 2020.</p> <p>4 September 2020</p> <p>A further report will be provided in 2021 when GRAC is open and options can be explored.</p>
2 March 2020	2020/02 Review of Council Position 2010	<p>Presents a discussion paper to a council briefing session related to a future position on climate change and then presents a report to a future Council Meeting.</p> <p>18 August 2020</p> <p>The progression of a Discussion Paper to inform Council's future position on climate change is to be informed by research, benchmarking and engagement activities to be completed within the 2020/2021 financial year as part of the review and renewal of Latrobe City Council's Natural Environment Sustainability Strategy 2014 - 2019.</p>

Any proposed timings of reports listed above advised up to 16 September 2020, have been included in the above table. Items are removed only once a report has been tabled at Council and advised accordingly.

Any further updates after this time will be provided in the next Council Meeting Agenda.

NOTICES OF MOTION

9. NOTICES OF MOTION

Nil reports

**ITEMS REFERRED BY
THE COUNCIL TO THIS
MEETING FOR
CONSIDERATION**

**10. ITEMS REFERRED BY THE COUNCIL TO THIS MEETING FOR
CONSIDERATION**

Nil reports

CORRESPONDENCE

11. CORRESPONDENCE

Agenda Item: 11.1

**Agenda Item: Community Grant - Request to Change Project from
41st Tyers Art Festival**

Sponsor: General Manager, Community Health and Wellbeing

**Council Plan Objective: Improve the liveability and connectedness of Latrobe
City.**

Status: For Decision

Proposed Resolution:

That Council approves the request from the 41st Tyers Art Festival, seeking Council's approval to change the original 2019/20 community grant project number E1920044, for a new proposed project.

Executive Summary:

- In the 2019/20 Community Grants program the 41st Tyers Art Festival Art Festival, auspiced by the Tyers Primary School, applied for a grant for the Australian Paper 41st Tyers Art Festival which was to be held on 6 November 2020.
- The 41st Tyers Art Festival was successful in their application and \$5,000 was awarded to the group.
- On 27 July 2020 Peter Harrison, Director wrote to Council requesting to use the \$5,000 from project number E1920044 for a new proposed project.
- The funding was originally provided to cover the following costs of a physical event:
 - Sponsorship of the Oils Section (long term sponsor of this section)
 - Venue hire
 - Temporary fencing
 - Portable toilets

- Children's activities
- Part cost for ticketing.
- The 41st Tyers Art Festival is requesting that the funding be reallocated to be used for the following:
 - Facilitate website design and site build for an online exhibition.
- This includes a specific premium plugin for the voting requirement of the site, and includes building the exhibition archive page layout and single page templates for each item to be featured
- The funding will also assist with the development of a training manual and provide one-on-one training for volunteers to upload each exhibition piece and information relating to their piece.
- The request to alter the project is due to the current COVID-19 pandemic restrictions which will not allow a physical event to be run.
- The change in the event proposal to become 100% online will reduce the economic impact of the original event proposal down to nil.
- A copy of the correspondence from the 41st Tyers Art Festival including quotes is attached for Council's information.
- Officers are requesting Councillors consider the revised proposal put forward for the 41st Tyers Art Festival due to the impact of the pandemic, to support the change in funding use for the development of the website and online event.

Issues:

Strategy Implications

There is no strategy implications associated with this report.

Communication

The 41st Tyers Art Festival will be advised of the outcome of this report.

Financial Implications

There are no financial implications associated with this report.

Risk Analysis

Identified risk	Risk likelihood*	Controls to manage risk
<p>Reputational Risk</p> <p>Failure to approve the variation may impact the applicant financially and result in the cancellation of the event which has operated successfully for many years.</p>	3	<p>Officers have advised the applicant of the current process and that no funds can be spent until there is an outcome of this report.</p> <p>Once there is an outcome, the applicant will be notified.</p>

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

Legal and Compliance

There are no legal or compliance implications associated with this report.

Community Implications

There are no community implications associated with this report.

Environmental Implications

There are no environmental implications associated with this report.

Consultation

No consultation was required for this report. The applicant has been advised of the situation and will be advised of the outcome of this report.

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 1989*.

Supporting Documents:

Nil

Attachments

1. Correspondence to support request from 41st Tyers Art Festival
2. Web & Graphic Design Quote one - \$4,400
3. Web & Graphic Design Quote two - \$600

11.1

Community Grant - Request to Change Project from 41st Tyers Art Festival

1	Correspondence to support request from 41st Tyers Art Festival	24
2	Web & Graphic Design Quote one - \$4,400	25
3	Web & Graphic Design Quote two - \$600	26



Winner LCBTA 2015 & 2016 People's Choice Award – Most Popular Community Event
2017 Latrobe City Event Recognition Award.

27 July 2020

Grants Coordinator
Latrobe City Council

Re. Request to vary grant - 2019/20 Community Events - E1920044 - Australian Paper 41st Tyers Art Festival

Due to the continuing development of COVID-19 across Victoria and the impact this has had on the conduct of events and many of our sponsors, the Australian Paper 41st Tyers Art Festival will not be run as a physical event this year, but will continue this year as a virtual event, incorporating an online exhibition providing artists from the Latrobe Valley and wider Gippsland region the opportunity to showcase their work.

The online exhibition will include a number of awards, including 'Best Online Exhibit – 2D', 'Best Online Exhibit – 3D' & 'Most Popular Choice' (dependent upon sponsorship). There will be no cost for artists to enter the online exhibition as we wish to support the artists as much as we can, as well as providing artists with the opportunity to sell their work.

The accompanying Tyers Music, Food and Wine Festival will not be conducted this year.

In light of this we are requesting a variation in how the 2019/20 Community Grant provided by the Latrobe City Council for this year's Tyers Art Festival will be used.

On the grant application the funds were to be used for the following; *'Sponsorship of the Oils Section (long term sponsor of this section), venue hire, temporary fencing and toilets, children's activities and part cost for ticketing.'*

We are hoping Latrobe City Council will agree to the community grant being reallocated to facilitate website design and site build for the online exhibition. This includes a specific premium plugin for the voting requirement of the site, and includes building the exhibition archive page layout and single page templates for each item to be featured and development of a training manual and one on one training for volunteers to upload each exhibition piece and its information. Total cost for this is \$5000. [I have attached copies of quotes for both the website build and premium plugin (\$4400 ex. GST) and training manual and one-on-one training (\$600 ex GST)] for your information.

If you require additional detail regarding this request please do not hesitate to contact myself,

Kind regards,

Peter Harrison

Director, Australian Paper 41st Tyers Art Festival & Tyers Music, Food & Wine Festival

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www.tyersps.vic.edu.au/festival.html

racheljane.

WEB + GRAPHIC DESIGN

Rachel Jane Design

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PO Box 9321 Traralgon VIC 3844

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Quote to:

Lee-Anne Broeren

Tyers Art Festival C/- Tyers Primary School

Tyers VIC 3844

Quote

QUOTE NO: 0047

DATE: 24/07/2020

DESCRIPTION	AMOUNT
Multi-page WordPress custom website design and development:	\$4100.00
<ul style="list-style-type: none"> - Site to include the following pages: <ul style="list-style-type: none"> · Home: Brief description and background of event; visual banner to drive traffic to exhibition page; prominent social media links, mail capture form (if required). · About: Detailed outline of the event background and story, note of community support, contact details, location map. · Exhibition: Grid page layout template for exhibition pieces; each image to feature title and 'vote' button; side bar categorisation to view specific categories; image clicks through to item page to include title, specifications, 'vote button, and 'enquire to buy' button (linked to email). · Sponsors: Feature page of event sponsors and sponsored categories with hyperlinks to company sites. · T&Cs / Privacy: Informational form about nature of online voting system, user registration, privacy policy etc. - Site to feature branding, images, authentic copy to enhance SEO, social media/contact hyperlinks. - Site to feature 'Vote Now' buttons (or similar) on each page to drive traffic to exhibition page. - Contact details to be featured in footer of each page. - Client to provide all general page images and page copy prior to site build commencing. - Client to provide FTP details for upload of website files to hosting service (if domain name and hosting set up is required this can be included for an additional \$49). 	
<ul style="list-style-type: none"> - Voting System plugin license (Formidable Forms) for 1 year. This requires annual renewal at cost to client. 	\$300.00
<ul style="list-style-type: none"> - NB: Additional premium plugins requested to add features not indicated in above scope will be charged at extra cost accordingly. 	
TOTAL	\$4,400.00

Licensing

An Elementor license is required to cover features and functionality of this WordPress website. This comes with lifetime use but requires annual licensing for continued updates and support. The cost of this license is included in the above site build package price for 1 year. After which the client will be required to purchase their own license at \$49 per year. This ongoing annual license fee is included for clients on any of our standard maintenance packages.

Maintenance Packages

Owning a website is similar to owning a home—it's an investment that needs to be maintained. Website updates, backups and security are critical parts of any website and these need to be handled by a professional ongoing. You are free to use whomever you'd like to maintain your website but we can't emphasise enough how crucial an ongoing Website Maintenance Plan is for your site's success.

The above quoted site build price includes 3 months of maintenance after the launch of your website. After this date, we offer a range of ongoing maintenance contracts. These are monthly payments securing retained hours of work and cover all manner of inclusions such as website updates (plugins, themes), technical support via phone or email, back ups, SEO and content update work.

Our Website Maintenance Packages include Basic (\$60 per month) and Advanced (\$120 per month) depending on your requirements. For clients that choose not to select a maintenance package, any updates and site work would be charged at a standard hourly rate of \$95.00 instead.

I create optimised, responsive websites with simple but modern designs. A fully optimised site will rank better for organic searches, and offer a better customer experience whilst using the website. Responsive websites scale optimally across devices, desktop, tablet and mobile. With a background in marketing, I know the internet provides enormous opportunities for both big and small organisations to promote their services. My mission is to help facilitate your online marketing strategy. My fees are competitive and I take pride in my reputation for 'delivering the goods' and developing ongoing business relationships with my clients. Thank you for your consideration!

racheljane.

WEB + GRAPHIC DESIGN

Rachel Jane Design

ABN 89 396 635 922

PO Box 9321 Traralgon VIC 3844

T 0438 333 791

E design@racheljane.co

www.racheljane.co

Quote to:

Lee-Anne Broeren

Tyers Art Festival C/- Tyers Primary School

Tyers VIC 3844

Quote

QUOTE NO: 0049

DATE: 24/07/2020

DESCRIPTION

AMOUNT

WordPress Client User Manual and 1-hour training specific to site

\$600.00

In conjunction with Quote #0047 for the upload and addition of Exhibition Page Items for the Tyers Art Festival website.

Manual to provide step by step instruction on:

- How to resize and compress images for the website.
- How to upload the image to exhibition template page with details of item: Title, Artist, Description, 'Vote' button, Specifications, Price, 'Enquire to buy' button.
- How to categorise the item to event category.

TOTAL \$600.00

I create optimised, responsive websites with simple but modern designs. A fully optimised site will rank better for organic searches, and offer a better customer experience whilst using the website. Responsive websites scale optimally across devices, desktop, tablet and mobile. With a background in marketing, I know the internet provides enormous opportunities for both big and small organisations to promote their services. My mission is to help facilitate your online marketing strategy. My fees are competitive and I take pride in my reputation for 'delivering the goods' and developing ongoing business relationships with my clients. Thank you for your consideration!

PRESENTATION OF PETITIONS

12. PRESENTATION OF PETITIONS

Nil reports

CHIEF EXECUTIVE OFFICE

13. CHIEF EXECUTIVE OFFICE

Nil reports

REGIONAL CITY GROWTH AND INVESTMENT

14. REGIONAL CITY GROWTH AND INVESTMENT

Agenda Item: 14.1

Agenda Item: Submission to the Parliamentary Inquiry into Australia's creative and cultural institutions.

Sponsor: General Manager, Regional City Growth and Investment

Council Plan Objective: Support job creation and industry diversification to enable economic growth in Latrobe City.

Status: For Decision

Proposed Resolution:

That Council endorses the attached submission to the Inquiry into Australia's creative and cultural industries and institutions.

Executive Summary:

- On 26 August 2020 Minister for Communications, the Hon Paul Fletcher MP announced an inquiry into Australia's creative and cultural industries and institutions.
- This inquiry is part of a broader response to the impact of COVID-19 on the creative and cultural industries, which also includes targeted funding programs and a national industry taskforce.
- The terms of the inquiry are to investigate:
 - The economic, social and cultural benefits of the creative and cultural industries and how to recognise and measure them;
 - The impact of COVID-19 on the creative and cultural industries; and
 - Avenues to increase access and opportunities for the creative and cultural industries through innovation and the digital environment.
- Council's proposed submission focuses on the more specific impacts on regional creative and cultural industry activity as this has not been addressed at a Federal level.

- Latrobe City Council, as the owner and operator of a regional public gallery and a regional performing arts centre is well placed to offer a range of perspectives to the inquiry.
- The proposed submission addresses Council's role, investment in the local economy, education, training, creative industry development and digital exports as well as the community and health benefits of arts and culture and funding models.
- Investment in creative industry development in Latrobe City is positioned as a component of a broader social and economic transition with the potential to enable the establishment of a new export industry – creative and cultural production.
- Broadly, recommendations include:
 - Targeted support to build capability and capacity for creative industry development and digital export in regional areas like Latrobe City;
 - Targeted funding that supports access to educations, traineeships and pathway programs into the creative industries in regional areas;
 - Direct relief to artists and touring presenters to assist with performing arts and exhibition remount costs to tour to regional areas.

Following feedback from Councillors at a Councillor Briefing the following areas of focus and recommendations have been added to the submission:

- Support for small businesses in the creative industries to access additional long term supports following disruptive events such as bushfire and COVID-19 (p 3);
- Investment into the establishment and support of artist-led spaces and enterprises in both community and tertiary education settings (p 4);
- Support for community led arts festivals to build and sustain a resource base to enable continued delivery following disruptive events (p 4);
- Specific support for small businesses that support access to technology and creative use of technology (p 6).

Following Council endorsement, the submission will be forwarded to the Inquiry before the deadline on 22 October 2020.

Background:

The Parliamentary Standing Committee on Communications and the Arts Inquiry into Australia's creative and cultural industries and institutions has called for submissions that address the following terms of reference:

- The direct and indirect economic benefits and employment opportunities of creative and cultural industries and how to recognise, measure and grow them;
- The non-economic benefits that enhance community, social wellbeing and promoting Australia's national identity, and how to recognise, measure and grow them;
- The best mechanism for ensuring cooperation and delivery of policy between layers of government;
- The impact of COVID-19 on the creative and cultural industries; and
- Avenues for increasing access and opportunities for Australia's creative and cultural industries through innovation and the digital environment.

A focus on Indigenous, regional, rural and community based organizations have also been identified as key interests of the inquiry.

This inquiry forms part of a broader Federal response which has to date focused on state cultural institutions, commercial aspects of the performing arts industry and establishment of a Creative Economy Taskforce.

Additionally, the creative and cultural industries, through their peak bodies, have called for greater support to both artists and institutions that represent regional and community interests as well as the performing arts and public galleries which have not been fully addressed to date.

Latrobe City Council, as the owner and operator of a regional public gallery and a regional performing arts centre is well placed to offer a range of perspectives to the inquiry. The submission addresses the following key areas:

- Council's role as a commissioner, producer and presenter of creative arts in Latrobe City;
- The multiplying effect this investment has in the local economy;
- Local access to education and training in the creative and cultural industries;
- Potential local pathways to creative industry development and digital export;
- Social, community and health benefits of arts and culture;
- The benefits of community and artist-led spaces, festivals and activities;
- The potential of this to address structural inequality in Latrobe City;

- A collaborative approach and long term strategy that involves all levels of government in its delivery;
- Funding models that support creative industry recovery and incentives to locate creative industry activities in regional areas.

Specific recommendations include:

- Targeted support to build capability and capacity for creative industry development and digital export; for example equipment purchase, business incubation, and formal and informal training and network development.
- Targeted funding that supports traineeships and pathway programs into the creative industries; including attraction incentives to screen industries and professional performing arts companies to locate in regional areas in partnership with Council.
- Direct relief to artists and touring presenters to assist with performing arts and exhibition remount costs which have been rescheduled or cancelled due to COVID-19 and industry uncertainty.
- Provision of dedicated and non-competitive funding for regional Councils to establish community arts programs and projects in partnership with community support services.
- Specific support to small businesses involved in all facets of the creative industries.
- Specific support to community and artist-led spaces and activity.

Issues:

Strategy Implications

Presentation of this submission aligns to following objectives of the Council Plan:

Objective 1: Support job creation and industry diversification to enable economic growth in Latrobe City.

Objective 2: Encourage improved education & training outcomes in Latrobe City.

Objective 3: Improve the liveability and connectedness of Latrobe City.

Objective 5: Provide a connected, engaged and safe community environment, which is improving the wellbeing of all Latrobe City citizens.

Communication

Following submissions to the inquiry, the Standing Committee will table a report on its findings. Council officers may be asked to provide further information to the inquiry.

Community may also make a formal submission to the inquiry, or participate in a survey. Information about this will be distributed to community and local industry stakeholders.

A further update will be provided to Councillors once the Committee's report is made publically available.

Financial Implications

There are no direct financial implications.

Risk Analysis

Identified risk	Risk likelihood*	Controls to manage risk
<p>Strategic Risk</p> <p>Latrobe City does not provide a submission and loses the opportunity to advocate for the region.</p>	2 (Unlikely)	Submission reviewed by a range of relevant officers and agreement from Councillors to submit.
<p>Reputational Risk</p> <p>The submission does not represent Latrobe City's interests fairly.</p>	2 (Unlikely)	Submission reviewed by a range of relevant officers and agreement from Councillors to submit.

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

Legal and Compliance

There are no legal or compliance implications.

Community Implications

Advocacy for greater investment into creative and cultural industries is a positive implication and outcome.

Environmental Implications

Nil

Consultation

Submission references previous community and stakeholder feedback and consultation.

Other

Nil

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 1989*.

Supporting Documents:

Nil

Attachments

1 [↓](#). LCC - Submission to inquiry into creative and cultural institutions and industries - for endorsement

14.1

Submission to the Parliamentary Inquiry into Australia's creative and cultural institutions.

- 1 LCC - Submission to inquiry into creative and cultural
institutions and industries - for endorsement..... 39**



Inquiry into Australia's creative and cultural industries and institutions

Latrobe City Council Submission
October 2020

For any enquiries about this submission, please contact:
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Chief Executive Officer
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Email: Steven.Piasente@latrobe.vic.gov.au



Introduction

Latrobe City Council welcomes the opportunity to provide its response to the Standing Committee on Communications and the Arts inquiry into Australia's creative and cultural industries and institutions.

Latrobe City is one of Victoria's four major Regional Cities, located 135 km east of Melbourne. The City owns and operates Latrobe Regional Gallery, a public gallery housing significant public collections and presenting a program of exhibitions, education and public events. Latrobe City currently operates Latrobe Performing Arts Centre which includes a 277 seat theatre and 400 seat hall. Latrobe City is also building a new 750 seat Performing Arts Centre set in a creative precinct that will also see the establishment of a Creative Industries Training Centre and Incubator.

Latrobe City's investment in creative and cultural industries and institutions is set within a context of significant and sustained social and economic transition. Our region has been and will continue to be impacted by structural change in Australia's energy sector and the resulting loss of employment.

Latrobe City is committed to supporting and advocating for economic diversification. Investment in creative and cultural industries helps to facilitate attraction of other industries but also offers the opportunity to develop and export new creative and cultural products that use technology to distribute and deliver.

The submission offers a regional perspective on creative and cultural industries and institutions, the impact of disruptions such as bushfire and COVID-19 and highlights the opportunity to reposition how creative and cultural activity is supported, produced and presented from the perspective of a region in economic transition.

Economic Benefits

Creative and cultural production is a highly complex industry that relies on a network of supply and demand linkages with other industries. Over 70 ANZSIC¹ industry classes are either wholly or partially connected to various supply chain inputs that drive creative and cultural production.²

Capturing and quantifying this economic activity is masked by the nature of creative work. Artists and creatives often operate as independent micro-enterprises engaged via short term contracts, commissions and gigs and supplement this income with work in unrelated industries.

In the regional context, a vast majority of cultural activity is funded and presented by local government owned institutions such as public galleries and performing arts centres, as well as other activities such as public programs and public art. Councils act as commissioners, presenters and producers in the creative and cultural industries as this activity has a multiplying effect in the economy; stimulating demand in the hospitality, retail and tourism sectors as well as supply in the construction, logistics and services sectors.

However, artists and creatives in regional areas are disadvantaged by a lack of access to arts education and training, and the critical mass and access to resources that drives artist led activity in metropolitan areas. This is magnified in a region like Latrobe City where a general flattening of available discretionary

¹ Australian and New Zealand Standard Industry Classification

² ABS: Discussion Paper: Cultural and Creative Activity Satellite Accounts (cat. no. 5271.0.55.001)

Latrobe City Council – Submission | Page 3

income means that even if artists are able to produce work locally they need to look to outside markets to make this activity economically viable.

Additional pressure is felt by the small businesses and sole traders that provide support to the creative industries; such as technicians, audio and visual services, project and program management as well as those small businesses that directly engage via media production, community arts and provision of creative services and learning. Supporting and sustaining these businesses is critical to ensuring that creative industries as a whole are supported; this presents an additional challenge in regional areas where there are regular local disruptions such as bushfire and loss of industry, as well as broader disruptions such as COVID and the ongoing economic impact.

Ongoing engagement with artists, creatives, small businesses, tertiary institutions and community stakeholders in Latrobe City has identified that sustained and long term investment is required to stimulate local activity and capacity. While Latrobe City Council has already committed to new cultural infrastructure and is working with higher education and industry partners to close the capacity gap, investment targeted towards stimulating creative industry development would enable the establishment of a new export industry for Latrobe City – creative and cultural production.

Recommendations

1. Invest in the production of Cultural and Creative Satellite Accounts by the Australian Bureau of Statistics to accurately capture and quantify the economic impact of the creative and cultural industries.
2. Establish targeted funding for regional areas to invest in creative industry incubation and capacity building to intra and interstate export of cultural products. Ensure this funding supports capital and program investment.
3. Support the establishment of funded traineeships and pathway programs in the creative industries that are delivered by the creative industries with higher education partners.
4. Develop an incentive scheme for established arts companies to relocate or satellite their operations to regional centres in partnership with local Councils.
5. Ensure that small businesses in the creative industries are able to access additional long terms supports to assist with establishment, sustainability and recovery from disruptive events such as bushfire and COVID.

Community & Social Benefits

The health, community and social benefits of access to creative and cultural access and participation are well studied and documented.³ There are individual mental health benefits in making art and being creative but also social benefits in promoting communication, cooperation and shared identity.

The beneficial impacts of access to creative and cultural products as audience are also well documented. Public galleries are meeting places, stimulate conversation and provoke new ways of engaging in social issues, but also offer a respite from individual and community issues. Performing arts programs offer shared experiences, enjoyment and opportunities to connect to the community. Public art enhances

³ https://www.vichealth.vic.gov.au/-/media/Indicators/Overview-sheets/16/VH_IO_Arts-participation.pdf

feelings of safety and supports enjoyment and level of comfort in public spaces. Public festivals enable board community access to creative programs and experiences.

Aside from these positive individual and social benefits, there is a flow on economic benefit to investment in community access to arts, culture and creative activity. Arts-led intervention offers real pathways to improved social and health outcomes, and this has been demonstrated in addressing mental health, drug and alcohol dependence and family violence as well as improved support to people with a disability. Diversion and early intervention via arts-led activity leads to improved outcomes and lessens reliance on crisis intervention and support.

Latrobe City experiences high rates of disadvantage across a broad range of indicators. While regional and rural Australia regularly experiences higher rates of disadvantage than metropolitan centres, in Latrobe City this is compounded by the inter-generational nature of that disadvantage.

Latrobe City also has active and engaged community arts groups that offer enormous social benefit and community connection and wellbeing to their members. Local theatre groups, community choirs and local bands and orchestras have a wide reaching community presence. Artist led spaces offer social and community learning opportunities while also supporting the studio practice of artists through access to shared equipment. Smaller artist-led galleries help provide valuable stepping stones to artists as they develop their practice. These are housed in community and tertiary education spaces.

The issue for community arts groups and artist-led spaces is financial viability as they are reliant on fundraising and volunteer labour, resources that are sensitive to broader social and economic change. This also an issue for community led festivals and events which are highly reliant on sponsorship from local business as well as community grants and volunteer labour to deliver.

These groups also have limited success in seeking funding for their activity in a highly competitive environment at State and Federal levels where funding is tied strongly to 'excellence' not participation. For tertiary institutions that support this work, funding is very difficult to secure.

Council does offer guidance and support to community groups to seek funding and generate earned income, but this is time intensive work that requires dedicated resources.

Latrobe City has committed to providing its own services, programs and cultural infrastructure in a way that balances cultural and social access and fiscal responsibility. Additional support to enable greater community participation would complement this position and enable investment in local community arts activity.

Recommendations

1. Provision of dedicated non-competitive funding to regional Councils and arts organizations to support establishment of community arts programs and capacity building in partnership with tertiary institutions.
2. Develop specific funding streams for regional community arts; or fund regional Councils to deliver this funding stream directly as minor stimulus grants.
3. Invest in residency programs that place artists and creatives within community support services to design and deliver arts-led diversion and early intervention programs.
4. Investment into the establishment and support of artist-led spaces and enterprises in both community and education settings.

5. Support for community led arts festivals to build and sustain a resource base to enable continued delivery following disruptive events.

Cooperation between Layers of Government

Each level of Government has responsibility for support of and investment into creative and cultural industries and a collaborative long term approach with a clearly defined strategy is crucial to deliver on this responsibility.

Mechanisms that enable a broad range of interests and inputs to form a united roadmap for creative and cultural industry recovery will support the work of all elements of the industry. Although the establishment of a Creative Economy Taskforce is welcomed, there are significant gaps in representation – notably regional, theatre and community arts interests and no practicing contemporary artists.

Additionally, policy settings that enable artists to access income supports and stimulus measures would be welcomed.

Recommendation

1. Work with peak national and state bodies to ensure regional, theatre, community arts and practicing artist interests are considered and included in the Government's response and strategy.
2. Adjust income support settings so that artists and independent creative practitioners can access income support and stimulus measures.

Impact of COVID-19

Since Government COVID-19 restrictions in Latrobe City commenced in March 2020, the impact of COVID-19 on creative industries has been profound.

For the networks of regional performing arts centres this has triggered mass-refunding, loss of all income, multiple attempts to reschedule touring works and in Victoria no indication of when any activity may be able to commence. There is also the risk of contract default as presenters struggle to remount tours that have been financially committed and unable to be presented.

The response from the industry is to look at new ways to develop and tour work, and this innovation is welcome, however it will radically change operating models for regional performing arts centres across Australia. Latrobe City has developed an operating model which will be able to pivot successfully, but it is contingent on the producers of performing arts content also being able to pivot.

For regional galleries, COVID-19 has prompted a drive to present works digitally which has had a positive impact on audience development and access. Galleries in Victoria were able to reopen in June, but were forced to close again in early August.

At Latrobe Regional Gallery this disruption has budgetary impacts as exhibition programs are rescheduled for a third time in the space of six months. The flow on effect to artists and touring presenters has been profound in an already difficult environment.

Conservation and collection management have also been impacted with requirements for climate control conflicting with recommendations on COVID-19 safe operations. This has meant that planned conservation has been delayed to accommodate for limited attendance on site and constraints in freight services.

Community and artist-led activity has been heavily impacted by these disruptions, with many artists and creatives losing planned projects and work in excess of 18 months. Community led festivals have largely had to cancel as the barrier of negotiating uncertainty or digital delivery has proved too difficult or costly to facilitate.

Recommendations

1. Direct relief to assist with contractually committed performing arts and exhibition remount costs.
2. Support to strengthen or establish online platforms that invite creative presentation of performing arts, collection and exhibition content and online public programs.
3. Support for community and artist-led festivals, events and activities to sustain and rebuild their programs.

Innovation & the Digital Environment

There has been significant uplift in production of online content across the performing arts and in public galleries. This activity requires access to equipment, production capacity and expertise in order to produce quality content that best represents artists and connects meaningfully with audiences.

In regional areas a capacity and resource gap is limiting access to digital engagement as audiences, artists, producers and presenters do not have the network infrastructure or available equipment to view or broadcast livestream and video content.

Latrobe City has successfully produced quality performing arts and gallery content, and this has been a highly positive outcome from the disruption of COVID-19 on audience development and engagement. However, it would not have been financially viable or possible without access to in-house expertise in film and content production – skill sets that are not readily available in regional settings.

While digital engagement offers a wealth of possibilities for audiences, artists and cultural institutions, there are some structural inequalities in how accessible this is in regions with significant social and economic disadvantage.

Targeted investment into the establishment of community based media production capability, and training programs that enable local creative capacity could unlock digital export as a viable option for regional creative industries.

In addition, support for community-led public festivals to transition to online or blended delivery will enable a more robust delivery model that can withstand disruptions more effectively.

Recommendations

1. Establish targeted capital funding support to establish and equip media production hubs in regional areas.
2. Create incentives for media and film production in regional areas that attach traineeships for local creatives in partnership with Councils and higher education providers.
3. Invest in network capacity in regional and rural areas to support digital access and digital export.
4. Specific support for small businesses that support access to technology and creative use of technology.

Agenda Item: 14.2

Agenda Item: Creative Industries Training Centre Update

Sponsor: General Manager, Regional City Growth and Investment

Council Plan Objective: Support job creation and industry diversification to enable economic growth in Latrobe City.

Status: For Decision

Proposed Resolution:

That Council:

- 1. Notes the proposals received from the Expression of Interest process for the utilisation of the Creative Industries Training Centre (CITC); and**
- 2. Endorses the future direction of the Creative Industries Training Centre as a creative hub environment and continues to work with creative arts groups to build their capacity and seek funding opportunities where available.**

Executive Summary:

- The Victorian Government's portion of funding for the Latrobe Creative Precinct (now Gippsland Performing Arts Centre) requires delivery of an "Educational Offering" by entering into agreement with private and public training providers.
- Council's response to this is to develop the existing Latrobe Performing Arts Centre as the CITC.
- Officers have been working closely with key education providers TAFE Gippsland and Federation University to develop a formal training component for the facility; this work is ongoing and both parties have recently indicated they are considering provision of formal training from the facility with certificate level Live Production and Foundation Workskills likely outcomes. In addition a number of informal training opportunities including masterclasses and workshops are being considered.
- Discussions also continue with Arts Centre Melbourne who expressed interest in potential formal training at the CITC.

- A request from Gippsland FM to co-locate at the precinct, once completed, resulted in the following Council resolution on 3 June 2019:

That Council:

1. *In light of the proposal received by Gippsland FM, undertake an Expression of Interest process in relation to the utilisation of the Creative Industries Training Centre (former Latrobe Performing Arts Centre) at the Latrobe Creative Precinct once completed.*
 2. *As part of any future Expression of Interest process requests a further report on Gippsland FM's proposal for relocation as well as any other proposals, inclusive of detailed design plans and funding arrangements.*
- The expression of interest process opened on Monday 17 February 2020 and was originally scheduled to close on Friday 27 March 2020; due to COVID-19, the submission deadline was extended to Thursday 30 April 2020.
 - The expression of interest was widely advertised via Council's regular channels as well as being directly emailed to a contact list of over 100 local, metropolitan and interstate groups and organisations.
 - Five submissions were received:
 - a. Creative Plus Business Group Pty Ltd;
 - b. Latrobe Orchestra Incorporated;
 - c. Here, There & Everywhere Theatre Co. including The Gippsland Youth Drama Workshop;
 - d. Gippsland Community Radio Society Co-Operative Limited (Gippsland FM); and
 - e. Play it Forward (Aust.) Ltd (Latrobe Valley Community Choir).
 - An assessment panel comprising Councillors on the Project Reference Group (Cr Clancey, Cr McFarlane, and Cr Harriman) and four officers was convened to evaluate the submissions.
 - Evaluation of the submissions revealed that none of the submissions specifically met Council's aim of developing and growing a creative arts industry to generate a robust creative industry providing employment opportunities, training, partnerships and growth in business ideas.
 - Submissions were preliminary in nature and while they offered good ideas they lacked the sophistication of an associated business case, design plans and funding arrangements to support the success of a stand-alone operation without significant support from Council.
 - Through the EOI process it became apparent that development of the sector

to support community training programs was in its infancy. Further support from Regional Arts Victoria and Creative Victoria would be required for a credible outcome to be achieved.

- Officers have entered into discussions with Regional Arts Victoria and Creative Victoria regarding opportunities for these key bodies to be involved in the CITC. This may include potential partnerships in creative development, training, creation of community group residencies, locating a part time cultural development role at the CITC and funding to support a creative industry incubator.
- A creative hub environment, or incubator, would allow groups to grow their performing arts business, client base or social enterprise in a supportive setting.
- To assist in development of a creative hub, the four applicants that are community-based organisations have been invited to participate in a facilitated workshop to begin the process of designing what this might look like and how their group can benefit from involvement. All have responded with their intention to participate.

Background:

Progress in setting up the CITC has been slower than initially planned due to significant impacts of COVID-19. Creative development and touring in the performing arts will likely be impacted for the next 2-5 years as the industry recovers and develops new models of practice. Simultaneously, there has been significant uplift in production of online content across the performing arts. This activity requires access to equipment, production capacity and expertise in order to produce quality content that best represents artists and connects meaningfully with audiences. These impacts and structural shift in the industry have added further importance to the development of the CITC and it's offering to the community and industry.

In order to meet Victorian Government funding requirements, Council is required to enter into agreements with private and public training providers to facilitate creative arts based educational offerings. This is in development with ongoing networking with TAFE Gippsland, Federation University and Arts Centre Melbourne. Options being considered include TAFE Gippsland opting to link their offerings to their Foundation Workskills courses (early school leavers/ students with disability and the Koorie education program), Federation University delivering certificate level Live Production training and Arts Centre Melbourne delivering their tech connect program.

In addition, informal training opportunities are being explored with Federation University including workshops, masterclasses and single subject offerings with a view to build a more comprehensive program in the long term.

Officers have also entered into discussions with Regional Arts Victoria and Creative Victoria to collaboratively develop the following:

- The potential to locate a new regional cultural development role hosted at the CITC on a part time basis;
- Potential short, medium and long term partnerships with creative development, production and presentation outcomes;
- Provision of formal and informal training;
- Community groups ‘residencies’; and
- Funding support for a creative industry incubator.

Following an EOI process where no suitable proposals were received it was concluded that further work to build community capacity was needed. This should involve Regional Arts Victoria and Creative Victoria and consider the development of a creative hub environment as part of the CITC where groups can grow their performing arts business, client base or social enterprise in a supportive setting.

This would create a resource and integrated program which acts to:

- Incubate new creative industry activity in a supported environment;
- Offer formal and informal training and professional development in a ‘live’ environment;
- Build from the assets within the community to offer a range of experiences and community-held expertise in developing, producing and presenting across performing and media arts;
- Position Latrobe City as a Regional Creative Industry Hub that can adapt to changing industry needs and models of practice;
- Enable access to equipment, production capacity and in house expertise which can drive new industry opportunities and address barriers to entry;
- Leverage opportunities across the entire Latrobe Creative Precinct to support creative development, production and presentation in a ‘residency’ or ‘hub’ model for Gippsland. This is an emerging touring model being developed nationally in response to COVID-19 disruption;
- Enable an arts and creativity led economic transition for Gippsland.

Actively creating a shared space for collaboration, access and opportunity would provide a supported connected environment that can seed new creative industry activity – building sector capacity towards inter-dependence across Gippsland.

To progress the creative hub development, expression of interest applicants will take part in a co-design workshop to share their ideas and progress their aspirations.

This workshop aims to:

- Allow the applicants to participate in the design of the hub and test their expert ideas;
- Begin with aspirations and shared values and move toward outcomes and goals;
- Achieve a series of outcomes where ideas can be rapidly tested, measured and further developed; and
- Determine the next steps.

Issues:

Strategy Implications

- Objective 1: Support job creation and industry diversification to enable economic growth in Latrobe City
- Objective 2: Encourage improved education & training outcomes in Latrobe City
- Objective 7: Grow the civic pride of our municipality and solidify Latrobe City's image as a key regional city

Communication

The expression of interest was disseminated to a stakeholder list of over 100 creative groups, people and organisations, including local, regional, metropolitan and interstate.

Many potential applicants made contact to discuss the proposal and ask questions.

Communication is ongoing between the major educational partners, creative community and stakeholder groups. Participants will continue to be kept apprised of the CITC development, with additional groups invited to participate as identified for the best outcomes.

Financial Implications

There is no budget for development of the CITC. All participants and future lessees will be required to make some form of contribution and provide their own infrastructure.

Under the GPAC staffing structure, ongoing development of the CITC will be the responsibility of the Senior Programmer and the Venue Operations Leader.

Funding options are currently being discussed with Creative Victoria towards the development of a creative industry incubator at the CITC.

Risk Analysis

Identified risk	Risk likelihood*	Controls to manage risk
<p>Service Delivery Risk</p> <p>Course offerings not fully developed by the time the GPAC is operational.</p>	Possible (3)	Continue to work closely with providers to ensure appropriate timelines are met.
<p>Financial Risk</p> <p>Victorian Government funding at risk if the facility does not attract partners to deliver training at the CITC.</p>	Unlikely (2)	<p>There has been progress made with a variety of educational institutions regarding their education and training offerings for the facility – these discussions are ongoing.</p> <p>Building maintenance is covered within operational budgets.</p>
<p>Reputational Risk</p> <p>Negative opinion of Council should the facility not attract partners or become operational.</p>	Unlikely (2)	<p>There has been progress made with a variety of educational institutions regarding their education and training offerings for the facility – these discussions are ongoing.</p> <p>Community groups have expressed interest in delivering activities from the CITC.</p>

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

Legal and Compliance

Any legal and compliance issues arising from the development of the CITC as a creative hub will be dealt with in collaboration with Council's solicitor and property management team.

Community Implications

The expression of interest was widely advertised, allowing any community group to apply. Future options for creative community groups to become part of the creative hub are planned.

Environmental Implications

There are no environmental implications related to this report.

Consultation

Consultation regarding the development of the CITC has included a range of educational, government and community providers. Consultation with stakeholders is an ongoing element of the GPAC project.

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 1989*.

Supporting Documents:

Nil

Attachments

1. Creative Plus Business Group Submission (Published Separately)

This attachment 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. This attachment contains operational and financial information of a business, commercial or financial undertaking, that if released would unreasonably expose it to disadvantage in future activities

2. Gippsland FM Submission (Published Separately)

This attachment 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. This attachment contains operational and financial information of a business, commercial or financial undertaking, that if released would unreasonably expose it to disadvantage in future activities

3. Here, There & Everywhere Theatre Co Submission (Published Separately)

This attachment 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. This attachment contains operational and financial information of a business, commercial or financial undertaking, that if released would unreasonably expose it to disadvantage in future activities

4. Latrobe Orchestra Inc Submission (Published Separately)

This attachment 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. This attachment contains operational and financial information of a business, commercial or financial undertaking, that if released would unreasonably expose it to disadvantage in future activities

5. Play it Forward Submission (Published Separately)

This attachment 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. This attachment contains operational and financial information of a business, commercial or financial undertaking, that if released would unreasonably expose it to disadvantage in future activities

ASSETS AND PRESENTATION

15. ASSETS AND PRESENTATION

Nil reports

COMMUNITY HEALTH AND WELLBEING

16. COMMUNITY HEALTH AND WELLBEING

Nil reports

ORGANISATIONAL PERFORMANCE

17. ORGANISATIONAL PERFORMANCE

Agenda Item: 17.1

**Agenda Item: Authorisation of Councillors for Certification of the
2019/20 Financial Report and Performance Statement**

Sponsor: General Manager, Organisational Performance

**Council Plan Objective: Ensure Council operates openly, transparently and
responsibly.**

Status: For Decision

Proposed Resolution:

That Council in accordance with Section 132 (5) of the Local Government Act 1989 authorises Audit and Risk Committee delegates Councillors Darrell White and Alan McFarlane to certify the performance statement and financial statements in their final form on behalf of Council for the year ended 30 June 2020.

Executive Summary:

- In order for the Victorian Auditor General's Office (VAGO) to provide an audit report certifying Council's 2019/2020 financial report and performance statement, Council must first provide in principle approval of the statements and authorise two Councillors to certify the statements in their final form.
- These statements are a key requirement of Council's Annual Report which in accordance with the Local Government Act 1989 (the Act) must be submitted to the Minister for Local Government by 30 September each year. This year due to COVID-19 this has been extended to 30 November 2020.
- The draft statements were presented to Council's Audit and Risk Committee on 17 September 2020. Staff from VAGO's audit contractors DMG Audit and Advisory who conducted the Latrobe City audit were in attendance and tabled a closing audit report. An update of the Audit and Risk Committee recommendations will be provided at the Council Meeting.
- 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 2020 and that Council authorises Audit and Risk Committee delegates Councillors Darrell White and Alan McFarlane to certify these statements in

their final form.

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.

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 will subsequently be finalised and submitted to the Minister.

Once the Annual Report has been submitted to the Minister, public notice will also be given advising that the Annual Report can be inspected online or at all Council offices (COVID-19 restrictions permitting). In accordance with Section 134 of the Act a meeting of Council will be held as soon as practicable, to consider the annual report, within the time required by the regulations, being one month after providing the annual report to the Minister.

The table below sets out the process:

Process	Date
Draft Audited Financial Statements presented to Audit and Risk Committee	17 September 2020
Council approval for two Councillors to certify the financial, standard and performance statements in their final form	05 October 2020
Certifications signed by the two nominated Councillors	05 October 2020
Auditor General issues audit reports	Upon receipt of signed certifications
Public notice given that audit reports have been received	Following receipt of audit reports
Annual report, including financial and performance reports sent to the Minister for Local Government	By 30 November 2020
Public notice given that the annual report is available for inspection and the date of the Council meeting that Council will consider the annual report	Council meeting within one month of submitting the annual report to the Minister for Local

	Government
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Issues:

Strategy Implications

This report supports the Council objective to ensure Council operates openly, transparently and responsibly by providing the community with reports on Council's performance over the 2019/20 financial year.

Communication

The financial report and performance statement will be included in Council's annual report which will be subject to a public notice providing the community with the opportunity to inspect prior to its adoption by Council.

Financial Implications

The subject reports are in respect of the Council's financial position, performance and operations for the year ended 30 June 2020. There are no financial or resource implications.

Risk Analysis

Identified risk	Risk likelihood*	Controls to manage risk
Legal/Regulatory Risk Non-compliance with legal requirements	Rare	The recommendations in this report comply with statutory requirements of the <i>Local Government Act 1989</i> and the <i>Local Government (Planning and Reporting) Regulations 2014</i> .

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

Legal and Compliance

The recommendations in this report are necessary to comply with statutory requirements of the Local Government Act 1989 and the Local Government (Planning and Reporting) Regulations 2014.

Community Implications

n/a

Environmental Implications

n/a

Consultation

No engagement

Other

n/a

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 1989*.

Supporting Documents:

Nil

Attachments

1 [↓](#). 2019/20 Financial Statements

2 [↓](#). 2019/20 Performance Statement

17.1

Authorisation of Councillors for Certification of the 2019/20 Financial Report and Performance Statement

1	2019/20 Financial Statements	63
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Latrobe City Council

2019/2020 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 1989*, the *Local Government (Planning and Reporting) Regulations 2014*, Australian Accounting Standards and other mandatory professional reporting requirements.

Matthew Rogers CPA
Principal Accounting Officer
Dated: dd/mm/yyyy
<Location>

In our opinion the accompanying financial statements present fairly the financial transactions of Latrobe City Council for the year ended 30 June 2020 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 2014* to certify the financial statements in their final form.

Cr XXXXXX
Councillor
Dated: dd/mm/yyyy
<Location>

Cr XXXXXX
Councillor
Dated: dd/mm/yyyy
<Location>

Steven Piasente
Chief Executive Officer
Dated: dd/mm/yyyy
<Location>

Insert Auditors Report on this page

Insert Auditors Report on this page

Comprehensive Income Statement
For the Year Ended 30 June 2020

	NOTE	2020 \$'000	2019 \$'000
INCOME			
Rates and charges	3.1	80,776	78,013
Statutory fees and fines	3.2	2,396	2,284
User fees	3.3	11,502	13,633
Grants - operating	3.4	29,347	28,947
Grants - capital	3.4	67,831	48,629
Contributions - monetary	3.5	788	1,085
Contributions - non monetary	3.5	3,588	4,839
Other income	3.6	5,112	5,794
Landfill rehabilitation provision movement	5.5	2,695	(913)
Total income		204,035	182,311
EXPENSES			
Employee costs	4.1	(58,093)	(56,553)
Materials and services	4.2	(39,337)	(38,603)
Depreciation	4.3	(27,956)	(27,074)
Amortisation - intangible assets	4.4	(651)	(586)
Amortisation - right of use assets	4.5	(25)	-
Bad and doubtful debts	4.6	(34)	(40)
Borrowing costs	4.7	(390)	(705)
Finance costs - leases	4.8	(29)	-
Net loss on disposal of property, infrastructure, plant and equipment	4.9	(6,419)	(8,543)
Other expenses	4.10	(3,419)	(3,339)
Total expenses		(136,353)	(135,443)
Surplus/ (Deficit) for the year		67,682	46,868
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment/(decrement)	9.1	(3,151)	7,196
Total comprehensive result		64,531	54,064

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

Balance Sheet

As at 30 June 2020

	NOTE	2020 \$'000	2019 \$'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5.1	38,731	26,117
Trade and other receivables	5.1	6,681	8,080
Other financial assets	5.1	70,169	96,712
Non-current assets classified as held for sale	6.1	-	-
Other assets	5.2	4,402	3,336
Total current assets		119,983	134,245
NON-CURRENT ASSETS			
Trade and other receivables	5.1	9	15
Other financial assets	5.1	2	2
Property, infrastructure, plant and equipment	6.2	1,222,598	1,167,920
Right-of-use assets	5.8	723	-
Intangible assets	5.2	724	1,374
Total non-current assets		1,224,056	1,169,311
TOTAL ASSETS		1,344,039	1,303,556
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	5.3	22,201	9,472
Trust funds and deposits	5.3	3,247	2,640
Provisions	5.5	16,851	19,993
Interest-bearing loans and borrowings	5.4	2,527	9,239
Lease liabilities	5.8	29	-
Total current liabilities		44,855	41,344
NON-CURRENT LIABILITIES			
Provisions	5.5	16,894	21,012
Interest-bearing loans and borrowings	5.4	7,749	5,826
Lease liabilities	5.8	706	-
Total non-current liabilities		25,349	26,838
TOTAL LIABILITIES		70,204	68,182
NET ASSETS		1,273,835	1,235,374
EQUITY			
Accumulated surplus		784,822	744,259
Reserves	9.1	489,013	491,115
TOTAL EQUITY		1,273,835	1,235,374

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

Statement of Changes in Equity
For the Year Ended 30 June 2020

	NOTE	TOTAL \$'000	ACCUMULATED SURPLUS \$'000	REVALUATION RESERVE \$'000	OTHER RESERVES \$'000
2020					
Balance at beginning of the financial year		1,235,374	744,259	487,586	3,529
Impact of change in accounting policy					
- AASB 15 Revenue from Contracts with Customers	10	(1,238)	(1,238)	-	-
Impact of change in accounting policy					
- AASB 1058 Income of Not-for-Profit Entities	10	(24,832)	(24,832)	-	-
Impact of change in accounting policy					
- AASB 16 Leases	5.7	-	-	-	-
Adjusted Opening balance		1,209,304	718,189	487,586	3,529
Surplus for the year		67,682	67,682		
Net asset revaluation increment	6.2	(3,151)		(3,151)	
Transfers to other reserves	9.1	-	(1,073)	-	1,073
Transfers from other reserves	9.1	-	24	-	(24)
Balance at end of the financial year		1,273,835	784,822	484,435	4,578
2019					
Balance at beginning of the financial year		1,181,309	697,515	480,390	3,404
Surplus for the year		46,868	46,868		
Net asset revaluation decrement	6.2	7,196		7,196	
Transfers to other reserves	9.1	-	(143)	-	143
Transfers from other reserves	9.1	-	18	-	(18)
Balance at end of the financial year		1,235,374	744,259	487,586	3,529

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

Statement of Cash Flows
For the Year Ended 30 June 2020

	NOTE	2020 \$'000	2019 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Rates and charges		80,047	77,990
Statutory fees and fines		2,385	2,315
User fees		12,651	14,441
Grants - operating		32,386	29,103
Grants - capital		52,930	50,021
Contributions - monetary		889	1,295
Interest received		2,955	2,921
Trust funds and deposits taken		12,499	11,948
Other receipts		3,587	1,989
Net GST refund/ (payment)		(2,428)	2,541
Employee costs		(56,776)	(56,850)
Materials and services		(48,858)	(46,177)
Short-term, low value and variable lease payments		(36)	(78)
Trust funds and deposits repaid		(11,891)	(11,422)
Other payments		(3,191)	(3,136)
Net cash provided by operating activities	9.2	77,149	76,901
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, infrastructure, plant and equipment		(86,627)	(40,441)
Proceeds from sale of property, infrastructure, plant and equipment		808	658
Payments for investments		(120,969)	(175,712)
Proceeds from sale of investments		147,512	143,518
Loans and advances made		-	-
Payments of loans and advances		7	5
Net cash used in investing activities		(59,269)	(71,972)
CASH FLOWS FROM FINANCING ACTIVITIES			
Finance costs		(435)	(702)
Proceeds from borrowings		4,450	-
Repayment of borrowings		(9,238)	(1,569)
Interest paid - lease liability		(29)	-
Repayment of lease liabilities		(14)	-
Net cash used in financing activities		(5,266)	(2,271)
Net increase/ (decrease) in cash and cash equivalents		12,614	2,658
Cash and cash equivalents at the beginning of the financial year		26,117	23,459
Cash and cash equivalents at the end of the financial year		38,731	26,117
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.

Statement of Capital Works
For the Year Ended 30 June 2020

	NOTE	2020 \$'000	2019 \$'000
PROPERTY			
Land		-	-
Total land		-	-
Buildings*		62,945	18,124
Heritage buildings		-	5
Total buildings		62,945	18,129
Total property		62,945	18,129
PLANT AND EQUIPMENT			
Plant, machinery and equipment		2,451	2,473
Fixtures, fittings and furniture		7	37
Computers and telecommunications		342	395
Art collection		8	16
Total plant and equipment		2,808	2,921
INFRASTRUCTURE			
Roads		12,191	10,767
Bridges		413	166
Footpaths and cycleways		2,935	4,577
Drainage		734	632
Recreational, leisure and community facilities		2,741	3,550
Waste management		425	19
Parks, open space and streetscapes		3,900	832
Off street car parks		611	352
Other infrastructure		60	280
Total infrastructure		24,010	21,175
Total capital works expenditure		89,763	42,225
Represented by:			
New asset expenditure		47,205	20,923
Asset renewal expenditure		20,860	15,577
Asset expansion expenditure		-	3,170
Asset upgrade expenditure		21,698	2,555
Total capital works expenditure	1.2	89,763	42,225

* Note - The significant increase in expenditure in the Buildings asset class in 2020 is mainly due to the construction of the Gippsland Regional Aquatic Centre \$23.4M, Traralgon Sports Stadium expansion \$11.8M and Latrobe Creative Precinct \$6.1M.

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

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 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

Significant Accounting Policies

(a) Basis of accounting

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

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

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

- The fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.2)
- 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 rehabilitation 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)
- 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 (except where transitional requirements of *AASB 15 Revenue from Contracts with Customers*, *AASB 16 Leases* and *AASB 1058 Income of Not-for-Profit Entities* do not require restatement of comparatives under the modified retrospective approach adopted by the Council), and disclosure has been made of any material changes to comparatives.

Notes to the Financial Report
For the Year Ended 30 June 2020

Latrobe City Council
2019/2020 Financial Report

NOTE 1 Performance Against Budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variances. Council has adopted a materiality threshold of 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 3 June 2019. 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 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

1.1 Income and Expenditure

	BUDGET 2020 \$'000	ACTUAL 2020 \$'000	VARIANCE 2020 \$'000	VARIANCE 2020 %	REF
INCOME					
Rates and charges	80,250	80,776	526	1%	1
Statutory fees and fines	2,266	2,396	130	6%	
User fees	12,657	11,502	(1,155)	(9%)	2
Grants - operating	25,858	29,347	3,489	13%	3
Grants - capital	41,925	67,831	25,906	62%	4
Contributions - monetary	90	788	698	776%	5
Contributions - non monetary	3,000	3,588	588	20%	6
Other income	3,587	5,112	1,525	43%	7
Landfill provision movement	-	2,695	2,695	100%	8
Total income	169,633	204,035	34,402	20%	
EXPENSES					
Employee costs	60,267	58,093	2,174	4%	9
Materials and services	35,429	39,337	(3,908)	(11%)	10
Bad and doubtful debts	9	34	(25)	(278%)	11
Depreciation	27,600	27,956	(356)	(1%)	12
Amortisation - Intangible assets	767	651	116	15%	13
Amortisation - Right of use assets	-	25	(25)	(100%)	14
Borrowing costs	615	390	225	37%	15
Finance Costs - Leases	-	29	(29)	(100%)	16
Net loss on disposal of property, infrastructure, plant and equipment	-	6,419	(6,419)	(100%)	17
Other expenses	2,885	3,419	(534)	(19%)	18
Total expenses	127,572	136,353	(8,781)	(7%)	
SURPLUS/ (DEFICIT) FOR THE YEAR	42,061	67,682	25,621	61%	

Annual Report 2019/20

Notes to the Financial Report
For the Year Ended 30 June 2020

Latrobe City Council
2019/2020 Financial Report

NOTE 1 Performance Against Budget (continued)

(i) Explanation of material variations - Income and Expenditure

REF	ITEM	EXPLANATION	Outcome	Favourable		
1	Rates and charges		Outcome	Favourable	\$0.53 million	1%
		Higher than expected growth in Council's rate base as a result of supplementary valuations from subdivisions and property improvements \$0.4M and additional waste charge assessments \$0.1M.				
2	User fees		Outcome	Unfavourable	\$1.16 million	9%
		The unfavourable variance is mainly as a result of the closure and restricted access to facilities associated with the COVID-19 declared State of Emergency which resulted in reduced fees from leisure facilities (\$1.3M) and Pre Schools (\$0.2M). These variance were partially offset by higher than expected landfill gate fees associated with higher levels of commercial waste (\$0.4M).				
3	Grants - operating		Outcome	Favourable	\$3.49 million	13%
		The variance is mainly the result of additional Pre-School funding for various programs (\$1.4M), advanced Victorian Grants Commission (\$0.9M) and other unbudgeted grants e.g. Working for Victoria COVID-19 relief funding (\$0.4M)				
4	Grants - capital		Outcome	Favourable	\$25.9 million	62%
		The variance is mainly the result of the introduction of Accounting Standard AASB1058 which changes the timing of recognition of income. Income that had been recognised in previous years on receipt of the grant for incomplete contracts was subsequently reversed in opening equity and recognised again in the current year as Council met the performance obligations associated with the funding. In addition unbudgeted Roads to Recovery funding was received during the year (\$1.2M).				
5	Contributions - monetary		Outcome	Favourable	\$0.7 million	776%
		Unbudgeted funding contributions were received for the Latrobe Regional Hospital Footpath Access Project (\$0.4M) together with higher than expected developer contributions (\$0.3M).				
6	Contributions - non monetary		Outcome	Favourable	\$0.59 million	20%
		Construction of infrastructure assets and provision of land for open space 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 at which point these assets are brought to account as revenue and capitalised. Higher than expected contribution of land and infrastructure assets have been received in 2019/20 mainly due to the budget being based on conservative development projections due the uncertainty of timing of developers requesting a Statement of Compliance for their subdivisions.				
7	Other income		Outcome	Favourable	\$1.53 million	43%
		Favourable result due mainly to unbudgeted Major Events and third party reimbursements (\$0.8M), higher than expected interest income from investments and penalty interest on outstanding property rates & charges (\$0.5M), and a back claim of fuel tax credits for the previous five years (\$0.3M).				
8	Landfill provision movement		Outcome	Favourable	\$2.7 million	100%
		Significant savings achieved in the rehabilitation of the Moe and Morwell legacy landfill sites due to the sourcing of local soil. These savings led to an unexpected write down of the provision liability from the balance sheet to income.				

Annual Report 2019/20

Notes to the Financial Report
For the Year Ended 30 June 2020

Latrobe City Council
2019/2020 Financial Report

NOTE 1 Performance Against Budget (continued)

Explanation of material variations - Income and Expenditure

REF	ITEM	EXPLANATION			
9	Employee costs	Outcome	Favourable	\$2.17 million	4%
	The favourable variance relates mainly to the closure of services due to COVID-19 and additional project management wages capitalised associated with changes in timing of multi year capital projects and additional unbudgeted externally funded capital works (\$1.5M).				
10	Materials and services	Outcome	Unfavourable	\$3.91 million	11%
	The variance is predominantly a result of expenditure that was budgeted as capital but has been expensed as a result of it not meeting the criteria required to be capitalised e.g. Gippsland Regional Aquatic Centre site clean up and decontamination works \$1.7M, together with expenditure funded from income received in previous financial years.				
11	Bad and doubtful debts	Outcome	Unfavourable	\$0.03 million	278%
	Higher than expected write-off of unrecoverable Pre School and Child Care debts.				
12	Depreciation	Outcome	Unfavourable	\$0.36 million	1%
	Higher than expected depreciation incurred associated with a number of minor impacts including higher than anticipated developer contributed assets over the past two years.				
13	Amortisation - Intangible assets	Outcome	Favourable	\$0.12 million	15%
	Minor favourable variance due to an overestimation of the expected cost to construct the most recent landfill cell, together with software assets becoming fully written down.				
14	Amortisation - Right of use assets	Outcome	Unfavourable	\$0.03 million	100%
	The impact of the implementation of AASB 16 Leases had not been assessed when the budget was formulated.				
15	Borrowing costs	Outcome	Favourable	\$0.23 million	37%
	Lower than predicted loan interest expenditure due to Councils decision to internally fund the 2018/19 budgeted borrowings of \$5.0M.				
16	Finance Costs - Leases	Outcome	Unfavourable	\$0.03 million	100%
	The impact of the implementation of AASB 16 Leases had not been assessed when the budget was formulated. Lease payments were budgeted under the "Other expenses" line item.				
17	Net loss on disposal of property, infrastructure, plant and equipment	Outcome	Unfavourable	\$6.42 million	100%
	Disposals are over budget due mainly to a procedure that was implemented in the 2017/18 year to process disposals of assets renewed as part of the capital works program. This process was not factored in to the 2019/20 budget process and involves the disposal of the residual value of assets that have been replaced with a renewed asset and relates mainly to asset classes of infrastructure (\$4.8M) and buildings (\$1.9M). This has been partially offset by a gain on disposal of plant and fleet (\$0.3M).				
18	Other expenses	Outcome	Unfavourable	\$0.53 million	19%
	The unfavourable balance is mainly attributable to above budget levels of State Government landfill levies associated with increased levels of waste to landfill during the year (\$0.2M). In addition there was also a requirement to expense \$0.3M of the opening work in progress balance mainly due to infrastructure works that didnt meet the criteria for capitalisation.				

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Notes to the Financial Report
For the Year Ended 30 June 2020

Latrobe City Council
2019/2020 Financial Report

NOTE 1 Performance Against Budget (continued)

1.2 Capital Works

	BUDGET 2020 \$'000	ACTUAL 2020 \$'000	VARIANCE 2020 \$'000	VARIANCE 2020 %	REF
PROPERTY					
Buildings	79,306	62,945	16,361	21%	1
Total buildings	79,306	62,945	16,361	21%	
Total property	79,306	62,945	16,361	21%	
PLANT AND EQUIPMENT					
Plant, machinery and equipment	2,652	2,451	201	8%	
Fixtures, fittings and furniture	10	7	3	30%	2
Computers and telecommunications	600	342	258	43%	3
Art collection	15	8	7	47%	4
Total plant and equipment	3,277	2,808	469	14%	
INFRASTRUCTURE					
Roads	10,450	12,191	(1,741)	(17%)	5
Bridges	600	413	187	31%	6
Footpaths and cycleways	1,031	2,935	(1,904)	(185%)	7
Drainage	154	734	(580)	(377%)	8
Recreational, leisure and community facilities	6,116	2,741	3,375	55%	9
Waste management	100	425	(325)	(325%)	10
Parks, open space and streetscapes	3,569	3,900	(331)	(9%)	11
Off street car parks	50	611	(561)	(1122%)	12
Other infrastructure	3,953	60	3,893	98%	13
Total infrastructure	26,023	24,010	2,013	8%	
Total capital works expenditure	108,606	89,763	18,843	17%	
Represented by:					
New asset expenditure	74,254	47,205	27,049	36%	14
Asset renewal expenditure	17,532	20,860	(3,328)	(19%)	15
Asset expansion expenditure	-	-	-	100%	
Asset upgrade expenditure	16,819	21,698	(4,879)	(29%)	16
Total capital works expenditure	108,605	89,763	18,842	17%	

Annual Report 2019/20

Notes to the Financial Report
For the Year Ended 30 June 2020

Latrobe City Council
2019/2020 Financial Report

NOTE 1 Performance Against Budget (continued)

(i) Explanation of material variations - Capital Works

REF	ITEM	EXPLANATION	Outcome:	Underspend	\$	Percentage
1	Buildings		Outcome:	Underspend	\$16.3 million	21%
		Timing of projects spanning multiple financial years now expected to be spent in the 2020/21 financial year. This includes Latrobe Creative Precinct (\$15M).				
2	Fixtures, fittings and furniture		Outcome:	Underspend	\$0.003 million	30%
		Minor underspend due to actual renewal requirements				
3	Computers and telecommunications		Outcome:	Underspend	\$0.26 million	43%
		A number of items purchased were under the capitalisation threshold of Council and were expensed to the Income Statement				
4	Art collection		Outcome:	Underspend	\$0.007 million	0%
		Delay in acquisition of artwork (\$0.007M)				
5	Roads		Outcome:	Overspend	\$1.74 million	17%
		Unbudgeted additional government funding programs resulting in increased level of expenditure: Roads to Recovery Program (\$1.2M), Fixing Country Roads Program (\$0.7M)				
6	Bridges		Outcome:	Underspend	\$0.19 million	31%
		Delay in bridge and culvert works along Crinigan Road (\$0.19M)				
7	Footpaths and cycleways		Outcome:	Overspend	\$1.9 million	377%
		Timing of funded projects carried over from previous years resulting in increased level of expenditure. Morwell to Traralgon Shared Pathway (\$1.03M) and Latrobe Regional Hospital Footpath Access Project (\$0.58M)				
8	Drainage		Outcome:	Overspend	\$0.58 million	325%
		Drainage works (\$0.48M) incurred as part of Road Rehabilitation originally budgeted as Roads				

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Notes to the Financial Report
For the Year Ended 30 June 2020

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NOTE 1 Performance Against Budget (continued)

Explanation of material variations - Capital Works

9	Recreational, leisure and community facilities	Outcome:	Underspend	\$3.38 million	55%
	Monash Reserve expenditure capitalised into Buildings (Pavilion \$1.26M) and Off Street Carparks (\$0.61M). Morwell Recreation Reserve Shared Sports Pavilion capitalised into Building's (\$0.22M). Keegan Street Oval expensed to income statement due to asset recognition policy (\$0.52M).				
10	Waste management	Outcome:	Overspend	\$0.33 million	325%
	Timing of project spanning multiple financial years - Landfill Biogas to Energy Project (\$0.38M)				
11	Parks, open space and streetscapes	Outcome:	Overspend	\$0.33 million	9%
	Expenditure incurred on co-funded projects: Moe AAA/Apex/Lions Play Space (\$0.33M) and Moe Botanic Gardens Play Space (\$0.32M). Offset by multi year project, Future Morwell (\$0.29M), which has delayed expenditure to be incurred in 20/21 financial year				
12	Off street car parks	Outcome:	Overspend	\$0.56 million	1122%
	Off Street Car Park constructed as part of Monash Reserve project (\$0.61M) which was budgeted as Recreational, leisure and community facilities.				
13	Other infrastructure	Outcome:	Underspend	\$3.89 million	98%
	Delayed progress of the Gippsland Logistics Precinct and Intermodal Freight Terminal (\$3.89M)				
14	New asset expenditure	Outcome:	Underspend	\$27.0 million	36%
	Underspend due to works carried over to the next financial year include the Latrobe Creative Precinct (\$15M) and Gippsland Aquatic Centre (\$5.7M), along with delays in the Logistics Precinct and Intermodal Freight Terminal (\$3.89M). In addition the Future Morwell project (\$2.75M) was budgeted as "new expenditure" , however, actuals reflected as "upgrade expenditure"				
15	Asset renewal expenditure	Outcome:	Overspend	\$3.33 million	19%
	Overspend relates to additional expenditure undertaken on funded programs including Roads to Recovery Program (\$1.2M) and Fixing Country Roads Program (\$0.7M). Additionally part of expenditure incurred on Monash Reserve Pavilion and Courts Project was budgeted as "new expenditure" , however, actuals classified as "renewal expenditure" (\$1.05M)				
16	Asset upgrade expenditure	Outcome:	Overspend	\$4.88 million	29%
	Overspend relates primarily to timing of funded expenditure on multi year projects where budget estimates have been incorrect. Expenditure incurred in the current year includes Traralgon Sports Stadium (\$0.68M), Traralgon South Pavilion (\$0.57M), Traralgon Railway Reserve (\$0.35M), Moe AAA/Apex/Lions Play Space (\$0.33M), and Traralgon Recreation Reserve change rooms (\$0.25M). Future Morwell project (\$2.75M) budgeted as "new expenditure" , however, actuals reflected as "upgrade expenditure"				

Notes to the Financial Report
For the Year Ended 30 June 2020

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Note 2.1 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

2.1 (a) Office of the Chief Executive

Office of the Chief Executive
Mayoral and Council Support and Operations
Engagement & Customer Focus

Regional City Growth & Investment

Business Development
Economic Investment and Transition
Creative Venues, Events and Tourism
Regional City Planning (including Statutory, Strategic and Urban Growth planning)

Organisational Performance

Financial Performance
Organisational Performance and Information Technology
People and Culture
Governance

Assets & Presentation

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 Sustainability,

Community Health & Wellbeing

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

Resource Recovery

Landfill Operations
Waste & Recycling
Litter Bins
Garbage Charge revenue

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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Notes to the Financial Report
For the Year Ended 30 June 2020

Latrobe City Council
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Note 2.1 Analysis of Council results by program

2.1 (b) Summary of revenues, expenses, assets and capital expenses by program

	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2020					
Office of the Chief Executive	4,747	(4,452)	295	617	79
Regional City Growth & Investment	11,517	(10,223)	1,294	2,144	42,156
Organisational Performance	16,377	(14,391)	1,986	2,696	5,835
Assets & Presentation	41,237	(48,526)	(7,289)	7,250	976,122
Community Health & Wellbeing	38,373	(40,083)	(1,710)	14,712	114,953
Resource Recovery	19,515	(11,902)	7,613	151	27,632
Major Recreation Projects	51,450	581	52,031	50,808	64,942
Other Operating	1,633	(1,633)	-	-	68,093
Capital Works Program	19,186	(5,724)	13,462	18,800	44,228
	204,035	(136,353)	67,682	97,178	1,344,040
2019					
Office of the Chief Executive	3,770	(4,095)	(325)	434	45
Regional City Growth & Investment	10,578	(10,634)	(56)	1,898	42,785
Organisational Performance	14,676	(14,657)	19	1,794	1,426
Assets & Presentation	43,133	(48,513)	(5,380)	6,996	973,396
Community Health & Wellbeing	41,498	(41,166)	332	15,643	119,646
Resource Recovery	16,189	(11,133)	5,056	224	28,577
Major Recreation Projects	37,409	(93)	37,316	37,143	29,436
Other Operating	563	(563)	-	-	75,625
Capital Works Program	14,495	(4,589)	9,906	13,444	32,620
	182,311	(135,443)	46,868	77,576	1,303,556

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Notes to the Financial Report
For the Year Ended 30 June 2020

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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 2019/20 was \$11,725 million (2018/19 was \$11,355.50 million).

The applicable rates in the CIV dollar were:

	2020	2019
	\$	\$
General	0.00466836	0.00468373
Farm	0.00350127	0.00351280
Derelict Properties	0.01400508	0.01405120
Cultural and recreational	0.00233418	0.00234187
Cultural and recreational with gaming facilities	0.00280102	0.00281024

This derived rate revenues of:

	2020	2019
	\$'000	\$'000
General rates	53,716	52,123
Municipal charge	5,389	5,250
Garbage charge	12,437	11,992
EPA Victoria landfill levy	751	724
Supplementary rates and rates adjustments	634	169
Cultural and recreational	84	84
Revenue in lieu of rates	7,765	7,671
Total rates and charges	80,776	78,013

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

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

Notes to the Financial Report
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	2020	2019
	\$'000	\$'000

3.2 Statutory fees and fines

Infringement and costs	449	477
Town planning fees	10	10
Land information certificates	54	72
Permits	810	713
Pool and Spa Registrations	42	-
Health registrations	330	369
Animal registrations	536	527
Other	165	116
Total Statutory fees and fines	2,396	2,284

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	1,807	1,923
Leisure centre and recreation	2,293	3,203
Child care/children's programs	4,092	4,241
Waste management services	2,361	3,029
Other fees and charges	949	1,237
Total User fees	11,502	13,633

User fees by timing of revenue recognition

User fees recognised at a point in time	11,502	-
Total User fees	11,502	-

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.

3.4 Funding from other levels of government

Grants were received in respect of the following:

Summary of grants

Commonwealth funded grants	24,655	20,021
State funded grants	72,523	57,555
Total grants received	97,178	77,576

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

Victorian Grants Commission	13,044	11,660
Aged and disability programs	2,278	2,946
Employment facilitation	282	147
Family and children programs	79	62

Recurrent – State Government

Preschools	4,623	4,249
Family and children programs	2,265	2,290
Maternal and child health	1,265	1,202
Aged and disability programs	1,045	1,889
Libraries	521	509
School crossing supervision	204	199
Arts programs	155	155
Environment sustainability	33	29
Other	15	18
Total recurrent operating grants	25,809	25,355

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	2020 \$'000	2019 \$'000
Non-Recurrent – Commonwealth Government		
Economic development	200	-
Events And International Relations	100	-
Aged and disability programs	69	-
Other	21	55
Non-Recurrent – State Government		
Recreational, Leisure & Community Facilities	1,650	1,818
Working for Victoria COVID19 Response	443	-
Economic development	204	424
Natural disaster recovery	166	109
Events & International Relations	145	275
Public Lighting	108	190
Community support and development programs	87	243
Arts program	59	156
Pre Schools	33	-
Infrastructure Planning	8	132
Other	245	190
Total non-recurrent operating grants	3,538	3,592
Total operating grants	29,347	28,947
(b) Capital Grants		
Recurrent – Commonwealth Government		
Roads to recovery program	2,550	1,181
Total recurrent capital grants	2,550	1,181
Non-Recurrent – Commonwealth Government		
Buildings	2,483	270
Recreation, leisure and community facilities	1,960	2,480
Parks, Open Spaces And Streetscapes	1,319	-
Footpath & Cycleways	270	982
Other	-	238
Non-Recurrent – State Government		
Buildings	51,576	32,027
Recreation, leisure and community facilities	4,357	7,592
Parks, Open Spaces And Streetscapes	1,277	200
Roads	1,114	1,194
Footpath & Cycleways	712	1,665
Other Infrastructure	213	800
Total non-recurrent capital grants	65,281	47,448
Total capital grants	67,831	48,629
Total Grants	97,178	77,576
(c) Unspent grants received on condition that they be spent in a specific manner		
Operating		
Balance at start of year	12,649	10,986
Transition to AASB15	(1,227)	-
Received during the financial year and remained unspent at balance date	2,866	11,228
Received in prior years and spent during the financial year	(11,333)	(9,565)
Balance at year end	2,955	12,649
Capital		
Balance at start of year	25,639	1,634
Transition to AASB1058	(25,734)	-
Differences between previous reporting and AASB1058	95	-
Received during the financial year and remained unspent at balance date	-	25,081
Received in prior years and spent during the financial year	-	(1,076)
Balance at year end	-	25,639

Grant income is recognised at the point in time when the council satisfies its performance obligations as specified in the underlying agreement.

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Notes to the Financial Report
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	2020	2019
	\$'000	\$'000

3.5 Contributions

Monetary	788	1,085
Non-monetary	3,588	4,839
Total Contributions	4,376	5,924

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

Land	556	637
Roads	1,788	1,943
Other Infrastructure	1,240	2,203
Other	4	56
Total non-monetary contributions	3,588	4,839

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

3.6 Other Income

Interest	2,371	3,240
Other Rent	828	779
Sales	469	551
Contributions other	1,149	1,031
Rebates	280	142
Other	14	51
Total other income	5,111	5,794

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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NOTE 4 The cost of delivering services

	2020 \$'000	2019 \$'000
4.1 (a) Employee costs		
Salaries and wages	49,486	48,309
Workcover	1,228	1,155
Superannuation	4,714	4,532
Fringe benefits tax	333	329
Other	2,332	2,228
Total employee costs	58,093	56,553

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	325	361
Employer contributions payable at reporting date	-	-
	325	361
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	3,894	3,765
Employer contributions payable at reporting date	495	406
	4,389	4,171

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

4.2 Materials and services

Cleaning	906	935
Family Day Care Educators	644	707
Vehicle Expenses	989	1,076
Disaster Response - Yinnar South Fires	-	660
Parks and Reserves	148	46
Sporting Grounds & Facilities	2,664	2,798
Domestic Rubbish Collection	3,323	3,315
Transfer Stations	1,050	999
Materials Recovery Facility	821	740
Green Waste Processing	731	612
Litter Bins	455	458
Street Sweeping	523	531
Other Contracts	6,364	5,518
Building maintenance	1,672	865
General maintenance	3,480	3,315
Utilities	2,883	3,249
Office administration	1,711	2,297
Information technology	1,972	2,296
Insurance	983	879
Consultants	2,594	2,475
Other	5,424	4,832
Total materials and services	39,337	38,603

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	2020 \$'000	2019 \$'000
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4.3 Depreciation

Property	5,936	5,916
Plant, furniture and equipment	2,182	2,090
Infrastructure	19,838	19,068
Total depreciation and amortisation	27,956	27,074

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	39	63
Landfill	612	523
Total Amortisation - Intangible assets	651	586

4.5 Amortisation - Right of use assets

Property	23	n/a
Vehicles	1	n/a
Total Amortisation - Right of use assets	24	-

4.6 Bad and doubtful debts

Other debtors	34	40
Total bad and doubtful debts	34	40

Movement in provision for doubtful debts

Balance at the beginning of the year	60	21
New Provisions recognised during the year	10	43
Amounts already provided for and written off as uncollectible	(49)	(4)
Amounts provided for but recovered during the year	(1)	(1)
Balance at the end of the year	20	59

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	390	705
Total borrowing costs	390	705

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	n/a
Total finance costs	29	-

Notes to the Financial Report
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	2020	2019
	\$'000	\$'000

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

Proceeds of sale	808	610
Write down value of assets disposed (sold/written off)	(855)	(2,594)
Write down value of assets disposed (asset renewal)	(6,372)	(6,559)
Total net gain/ (loss) on disposal of property, infrastructure, plant and equipment	(6,419)	(8,543)

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

4.10 Other expenses

Auditors' remuneration - VAGO	61	61
Auditors' remuneration - Internal	112	57
Audit other	80	26
Councillors' allowances	316	310
Operating lease rentals	33	71
Grants	1,175	1,041
Levies	1,303	1,522
Assets written-off / impaired	339	251
Total other expenses	3,419	3,339

Notes to the Financial Report
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NOTE 5 Our financial position

	2020	2019
	\$'000	\$'000

5.1 Financial assets

(a) Cash and cash equivalents

Cash on hand	11	11
Cash at bank	18,720	11,106
Term Deposits	20,000	15,000
Total cash and cash equivalents	38,731	26,117

(b) Other financial assets

Term Deposits - current (>90days)	70,169	96,712
Total other financial assets	70,169	96,712

Total financial assets	108,900	122,829
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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))	3,247	2,640
Total restricted funds	3,247	2,640

Total unrestricted cash and cash equivalents	35,484	23,477
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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))	4,578	3,529
Cash held to fund carried forward capital works	16,680	11,092
Unspent grants (Note 3.4)	2,956	38,287
Funds held to rehabilitate previous landfill cells and fund future landfill cell construction	21,802	21,059
Funds held to repay principal for "Interest Only" loan facility	-	6,656
Funds held to meet future Information Technology capital investment requirement:	4,550	4,862
Funds held to meet future Developer Contribution Plan (DCP) infrastructure requirement:	770	875
Total funds subject to intended allocations	51,336	86,360

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.

Non-Current

MAPS Group Ltd. Shares	2	2
Total non-current other financial assets	2	2

Total financial assets	108,902	122,831
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Notes to the Financial Report
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	2020 \$'000	2019 \$'000
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(c) Trade and other receivables

Current		
<i>Statutory receivables</i>		
Rates debtors*	4,569	3,938
Health Registrations	5	2
Goods and services tax (GST)	1,487	1,036
<i>Non-statutory receivables</i>		
Loans and advances to community organisations	4	5
Other debtors	636	3,159
Provision for doubtful debts - other debtors	(20)	(60)
Total current trade and other receivables	6,681	8,080

*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.

Non-Current		
<i>Non-statutory receivables</i>		
Loans and advances to community organisations	9	15
Total non-current trade and other receivables	9	15
Total trade and other receivables	6,690	8,095

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.

(d) Ageing of receivables

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

Current (not yet due)	149	968
Past due by up to 30 days	163	964
Past due between 31 and 60 days	70	162
Past due between 61 and 90 days	35	87
Past due by more than 90 days	232	998
Total trade and other receivables	649	3,179

(e) Ageing of individually impaired receivables

At balance date, other debtors representing financial assets with a nominal value of \$20K (2019 \$60K) were impaired. The amount of the provision raised against these debtors was \$20K (2019 \$60K). 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	20	60
Total trade and other receivables	20	60

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	2020	2019
	\$'000	\$'000

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

Prepayments	818	582
Accrued income	3,584	2,754
Total other assets	4,402	3,336

(b) Intangible assets

Software	23	62
Landfill Air Space	701	1,313
Total intangible assets	724	1,375

	SOFTWARE	LANDFILL AIR	TOTAL
	\$'000	SPACE	\$'000
		\$'000	\$'000

Gross Carrying Amount			
Balance at 1 July 2019	1,148	18,422	19,570
Additions from internal developments	-	-	-
Other additions	-	-	-
Balance at 1 July 2020	1,148	18,422	19,570

Accumulated Amortisation and Impairment

Balance at 1 July 2019	(1,086)	(17,109)	(18,195)
Amortisation Expense	(39)	(612)	(651)
Balance at 1 July 2020	(1,125)	(17,721)	(18,846)

Net Book Value at 30 June 2019	62	1,313	1,375
Net Book Value at 30 June 2020	23	701	724

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.

	2020	2019
	\$'000	\$'000

5.3 Payables**(a) Trade and other payables**

Trade Payables	11,925	8,378
Accrued Expenses	1,402	1,094
Total trade and other payables	13,327	9,472

(b) Trust funds and deposits

Refundable deposits	2,263	1,868
Fire Service Levy	857	597
Retention amounts	95	95
Other refundable deposits	32	80
Total trust funds and deposits	3,247	2,640

(c) Unearned income

Grants received in advance - operating	3,136	-
Grants received in advance - capital	5,708	-
Other	30	-
Total unearned income	8,874	-

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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.

	2020 \$'000	2019 \$'000
5.4 Interest-bearing liabilities		
Current		
Borrowings – Secured	2,527	9,239
Total current	2,527	9,239
Non-Current		
Borrowings – Secured	7,749	5,826
Total non-current	7,749	5,826
Total interest-bearing loans and borrowings	10,276	15,065

All borrowings are secured over Council's Rate Revenue

The maturity profile for Council's borrowings is:

Not later than one year	2,527	9,239
Later than one year and not later than five years	2,198	1,429
Later than five years	5,551	4,397
	10,276	15,065

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
2020				
Balance at Beginning of the Financial Year	4,285	10,169	26,551	41,005
Additional/(Reduced) Provisions	4,342	1,279	(2,828)	2,793
Amounts Used	(3,776)	(1,129)	(5,757)	(10,662)
Increase/(Decrease) in the discounted amount arising because of time and effect of any change in the discount rate	3	473	133	609
Balance at the End of the Financial Year	4,854	10,792	18,099	33,745
2019				
Balance at Beginning of the Financial Year	4,576	10,055	27,011	41,642
Additional/(Reduced) Provisions	3,919	1,166	1,836	6,921
Amounts Used	(4,217)	(1,184)	(3,209)	(8,610)
Increase/(Decrease) in the discounted amount arising because of time and effect of any change in the discount rate	7	132	913	1,052
Balance at the End of the Financial Year	4,285	10,169	26,551	41,005

(a) Employee provisions

	2020 \$'000	2019 \$'000
Current Provisions Expected to be wholly settled within 12 months		
Annual leave	4,506	3,985
Long service leave	2,398	2,542
	6,904	6,527
Current Provisions Expected to be wholly settled after 12 months		
Annual leave	347	300
Long service leave	6,842	5,864
	7,189	6,164
Total current employee provisions	14,093	12,691
Non-Current		
Long service leave	1,553	1,763
Total non-current employee provisions	1,553	1,763
Aggregate Carrying Amount of Employee Provisions		
Current	14,093	12,691
Non-Current	1,553	1,763
	15,646	14,454

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

Wages and salaries and annual leave

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

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

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Long service leave

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

	2020 \$'000	2019 \$'000
Key assumptions:		
- discount rate	0.71%	1.07%
- inflation rate	2.70%	2.70%
- settlement period	25 years	25 years

(b) Landfill restoration

Current	2,758	7,302
Non-Current	15,341	19,249
	18,099	26,551

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	0.63%	0.94%
- inflation rate	2.00%	2.50%
- settlement period	7.4 years	4.8 years

5.6 Financing arrangements

The Council has the following funding arrangements in place As at 30 June 2020

Bank overdraft	1,000	1,000
Credit card facilities	500	500
Other facilities	18,476	15,065
Total facilities	19,976	16,565
Used facilities	10,340	15,145
Unused facilities	9,636	1,420

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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.

	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
2020					
Operating					
Recycling	2,242	2,242	-	-	4,484
Garbage collection	3,868	3,868	-	-	7,736
Processing of Organic Waste	525	-	-	-	525
Courier service	60	-	-	-	60
Cleaning contracts for council amenities/streets	841	246	-	-	1,087
Cleaning contracts for council buildings	1,015	-	-	-	1,015
Meals for Delivery	308	308	-	-	616
Software	1,273	546	12	-	1,831
Landfill	430	-	-	-	430
Recreation	-	-	-	-	-
Total	10,562	7,210	12	-	17,784
Capital construction					
Buildings	45,482	-	-	-	45,482
Landfill	1,250	-	-	-	1,250
Footpaths and Cycleways	16	-	-	-	16
Other Infrastructure	212	-	-	-	212
Streetscapes	456	-	-	-	456
Recreation	212	-	-	-	212
Roads	456	-	-	-	456
Total	48,084	-	-	-	48,084
2019					
Operating					
Recycling	2,229	-	-	-	2,229
Garbage collection	3,442	1,764	-	-	5,206
Processing of Organic Waste	1,056	541	-	-	1,597
Courier service	69	-	-	-	69
Cleaning contracts for council amenities/streets	1,246	625	-	-	1,871
Cleaning contracts for council buildings	1,060	-	-	-	1,060
Meals for Delivery	307	-	-	-	307
Software	53	-	-	-	53
Landfill	364	167	-	-	531
Recreation	355	-	-	-	355
Total	10,181	3,097	-	-	13,278
Capital construction					
Buildings	54,372	8,443	-	-	62,815
Landfill	176	-	-	-	176
Footpaths and Cycleways	709	-	-	-	709
Recreation	1,835	-	-	-	1,835
Roads	650	-	-	-	650
Total	57,742	8,443	-	-	66,185

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5.8 Leases**Policy applicable before 1 July 2019**

As a lessee, council classifies leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to council.

Operating lease payments, including any contingent rentals, were recognised as an expense in the comprehensive income statement on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. The leased asset was not recognised in the balance sheet.

All incentives for the agreement of a new or renewed operating lease were recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of payments.

In the event that lease incentives were received to enter into operating leases, the aggregate cost of incentives were recognised as a reduction of rental expense over the lease term on a straight-line basis, unless another systematic basis was more representative of the time pattern in which economic benefits from the leased asset were consumed.

Policy applicable after 1 July 2019

Council has applied AASB 16 Leases using a modified retrospective approach with the cumulative effect of initial application recognised as an adjustment to the opening balance of accumulated surplus at 1 July 2019, with no restatement of comparative information. The council applied the approach consistently to all leases in which it is a lessee.

On transition to AASB 16 Leases, Council elected to apply the practical expedient to 'grandfather' the assessment of which transactions are leases. The council has applied this practical expedient to all of its contracts and therefore applied AASB 16 Leases only to contracts that were previously identified as 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 2019	717	-	717
Additions	-	31	31
Amortisation charge	(24)	(1)	(25)
Balance at 30 June 2020	693	30	723

Lease Liabilities

	2020 \$'000
Maturity analysis - contractual undiscounted cash flows	
Less than one year	29
One to five years	72
More than five years	634
Total undiscounted lease liabilities as at 30 June	735
Lease liabilities included in the Balance Sheet at 30 June	
Current	29
Non-Current	706
Total lease liabilities	735

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.

	2020 \$'000
Expenses relating to:	
Short-term leases	33
Leases of low value assets	-
Total	33
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	5
Later than one year but not later than five years	1
Later than 5 years	4
Total lease commitments	10

**Notes to the Financial Report
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i. Leases classified as operating leases under AASB 117 Leases

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at Council's incremental borrowing rate as at 1 July 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments. Council applied this approach to all applicable leases.

Council used the following practical expedients when applying AASB 16 Leases to leases previously classified as operating leases under AASB 117 Leases.

- Applied a single discount rate to a portfolio of leases with similar characteristics.
- Adjusted the right-of-use assets by the amount of AASB 137 Provisions, Contingent Liabilities and Contingent Assets onerous contract provision immediately before the date of initial application, as an alternative to an impairment review.
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

ii. Leases previously classified as finance leases

For leases that were classified as finance leases under AASB 117 Leases, the carrying amount of the right-of-use asset and the lease liability at 1 July 2019 are determined at the carrying amount of the lease asset and lease liability under AASB 117 Leases immediately before that date.

Council is not required to make any adjustments on transition to AASB 16 Leases for leases in which it acts as a lessor, except for a sub-lease. Council accounted for its leases in accordance with AASB 16 Leases from the date of initial application.

Impact on financial statements

On transition to AASB 16 Leases, Council recognised an additional \$717K of right-of-use assets and \$717K of lease liabilities, recognising the difference in retained earnings.

When measuring lease liabilities, Council discounted lease payments using its incremental borrowing rate at 1 July 2019. The weighted-average rate applied is 4%.

	2019 \$'000
Operating lease commitment at 30 June 2019 as disclosed in Council's financial statements	1,321
Discounted using the incremental borrowing rate at 1 July 2019	(586)
Finance lease liability recognised as at 30 June 2019	735
Recognition exemption for:	
short-term leases	(18)
leases of low-value assets	-
Lease liabilities recognised as at 1 July 2019	717

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NOTE 6 Assets we manage

	2020 \$'000	2019 \$'000
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6.1 Non current assets classified as held for sale

Cost of acquisition	-	-
Total non-current assets classified as held for sale	-	-

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

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6.2 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	AT FAIR VALUE 30 JUNE 2019 \$'000	ACQUISITIONS \$'000	CONTRIBUTIONS \$'000	REVALUATION \$'000	DEPRECIATION \$'000	DISPOSAL \$'000	TRANSFERS \$'000	AT FAIR VALUE 30 JUNE 2020 \$'000
Land	174,380	-	556	-	-	-	-	174,936
Buildings	199,519	4,997	-	-	(5,936)	(1,924)	1,745	198,401
Plant and equipment	12,353	2,808	4	-	(2,182)	(504)	-	12,479
Infrastructure	756,269	12,242	3,029	(3,151)	(19,839)	(4,799)	8,847	752,598
Work in progress	25,399	69,715	-	-	-	(339)	(10,593)	84,182
Total	1,167,920	89,763	3,588	(3,151)	(27,956)	(7,566)	-	1,222,598

Summary of works in progress

	OPENING WIP \$'000	ADDITIONS \$'000	TRANSFERS \$'000	WRITE OFFS \$'000	CLOSING WIP \$'000
Buildings	14,021	58,576	(1,745)	(181)	70,671
Infrastructure	11,378	11,139	(8,848)	(158)	13,511
Total	25,399	69,715	(10,593)	(339)	84,182

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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 2019	127,805	46,575	174,380	269,097	269,097	14,021	457,498
Accumulated depreciation at 1 July 2019	-	-	-	(69,578)	(69,578)	-	(69,578)
	127,805	46,575	174,380	199,519	199,519	14,021	387,920
Movements in fair value							
Additions	-	-	-	4,997	4,997	58,576	63,573
Contributions	556	-	556	-	-	-	556
Disposal	-	-	-	(2,382)	(2,382)	-	(2,382)
Write-off	-	-	-	-	-	(181)	(181)
Transfers	-	-	-	1,745	1,745	(1,745)	-
	556	-	556	4,360	4,360	56,650	61,566
Movements in accumulated depreciation							
Depreciation and amortisation	-	-	-	(5,936)	(5,936)	-	(5,936)
Accumulated depreciation of disposals	-	-	-	458	458	-	458
	-	-	-	(5,478)	(5,478)	-	(5,478)
At fair value 30 June 2020	128,361	46,575	174,936	273,457	273,457	70,671	519,064
Accumulated depreciation at 30 June 2020	-	-	-	(75,056)	(75,056)	-	(75,056)
	128,361	46,575	174,936	198,401	198,401	70,671	444,008

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(b) Plant and Equipment

	NOTE	PLANT \$'000	FIXTURES \$'000	COMPUTERS \$'000	ART COLLECTION \$'000	TOTAL PLANT \$'000
At fair value 1 July 2019		16,229	1,771	6,145	3,698	27,843
Accumulated depreciation at 1 July 2019		(9,015)	(1,411)	(5,064)	-	(15,490)
		7,214	360	1,081	3,698	12,353
Movements in fair value						
Additions		2,451	7	342	8	2,808
Contributions		-	-	-	4	4
Disposal		(2,257)	-	-	-	(2,257)
		194	7	342	12	555
Movements in accumulated depreciation						
Depreciation and amortisation		(1,755)	(64)	(363)	-	(2,182)
Accumulated depreciation of disposals		1,753	-	-	-	1,753
		(2)	(64)	(363)	-	(429)
At fair value 30 June 2020		16,423	1,778	6,487	3,710	28,398
Accumulated depreciation at 30 June 2020		(9,017)	(1,475)	(5,427)	-	(15,919)
		7,406	303	1,060	3,710	12,479

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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 \$'000	WORK IN PROGRESS	TOTAL INFRASTRUCTURE
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2019	730,050	55,398	92,502	208,452	10,145	9,304	4,928	7,276	6,067	11,378	1,135,500
Accumulated depreciation at 1 July 2019	(211,768)	(23,204)	(30,664)	(88,757)	(7,941)	(3,090)	(919)	(777)	(733)	-	(367,853)
	518,282	32,194	61,838	119,695	2,204	6,214	4,009	6,499	5,334	11,378	767,647
Movements in fair value											
Additions	8,038	195	2,083	697	48	77	-	-	1,104	11,139	23,381
Contributions	1,788	-	406	835	-	-	-	-	-	-	3,029
Revaluations	(10,276)	-	(1,285)	23,962	-	-	-	3,220	-	-	15,621
Disposal	(8,603)	(71)	(170)	(91)	-	(105)	-	(77)	-	(158)	(9,275)
Transfers	4,420	35	2,111	286	-	28	-	-	1,967	(8,848)	(1)
	(4,633)	159	3,145	25,689	48	-	-	3,143	3,071	2,133	32,755
Movements in accumulated depreciation											
Depreciation and amortisation	(13,912)	(569)	(1,664)	(1,687)	(1,031)	(414)	(226)	(152)	(184)	-	(19,839)
Contributions	-	-	-	-	-	-	-	-	-	-	-
Revaluations	(6,483)	-	(5,984)	(4,287)	-	-	-	(2,018)	-	-	(18,772)
Accumulated depreciation of disposals	4,157	60	52	25	-	18	-	6	-	-	4,318
Transfers	-	-	-	-	-	-	-	-	-	-	-
	(16,238)	(509)	(7,596)	(5,949)	(1,031)	(396)	(226)	(2,164)	(184)	-	(34,293)
At fair value 30 June 2020	725,417	55,557	95,647	234,141	10,193	9,304	4,928	10,419	9,138	13,511	1,168,255
Accumulated depreciation at 30 June 2020	(228,006)	(23,713)	(38,260)	(94,706)	(8,972)	(3,486)	(1,145)	(2,941)	(917)	-	(402,146)
	497,411	31,844	57,387	139,435	1,221	5,818	3,783	7,478	8,221	13,511	766,109

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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
Property		
land	na	Nil
buildings	10-100 years	10.0
Plant and equipment		
plant, machinery and equipment	3 - 12 years	1.0
fixtures, fittings and furniture	5 - 10 years	1.0
computers and telecommunications	3 - 7 years	1.0
art works collection	na	0.5
Infrastructure		
road pavements and seals	14 - 87 years	10.0
road formation and earthworks	na	10.0
road kerb and channel	77 years	10.0
bridges deck	100 years	10.0
bridges substructure	100 years	10.0
footpaths and cycleways	15 - 60 years	10.0
drainage	100 years	10.0
waste management	2 - 20 years	10.0
parks, open space and streetscapes	20-40 years	5.0
recreation, leisure and community facilities	40 years	10.0
off street car parks	14 - 87 years	10.0
Intangible assets		
software	5 years	5.0
landfill air space	2 years	10.0

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 valuer, CJA Lee Property – Valuers and Consultants (Registration number: 62467). 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 is June 2018.

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2020 are as follows:

	LEVEL 1 \$'000	LEVEL 2 \$'000	LEVEL 3 \$'000
Land – Non specialised	-	46,575	-
Land – Specialised	-	-	128,361
Buildings – Specialised	-	-	198,401
Total	-	46,575	326,762

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 date of the current valuation is detailed in the following table. Full revaluation was conducted in the current year for Roads, Footpaths and cycleways, Drainage and Off Street car parks.

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

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2020 are as follows:

	LEVEL 1 \$'000	LEVEL 2 \$'000	LEVEL 3 \$'000	Date of Valuation
Roads	-	-	497,411	Jun-2020
Bridges	-	-	31,844	Jun-2015
Footpaths and cycleways	-	-	57,387	Jun-2020
Drainage	-	-	139,435	Jun-2020
Recreational, Leisure and community facilities	-	-	1,221	Jun-2019
Waste management	-	-	5,818	n/a
Parks, open space and streetscapes	-	-	3,783	Jun-2019
Aerodromes	-	-	7,478	Jun-2015
Off street car parks	-	-	8,221	Jun-2020
Total	-	-	752,598	

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 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 \$826 per square metre

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs 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 depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 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.

	2020 \$'000	2019 \$'000
Reconciliation of specialised land		
Land under roads	17,780	17,756
Parks, reserves and other	110,581	110,049
Total specialised land	128,361	127,805

6.3 Investments in associates, joint arrangements and subsidiaries**Principles of consolidation**

The consolidated financial statements of Council incorporate all entities controlled by Council as at 30 June 2020, and their income and expenses for that part of the reporting period in which control existed.

Subsidiaries are all entities over which Council has control. Council controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Council. They are deconsolidated from the date that control ceases.

Where dissimilar accounting policies are adopted by entities and their effect is considered material, adjustments are made to ensure consistent policies are adopted in these financial statements.

Council had no subsidiaries in the 2019/20 financial year (2018/19 \$nil).

Committees of management

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

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

Councillors Councillor G Middlemiss (Mayor from 1/07/2019 to 31/10/2019)
Councillor D Clancey (Mayor from 01/11/2019 to 30/06/2020)
Councillor K O'Callaghan
Councillor D White
Councillor S Gibson
Councillor D Harriman
Councillor D Howe
Councillor B Law
Councillor A McFarlane

Other KMP Chief Executive Officer
General Manager Assets & Presentation
General Manager Community Health and Wellbeing
General Manager Regional City Growth & Investment
General Manager Organisational Performance

	2020 No.	2019 No.
Total Number of Councillors	9	9
Chief Executive Officer and other Key Management Personnel	6	7
Total Key Management Personnel	15	16

(c) Remuneration of Key Management Personnel

Total remuneration of key management personnel was as follows:

	2020 \$,000	2019 \$,000
Short-term benefits	1,427	1,525
Long-term benefits	30	59
Post employment benefits	100	98
Termination benefits	-	-
Total	1,557	1,682

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

	2020 No.	2019 No.
Income range:		
\$20,000 - \$29,999	7	8
\$40,000 - \$49,999	1	1
\$60,000 - \$69,999	1	1
\$90,000 - \$99,999	1	-
\$120,000 - \$129,999	1	-
\$130,000 - \$139,999	-	1
\$210,000 - \$219,999	-	1
\$220,000 - \$229,999	-	2
\$230,000 - \$239,999	3	1
\$310,000 - \$319,999	1	1
Total	15	16

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(d) Senior Officer Remuneration

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

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

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

	2020 No.	2019 No.
Income Range:		
< \$151,000	-	6
\$151,000 - \$159,999	6	7
\$160,000 - \$169,999	7	4
\$170,000 - \$179,999	3	-
\$180,000 - \$189,999	-	1
Total	16	18
Total Remuneration for the reporting year for Senior Officers included above, amounted to (\$,000)	\$2,585	\$2,811

7.2 Related party disclosure

(a) Transactions with related parties

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

	2020 \$,000	2019 \$,000
Employee expenses for close family members of key personnel *	12	10
Purchase of materials & services from related parties of key management personnel	39	36
Total	51	46

* 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

	2020 \$,000	2019 \$,000
Employee commitments for close family members of key personnel	10	9
Total	10	9

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NOTE 8 Managing uncertainties

8.1 Contingent assets and liabilities

(a) Contingent assets

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

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 2020. Latrobe City Council has paid unfunded liability payments to Vision Super totalling \$nil (2018/19 \$nil). There were \$nil contributions outstanding and \$nil loans issued from or to the above schemes as at 30 June 2020. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2021 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 future 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 the 6 December 2021 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 undertaken 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

The following new AAS's have been issued that are not mandatory for the 30 June 2020 reporting period. Council has assessed these pending standards and has identified the following potential impacts will flow from the application of these standards in future reporting periods.

AASB 1059 Service Concession Arrangements: Grantors (AASB 1059) (applies 2020/21 for LG Sector)

AASB 1059 addresses the accounting for a service concession arrangement by a grantor that is a public sector entity by prescribing the accounting for the arrangement from the grantor's perspective. It requires the grantor to:

- recognise a service concession asset constructed, developed or acquired from a third party by the operator, including an upgrade to an existing asset of the grantor, when the grantor controls the asset;
- reclassify an existing asset (including recognising previously unrecognised identifiable intangible assets and land under roads) as a service concession asset when it meets the criteria for recognition as a service concession asset;
- initially measure a service concession asset constructed, developed or acquired by the operator or reclassified by the grantor at current replacement cost in accordance with the cost approach to fair value in AASB 13 Fair Value Measurement. Subsequent to the initial recognition or reclassification of the asset, the service concession asset is accounted for in accordance with AASB 116 Property, Plant and Equipment or AASB 138 Intangible Assets, as appropriate, except as specified AASB 1059;
- recognise a corresponding liability measured initially at the fair value (current replacement cost) of the service concession asset, adjusted for any other consideration between the grantor and the operator; and
- disclose sufficient information to enable users of financial statements to understand the nature, amount, timing and uncertainty of assets, liabilities, revenue and cash flows arising from service concession arrangements.

Based on the Council's current assessment, there is expected to be no material impact on the transactions and balances recognised in the financial statements.

AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material (applies 2020/21 for LG Sector)

The Standard principally amends AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. The amendments refine the definition of material in AASB 101. The amendments clarify the definition of material and its application by improving the wording and aligning the definition across AASB Standards and other publications. The impacts on the local government sector are expected to be minimal.

AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework (applies 2020/21 for LG Sector)

This Standard sets out amendments to Australian Accounting Standards, Interpretations and other pronouncements to reflect the issuance of the Conceptual Framework for Financial Reporting (Conceptual Framework) by the AASB. The impacts on the local government sector are expected to be minimal.

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

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

(b) Market risk

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

Interest rate risk

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

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

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

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

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

(c) Credit risk

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

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

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

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

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

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

(d) Liquidity risk

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

To help reduce these risks Council:

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

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

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

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. 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 0.25%.

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

8.4 Fair value measurement**Fair value hierarchy**

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

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

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

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

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

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

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

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

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

Revaluation

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 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

Level 2 COVID-19 restrictions remained in place for Latrobe City Council post the 30 June 2020, with an increase to Level 3 restrictions introduced from the 2 August 2020. The financial impact of these continued restrictions is unable to be reliably determined at this time.

No other matters have occurred after balance date that requires disclosure in the financial report. (2018/19 \$Nil)

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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
2020			
Property			
Land	116,600	-	116,600
Buildings	110,489	-	110,489
	227,089	-	227,089
Infrastructure			
Roads	134,136	(16,759)	117,377
Bridges	28,982	-	28,982
Footpaths and cycleways	25,474	(7,269)	18,205
Off street carparks	7,080	1,202	8,282
Drainage	59,370	19,675	79,045
Recreation, leisure and community facilities	1,159	-	1,159
Parks, open space and streetscapes	3,387	-	3,387
	259,588	(3,151)	256,437
Other			
Artworks	895	-	895
Other	14	-	14
	909	-	909
Total Asset Revaluation Reserves	487,586	(3,151)	484,435
2019			
Property			
Land	116,600	-	116,600
Buildings	110,489	-	110,489
	227,089	-	227,089
Infrastructure			
Roads	134,136	-	134,136
Bridges	28,982	-	28,982
Footpaths and cycleways	19,311	6,163	25,474
Off street carparks	7,080	-	7,080
Drainage	59,370	-	59,370
Recreation, leisure and community facilities	3,450	(2,291)	1,159
Parks, open space and streetscapes	63	3,324	3,387
	252,392	7,196	259,588
Other			
Artworks	895	-	895
Other	14	-	14
	909	-	909
Total Asset Revaluation Reserves	480,390	7,196	487,586

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
2020				
Developer Contributions	3,529	(24)	1,073	4,578
Total other reserves	3,529	(24)	1,073	4,578
2019				
Developer Contributions	3,404	(17)	142	3,529
Total other reserves	3,404	(17)	142	3,529

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

	2020 \$'000	2019 \$'000
Surplus/(deficit) for the year	67,682	46,868
Depreciation and amortisation	28,631	27,660
Net (gain)/loss on disposal of property, infrastructure, plant and equipment	6,419	8,543
Contributions non-monetary assets	(3,588)	(4,839)
Finance costs	419	705
Impairment losses/ Work in progress written off	339	251
Changes in assets and liabilities		
(Increase)/ decrease in trade and other receivables	1,398	358
(Increase)/ decrease in prepayments	(236)	(78)
(Increase)/ decrease in accrued income	61	(297)
Increase/ (decrease) in trade and other payables	(17,323)	(323)
Increase/ (decrease) in trust funds and deposits	608	526
Increase/ (decrease) in provisions	(7,261)	(2,474)
Net cash provided by operating activities	77,149	76,901

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 2020, this was 9.5% as required under Superannuation Guarantee legislation).

Defined Benefit

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

There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of [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.

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.

A triennial actuarial review is currently underway for the Defined Benefit category as at 30 June 2020 and is expected to be completed by 31 December 2020.

As at 30 June 2019, a interim triennial 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 [Employer name] is a contributing employer was 106.0%. The financial assumptions used to calculate the VBIs were:

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

Vision Super has advised that the estimated VBI at 30 June 2020 was 104.6%. The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2019 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Employer contributions*Regular contributions*

On the basis of the results of the 2017 full 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 2020, this rate was 9.5% of members' salaries (9.5% in 2018/2019). This rate is expected to increase in line with any increases in the SG contribution rate and 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 2020Latrobe City Council
2019/2020 Financial Report**The 2019 interim actuarial investigation surplus amounts**

An actuarial investigation is conducted annually for the Defined Benefit category of which Latrobe City Council is a contributing employer. Generally, a full actuarial investigation conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2019 and a full actuarial investigation was conducted as at 30 June 2017.

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

	2019 \$m	2017 \$m
- A VBI surplus	151.3	69.8
- A total service liability surplus	233.4	193.5
- A discounted accrued benefits surplus	256.7	228.8

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2019.

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 2019.

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 2019.

Council was notified of the 30 June 2019 VBI during August 2019 (2018: August 2018).

The 2020 triennial actuarial investigation

An triennial actuarial investigation is being conducted for the Fund's position as at 30 June 2020. It is anticipated that this actuarial investigation will be completed in December 2020. The financial assumptions for the purposes of this investigation are;

	2020 Triennial Investigation	2017 Triennial Investigation
Net investment returns	5.6% pa	6.5% pa
Salary inflation	2.5% pa	3.5% pa
Price inflation	2.0% pa	2.5% pa

Superannuation contributions

Contributions by Latrobe City Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2020 are detailed below:

Scheme	Type of Scheme	Rate	2020 \$'000	2019 \$'000
Vision Super	Defined Benefits	9.5%	325	361
Various	Accumulation	9.5%	3,894	3,765

In addition to the above contributions, Latrobe City Council has paid unfunded liability payments to Vision Super totalling \$nil (2018/19 \$nil).

There were \$495K contributions outstanding (2018/19 \$406K) and \$nil loans issued (2018/19 \$nil) from or to the above schemes as at 30 June 2020.

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2021 is \$330K.

NOTE 10 Change in accounting policy

Council has adopted AASB 15 Revenue from Contracts with Customers, AASB 16 Leases and AASB 1058 Income of Not-for-Profit Entities, from 1 July 2019. This has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements.

Due to the transition methods chosen by Council in applying these standards, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standards except in relation to contracts that were not complete at 1 July 2019. The transition impact of these are detailed below.

(a) AASB 15 Revenue from Contracts with Customers - Impact of Adoption

AASB 15 Revenue from Contracts with Customers applies to revenue transactions where Council provides services or goods under contractual arrangements.

Council adopted AASB 15 Revenue from Contracts with Customers using the modified (cumulative catch up) method. Revenue for 2019 as reported under AASB 118 Revenue is not adjusted, because the new standard is only applied from the date of initial application.

AASB 15 Revenue from Contracts with Customers requires revenue from contracts with customers to be recognised as Council satisfies the performance obligations under the contract.

(b) AASB 16 Leases

AASB 16 Leases requires right of use assets and related liabilities for all lease agreements to be recognised on the balance sheet. The Statement of Comprehensive Income is to separately recognise the amortisation of the right of use asset, and the finance costs relating to the lease. Council has elected to adopt the modified (cumulative catch up) method under the standard and as such has not adjusted 2019 disclosures. The transition impact of these are detailed below.

(c) AASB 1058 Income of Not-for-Profit Entities

AASB 1058 Income of Not-for-Profit Entities applies to income received where no contract is in place. This includes statutory charges (such as rates) as well as most grant agreements.

Council adopted AASB 1058 Income of Not-for-Profit Entities using the modified (cumulative catch up) method. Income for 2019 is not adjusted, because the new standard is only applied from the date of initial application.

AASB 1058 Income of Not-for-Profit Entities requires income to be recognised as Council satisfies the performance obligations under the contract.

(d) Transition impacts

The following table summarises the impact of transition to the new standards on retained earnings at 1 July 2019.

	2020
	\$'000
Retained earnings at 30 June 2019	1,235,374
Revenue adjustment - impact of AASB 15 Revenue from Contracts with Customers	(1,238)
Income Adjustment - impact of AASB 1058 Income of Not-for-Profit Entities	(24,832)
Retained earnings at 1 July 2019	1,209,304

Council adopted the practical expedient of deeming the lease asset to be equal in value to the lease liability at 1 July 2019. As such there was no impact on retained earnings on the adoption of AASB 16 Leases.

**Notes to the Financial Report
For the Year Ended 30 June 2020**

**Latrobe City Council
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The following table summarises the impacts of transition to the new standards on Council's balance sheet for the year ending 30 June 2019.

	As reported 30 June 2019 \$'000	Adjustments \$'000	Post adoption \$'000
Assets			
Right of use assets	-	717	717
Grants receivable - operating grants	21	(11)	10
Grants receivable - capital grants	1,278	903	2,181
	1,299	1,609	2,908
Liabilities			
Unearned income - operating grants	-	1,227	1,227
Unearned income - capital grants	-	25,734	25,734
Lease liability - current	-	13	13
Lease liability - non-current	-	704	704
	0	27,678	27,678
Equity			
Accumulated Surplus as previously stated	1,235,374	-	1,235,374
Accumulated Surplus adj - operating grants	-	(1,238)	(1,238)
Accumulated Surplus adj - operating grants	-	(24,832)	(24,832)
Accumulated Surplus adj - lease liabilities	-	-	-
	1,235,374	(26,070)	1,209,304

NOTE 11 Impact of COVID19 crisis

Impact of COVID 19 crisis on Latrobe City Council operations and 2019-20 financial report

On 30 January 2020, COVID 19 was declared as a global pandemic by world health organisation. Since then, various measures have been taken by all three levels of Government in Australia to reduce the spread of COVID-19. This crisis and measures taken to mitigate it has impacted Latrobe City Council operations in the following areas for the financial year ended 30 June 2020:

- In response to significant decrease in demand / government directive amidst the COVID-19 outbreak, the leisure centre facilities / libraries/ performing arts centre, halls and community centres were closed and all community events cancelled or postponed. These closures resulted in a decrease in the council user fee revenue by \$1,172 thousand and also decreased associated expenses by \$995 thousand
- Council passed a resolution on the 6 April 2020 to introduce a Business and Community Support Package in recognition of the COVID-19 pandemic and the significant widespread community and economic impacts within Latrobe City. This package included;
 - o Refunding street trading and outdoor dining permit charges and the refund of health registration charges from the 1 March until the 30 June 2020 resulting in a decrease in user fees and charges revenue of \$129 thousand;
 - o A 50% reduction of rent for café and restaurant tenants in council owned buildings, the waiver of rent/fees for winter sporting ground users and the suspension of rent/fees for community groups utilising council owned facilities resulting in a decrease in revenue of \$33 thousand
- Financial hardship provisions were introduced for ratepayers resulting in the deferral of rates revenue and waiver of penalty interest fees. This has resulted in the debtor balance as at 30 June 2020 increasing by \$631 thousand compared to last year.

Performance Statement

For the year ended 30 June 2020

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 75,561¹.

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.

¹ Australian Bureau of Statistics 3218.0 Regional Population Growth Australia, 27 March 2019 E.R.P 2018

Certification of the Performance Statement

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

Principal Accounting Officer

Matthew Rogers, CPA
Dated: xx October 2020

In our opinion, the accompanying performance statement of the Latrobe City Council for the year ended 30 June 2020 presents fairly the results of council's performance in accordance with the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

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

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

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

Councillor

Cr. Darrell White OAM
Dated: xx October 2020

Councillor

Cr. Alan McFarlane
Dated: xx October 2020

Chief Executive Officer

Steven Piasente
Dated: xx October 2020

PERFORMANCE STATEMENT
2019/20

Auditor General's Report on Performance Statement

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Sustainable Capacity Indicators

For the year ended 30 June 2020

<i>Indicator/measure</i>	Results 2017	Results 2018	Results 2019	Results 2020	Material Variations
Population					
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$1,563	\$1,891	\$1,813	\$1,805	The result for this measure has increased by \$241 over the 4 year period to 2020. Increased landfill rehabilitation provision and a change in accounting practice which now recognises disposal costs associated with renewing non-current assets resulted in \$327 additional expenses per capita in 2018. These items have reduced over the past two years.
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$12,929	\$13,086	\$13,210	\$13,865	The result for this measure increased by \$936 per capita over the 4 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	46	46	The result for this measure has remained stable over the 4 year period.
Own-source revenue					
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,350	\$1,288	\$1,326	\$1,356	The small increase is mainly due to CPI and Rates cap based increases in rates and charges, and user fees income. The higher result in 2017 was due to one-off items relating to a landfill rehabilitation provision write back and legal cost recoveries.
Recurrent grants					
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$429	\$378	\$353	\$375	The result for this measure has decreased by \$54 per capita over the 4 year period. The significantly higher amount received in 2017 related to Commonwealth Financial Assistance Grants funding received in advance. Recurrent capital grants funding for the Roads to Recovery program had additional allocations in 2018 and 2020 contributing to a higher result when compared to the 2019 result.
Disadvantage					
<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 4 year period.
Workforce Turnover					
<i>Resignations and terminations compared to average staff</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	10.2%	9.8%	12.5%	10.7%	This ratio result has been relatively stable over the 4 year period with the 12.5% result in 2019 remaining within industry expectations of workforce turnover.

**PERFORMANCE STATEMENT
2019/20****Sustainable Capacity Indicators *(continued)*****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.

PERFORMANCE STATEMENT
2019/20

Service Performance Indicators

For the year ended 30 June 2020

<i>Service/indicator/measure</i>	Results 2017	Results 2018	Results 2019	Results 2020	Material Variations
Aquatic facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	5.2	4.9	4.9	3.6	Council aquatic facilities include those at Latrobe Leisure Morwell, Latrobe Leisure Moe Newborough, Latrobe Leisure Churchill, Yallourn North Outdoor Pool and Moe Outdoor Pool. The decline in utilisation is a result of two impacts to service: 1. Traralgon Outdoor pool closure in March 2019 for the development of the Gippsland Regional Aquatic Centre, due to open in early 2021. 2. The COVID-19 restrictions and closures of our aquatic facilities from 26 March 2020 - 21 June 2020. Aquatic facilities re-opened on 22 June 2020 under ongoing restrictions, with a reduced capacity of 20 people per session.
Animal management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	New in 2020	New in 2020	New in 2020	100%	Although a favourable result of 100% successful prosecutions in 2019/20, 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 has resulted in a substantial reduction in the number of matters lodged and an increase in the number of adjournments.
Food safety Health and safety <i>Critical and major non-compliance notifications</i> [Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100	79.2%	93.4%	88.5%	63.1%	The decrease in notifications is attributable to resource availability. Reduced staffing levels and available staff having to prioritise assistance with bushfire recovery resulted in significantly less inspections being completed in the 2019 calendar year.
Governance Satisfaction <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]	51	52	54	53	The annual Community Satisfaction Survey assesses the community's satisfaction with Council's performance. Satisfaction with Council decisions has slightly decreased from 54 in 2019 to 53 out of 100 in 2020.
Libraries Participation <i>Active library members</i> [Number of active library members / Municipal population] x100	11.6%	10.3%	10.3%	10.3%	While COVID-19 led to a decrease in active member borrowings of physical resources, this ratio has been maintained at previous year levels as a result of proactive marketing and engagement with members and the broader community leading to an increase in the borrowing of digital resources.

**PERFORMANCE STATEMENT
2019/20**

<i>Service/indicator/measure</i>	Results 2017	Results 2018	Results 2019	Results 2020	Material Variations
<p>Maternal and child health</p> <p>Participation</p> <p><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</p>	76.3%	72.6%	70.3%	72.6%	During the year, 3,570 children were enrolled in the Maternal and Child Health service with 2,591 of those children having attended the service at least once during the year. This is an increase since 2019.
<p>Participation</p> <p><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</p>	68.2%	70.9%	69.1%	76.0%	Participation in the Maternal and Child Health service by Aboriginal children has remained consistent with 179 Aboriginal children enrolled, of those, 136 children attended the service at least once during the year.
<p>Roads</p> <p>Satisfaction</p> <p><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]</p>	61	56	60	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 out of 100. Council's understanding of the sealed local road network, gained through customer service requests and the ongoing inspection program, both indicate the network is generally in good condition. Council continues to suspect the deterioration of the Regional Roads Victoria sealed road network has impacted the overall trend which is supported by supplementary questioning.
<p>Statutory Planning</p> <p>Decision making</p> <p><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</p>	57.1%	60.0%	40.0%	40.0%	In the 2019/20 financial year five applications were reviewed at VCAT, of the five applications only two of Councils decisions were upheld.
<p>Waste Collection</p> <p>Waste diversion</p> <p><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</p>	53.2%	54.0%	52.1%	51.4%	Consistent with previous years, over half of the Council's waste is recycled or placed into the green organics bin, rather than into landfill.

PERFORMANCE STATEMENT
2019/20

Service Performance indicators (continued)

Definitions

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

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

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

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

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

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

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

"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

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

PERFORMANCE STATEMENT
2019/20

Financial Performance Indicators

For the year ended 30 June 2020

Dimension/indicator/measure	Results				Forecasts				Material Variations
	2017	2018	2019	2020	2021	2022	2023	2024	
Efficiency Expenditure level <i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$3,038	\$3,690	\$3,534	\$3,519	\$3,408	\$3,546	\$3,394	\$3,412	The result for this measure has increased by \$481 over the 4 year period to 2020. Increased landfill rehabilitation provision and a change in accounting practice which now recognises disposal costs associated with renewing non-current assets resulted in \$658 additional expenses per assessment in 2018. These items reduced in 2019 resulting in a decrease of \$156 per assessment and has remained stable with a small decrease in 2020. A reduction is forecasted in 2023 aligned to the planned transition of the Commonwealth Home Support Program and Community Care Program for Young People (HACC PYP) services to other service providers within the community.
Revenue level <i>Average rate per property assessment</i> [General rates and Municipal charges / Number of property assessments]	New in 2020	New in 2020	New in 2020	\$1,542	\$1,541	\$1,563	\$1,586	\$1,609	The average rate per property assessment is expected to remain stable in 2021 due to Council passing a zero rate increase as part of its response to the COVID-19 pandemic. Future rate increases are in line with expected Rate Cap amounts currently estimated at 2% per annum.
Liquidity Working capital <i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	302.1%	321.7%	324.7%	267.5%	229.7%	229.5%	250.9%	277.0%	The result for this measure has decreased in 2020 as cash and investments from capital grants received in advance of expenditure have been spent on major infrastructure projects. Additionally current liabilities have increased as a result of the introduction of new accounting standards for revenue and leases.

PERFORMANCE STATEMENT
2019/20

Financial Performance Indicators (continued)

Dimension/indicator/measure	Results				Forecasts				Material Variations
	2017	2018	2019	2020	2021	2022	2023	2024	
Unrestricted cash									
<i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	(55.1%)	(4.6%)	(71.2%)	25.1%	44.00%	47.7%	60.3%	78.4%	The result of this measure has increased by 80.0 percentage points during the period. The prior negative result was due to Council holding funds in investments with maturity terms greater than 90 days which are recognised as current "Other Financial Assets" rather than cash. Items classified as "restricted cash" exceeded actual cash holdings resulting in a negative ratio. Council ensures that these investments mature in a timely manner to ensure it meets obligations as they fall due. The large increase is due to higher cash holdings at the end of the year. Future forecasts predict this ratio remaining 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.
Obligations									
Loans and borrowings									
<i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x100	21.5%	22.1%	19.3%	12.7%	31.8%	28.2%	24.7%	21.3%	The result for this measure has decreased by 6.6% in 2020 due to the principal repayment of an \$8.2 million interest only loan. The ratio is forecasted to increase to 31.8% in 2021 as Council draws down the remainder of its 2020 loan facility of \$8.2 million for the Gippsland Regional Aquatic Facility and Traralgon Sports Stadium, together with \$10.0 million new borrowings proposed in the 2020/21 budget for Moe Rail Precinct Revitalisation Stage 2 and Kernot Hall Refurbishment.
<i>Loans and borrowings repayments compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	3.7%	3.5%	2.9%	12.0%	4.0%	3.7%	3.6%	3.4%	The result for this measure increased by 9.1% in 2020 due to the principal repayment of an \$8.2 million interest only loan. The measure is forecasted to return to 3.9% in 2021 as loan repayments return to normal levels in line with Council's borrowing profile.

**PERFORMANCE STATEMENT
2019/20**

Dimension/indicator/measure	Results				Forecasts				Material Variations
	2017	2018	2019	2020	2021	2022	2023	2024	
Indebtedness <i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	30.3%	39.0%	26.9%	24.7%	39.5%	35.6%	31.7%	28.5%	The reduced ratio in 2019 was due to an interest only loan (\$8.2 million) moving from non-current to current liabilities. The small decrease in 2020 was mainly due to decreasing provisions for landfill rehabilitation due to cost savings achieved. The ratio is forecasted to increase to 39.5% in 2021 mainly due to new borrowings budgeted for the Gippsland Regional Aquatic Centre, Traralgon Sports Stadium, Moe Rail Precinct Revitalisation Stage 2 and Kernot Hall Refurbishment. This ratio is higher in 2020 than the future forecasted years mainly due to capital expenditure resulting from a number of capital grants including additional allocations for the Commonwealth Roads to Recovery program and other infrastructure renewal and upgrade funding received. The forecasted results in future years are lower due to assumptions of reduced government grant funding availability and increases in depreciation expense resulting from major new infrastructure. The ratio for Council's largest asset class Roads is expected to be maintained around 100% but is lower for 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.
Asset renewal and upgrade <i>Asset renewal and upgrade compared to depreciation</i> [Asset renewal and upgrade expense / Asset depreciation] x100	New in 2020	New in 2020	New in 2020	152.2%	99.2%	60.1%	57.6%	60.6%	

**PERFORMANCE STATEMENT
2019/20**

Dimension/indicator/measure	Results				Forecasts				Material Variations
	2017	2018	2019	2020	2021	2022	2023	2024	
Operating position Adjusted underlying result # Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	13.2%	(11.2%)	(5.0%)	(1.5%)	(4.1%)	(6.7%)	(5.4%)	(4.7%)	The result for this measure increased by 3.5 percentage points in the 2020 year. The larger underlying deficit in the 2018 year was mainly due to unexpected landfill rehabilitation provision expenses and the change in accounting practice in 2018 which now recognises disposal costs associated with renewing infrastructure assets. Although these expense items have reduced in the past two years they have still resulted in contributing to an underlying deficit result of 1.5% in 2020. The results are forecasted to remain in deficit mainly due to increases in depreciation expenses resulting from the construction of major new infrastructure. e.g Gippsland Regional Aquatic Facility and Latrobe Creative Precinct.
Stability Rates concentration Rates compared to adjusted underlying revenue [Rate revenue / Adjusted underlying revenue] x100	56.3%	59.4%	60.1%	60.1%	63.9%	63.9%	66.9%	67.1%	The result for this measure has been slightly increasing over the last 4 years indicating an increasing reliance on rate revenue. The ratio is forecast to increase in the future due to conservative recurrent government grants and user fees projections.
Rates effort Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	The result for this measure has remained stable over the 4 year period.

**PERFORMANCE STATEMENT
2019/20****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 2020

1. Basis of preparation

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

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

The performance statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by the council's strategic resource plan. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variations in the results contained in the performance statement. Council has adopted materiality thresholds relevant to each indicator and measure and 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 strategic resource plan on 3 August 2020 and which forms part of the council plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The strategic resource plan can be obtained by contacting council.

Agenda Item: 17.2

Agenda Item: Tabling of 'Assembly of Councillors' Records

Sponsor: General Manager, Organisational Performance

Council Plan Objective: Ensure Council operates openly, transparently and responsibly.

Status: For Information

Proposed Resolution:

That Council receives and notes the Assembly of Councillors records tabled for the period 18 August 2020 to 14 September 2020.

Executive Summary:

The following Assembly of Councillor records have been submitted for tabling since the last ordinary Council meeting:

Date	Assembly Details	In Attendance	Confidential	Declarations of Interest
18 August 2020	Gippsland Regional Aquatic Centre Project Reference Group	Councillors Cr Harriman Cr O'Callaghan Cr Howe Officers Larry Sengstock Luke McGrath Tania Eleftheriou	No	Nil
19 August 2020	Traralgon Recreation Reserve and Showgrounds Advisory Committee	Councillors Cr Howe Officers Simon Clark	No	Nil
19 August 2020 2020	Victory Park Precinct Advisory Committee	Councillors Cr Clancey Officers Simon Clark	No	Nil

Date	Assembly Details	In Attendance	Confidential	Declarations of Interest
24 August 2020	Councillor Briefing	<p>Councillors Cr McFarlane Cr Middlemiss Cr White OAM Cr Harriman Cr O'Callaghan Cr Howe Cr Clancey Cr Law Cr Gibson</p> <p>Officers Steven Piasente Gail Gatt Larry Sengstock Suzanne Miller Greg Drumm</p>	<p>Yes –</p> <p>Matters are confidential under subparagraph (a), (c), (f) or (g) of the definition of Confidential Information in the Local Government Act 2020.</p>	<p>Yes –</p> <p>Cr Harriman Cr Clancey</p>
24 August 2020	Out of Session Councillor Briefing – Delburn Wind Farm	<p>Councillors Cr McFarlane Cr Middlemiss Cr White OAM Cr Harriman Cr O'Callaghan Cr Howe Cr Clancey Cr Law</p> <p>Officers Steven Piasente Marc Grant Larry Sengstock Suzanne Miller Jody Riordan</p>	No	<p>Yes –</p> <p>Gail Gatt (Not in attendance)</p>

Date	Assembly Details	In Attendance	Confidential	Declarations of Interest
31 August 2020	Councillor Briefing	Councillors Cr McFarlane Cr Middlemiss Cr White OAM Cr Harriman Cr O'Callaghan Cr Howe Cr Clancey Cr Law Cr Gibson Officers Steven Piasente Gail Gatt Larry Sengstock Suzanne Miller Greg Drumm	No	Yes – Cr Harriman Cr White OAM Cr Clancey Gail Gatt
1 September 2020	Municipal Emergency Management Planning Committee	Councillors Cr Howe Cr Law Cr Gibson Officers Lance King Robyn Duffy Heather Farley Linda Snell Rebekah Baynard-Smith Rebecca Johnson	No	Nil
10 September 2020	Latrobe City Cultural Diversity Advisory Committee	Councillors Cr White OAM Cr Clancey Officers Susan Miller Heather Farley Teresa Pugliese Alice Knight	No	Nil

Date	Assembly Details	In Attendance	Confidential	Declarations of Interest
14 September 2020	Latrobe City Council and Youth Council Meeting	Councillors Cr McFarlane Cr Middlemiss Cr White OAM Cr Harriman Cr O'Callaghan Cr Howe Cr Law Cr Gibson Officers Gail Gatt Larry Sengstock Suzanne Miller Andrew Legge Rebecca Fenton Janelle Rhodes	No	Nil
15 September 2020	Gippsland Regional Aquatic Centre Project Reference Group	Councillors Cr Harriman Cr O'Callaghan Cr Howe Officers Larry Sengstock Luke McGrath Tania Eleftheriou	No	Nil

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 1989*.

Clarification from Mayor Clancey no conflict of interest in item 10.3 Federal Government Local Roads and Community Infrastructure Stimulus Program - Alternative Projects in Lieu of Downies Lane Bridge, Traralgon South Project, which was recorded in the Minutes as being declared at Councillor Briefing (1) 24 August 2020.

Reasons for Proposed Resolution:

The attached *Assembly of Councillors* records have been submitted for tabling.

Section 80(A)2 of the *Local Government Act 1989* states 'The Chief Executive Officer must ensure that the written record of an assembly of Councillors is, as soon as is practicable - (a) reported at an ordinary meeting of the Council; and (b) incorporated in the minutes of that Council meeting'.

Attachments

- 1 [↓](#). Gippsland Regional Aquatic Centre Project Reference Group
- 2 [↓](#). Traralgon Recreation Reserve and Showgrounds Advisory Committee
- 3 [↓](#). Victory Park Precinct Advisory Committee
- 4 [↓](#). Councillor Briefing
- 5 [↓](#). Out of Session Councillor Briefing - Delburn Wind Farm
- 6 [↓](#). Councillor Briefing
- 7 [↓](#). Municipal Emergency Management Planning Committee
- 8 [↓](#). Latrobe City Cultural Diversity Advisory Committee
- 9 [↓](#). Latrobe City Council and Youth Council
- 10 [↓](#). Gippsland Regional Aquatic Centre Project Reference Group

17.2

Tabling of 'Assembly of Councillors' Records

1	Gippsland Regional Aquatic Centre Project Reference Group.....	140
2	Traralgon Recreation Reserve and Showgrounds Advisory Committee.....	141
3	Victory Park Precinct Advisory Committee.....	142
4	Councillor Briefing.....	143
5	Out of Session Councillor Briefing - Delburn Wind Farm.....	145
6	Councillor Briefing.....	146
7	Municipal Emergency Management Planning Committee.....	148
8	Latrobe City Cultural Diversity Advisory Committee.....	149
9	Latrobe City Council and Youth Council.....	151
10	Gippsland Regional Aquatic Centre Project Reference Group.....	152



Assembly of Councillors Record

Assembly details:	Gippsland Regional Aquatic Centre Project Reference Group
Date:	18 August 2020
Time:	4:15pm
Assembly Location:	Video Conference

In Attendance

Councillors:	<input type="checkbox"/> Cr McFarlane	<input type="checkbox"/> Cr Middlemiss	<input type="checkbox"/> Cr White OAM
Arrival / Departure Time:	<input checked="" type="checkbox"/> Cr Harriman 4:22pm - 5:00pm	<input checked="" type="checkbox"/> Cr O'Callaghan 4:19pm - 5:00pm	<input checked="" type="checkbox"/> Cr Howe 4:11pm - 5:00pm
	<input type="checkbox"/> Cr Clancey	<input type="checkbox"/> Cr Law	<input type="checkbox"/> Cr Gibson
Officer/s:	Larry Sengstock, Luke McGrath, Tania Eleftheriou		
Matters discussed:	Project Manager Update GRAC Operations Tender		
<p>Are any of the matters discussed, considered confidential under the <i>Local Government Act 2020</i>?</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please list the confidentiality reasoning next to the matter discussed, as per the example in the guidance notes.</p>			

Conflict Of Interest Disclosures:

Councillor / Officer making disclosure	Left Meeting: Yes / No

Record Completed by: Tania Eleftheriou, Project Officer Major Recreation Projects

(Please use the **Quick Add Profile Assembly of Councillors – Advisory Committees** when registering this form on Ci Anywhere)



Assembly of Councillors Record

This form must be completed by the attending Council officer and returned to the Governance Team for processing as soon as possible.

Assembly details:	Traralgon Recreation Reserve and Showgrounds Advisory Committee
Date:	19 August 2020
Time:	7:02pm
Assembly Location:	Online- GoToMeeting Format

In Attendance

Councillors: Arrival / Departure Time:	<input type="checkbox"/> Cr Alan McFarlane	<input type="checkbox"/> Cr Graeme Middlemiss	<input type="checkbox"/> Cr Darrell White
	<input type="checkbox"/> Cr Dale Harriman	<input type="checkbox"/> Cr Kellie O'Callaghan	<input checked="" type="checkbox"/> Cr Darren Howe
	<input type="checkbox"/> Cr Dan Clancey	<input type="checkbox"/> Cr Bradley Law	<input type="checkbox"/> Cr Sharon Gibson
Officer/s:	Simon Clark		
Matters discussed:	<ol style="list-style-type: none"> 1. Reserve Master Plan update. 2. Old Trafford Oval lighting successful funding application - Community Sports Infrastructure Stimulus Program. 3. Traralgon & District Agricultural Society Pavilion refurbishment update. 		
Are any of the matters discussed, considered confidential under the <i>Local Government Act 2020</i>? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please list the confidentiality reasoning next to the matter discussed, as per the example in the guidance notes.			

Conflict Of Interest Disclosures: Nil

Councillor / Officer making disclosure	Left Meeting: Yes / No

Record Completed by: Simon Clark



Assembly of Councillors Record

Assembly details:	Victory Park Precinct Advisory Committee
Date:	19 August 2020
Time:	5:34pm
Assembly Location:	Online - GoToMeeting Format

In Attendance

Councillors: Arrival / Departure Time:	<input type="checkbox"/> Cr McFarlane	<input type="checkbox"/> Cr Middlemiss	<input type="checkbox"/> Cr White OAM
	<input type="checkbox"/> Cr Harriman	<input type="checkbox"/> Cr O'Callaghan	<input type="checkbox"/> Cr Howe
	<input checked="" type="checkbox"/> Cr Clancey	<input type="checkbox"/> Cr Law	<input type="checkbox"/> Cr Gibson
Officer/s:	Simon Clark		
Matters discussed:	'Working for Victoria' - 68 positions. Potential route for a Richard Jeffrey memorial path. Traralgon Historical Society proposed sign.		
<p>Are any of the matters discussed, considered confidential under the <i>Local Government Act 2020</i>?</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please list the confidentiality reasoning next to the matter discussed, as per the example in the guidance notes.</p>			

Conflict Of Interest Disclosures:

Councillor / Officer making disclosure	Left Meeting: Yes / No
Nil	No

Record Completed by: Simon Clark

(Please use the **Quick Add Profile** when registering this form on ECM)



Assembly of Councillors Record

Assembly details:	Councillor Briefing
Date:	24 August 2020
Time:	5pm to 9.45pm
Assembly Location:	Via audio-visual link

In Attendance

Councillors: Arrival / Departure Time:	<input checked="" type="checkbox"/> Cr McFarlane	<input checked="" type="checkbox"/> Cr Middlemiss	<input checked="" type="checkbox"/> Cr White OAM
	<input checked="" type="checkbox"/> Cr Harriman until 7.11pm	<input checked="" type="checkbox"/> Cr O'Callaghan	<input checked="" type="checkbox"/> Cr Howe
	<input checked="" type="checkbox"/> Cr Clancey	<input checked="" type="checkbox"/> Cr Law	<input checked="" type="checkbox"/> Cr Gibson except from 7.16pm until 7.34pm
Officer/s:	Steven Piasente From 6pm Gail Gatt, Larry Sengstock, Suzanne Miller and Greg Drumm		
Matters discussed:	<p>Matters are confidential under subparagraph (a), (c), (f) or (g) of the definition of Confidential Information in the Local Government Act 2020</p> <p>Declaration of Interests</p> <p>Future Presentations</p> <p>Mayor's Update</p> <p>Chief Executive Officer's Update</p> <p>Major Project Reference Group Update</p> <p>Overview of planning permit application 2020/16 use and development of land for an industry (used lead and acid battery recycling facility) at Fourth Road, Hazelwood North - This matter is considered confidential under Section 3(1)(c) of the Local Government Act 2020, as it involves discussion of land use planning information, being information that if prematurely released is likely to encourage speculation in land values.</p> <p>Amendment C122 - Planning Policy Framework Translation - Consideration of Submission</p> <p>Federal Government Local Roads and Community Infrastructure Stimulus Program - Alternative Projects in Lieu of Downies Lane Bridge, Traralgon South Project</p> <p>Community Infrastructure Loan Scheme - Moe Revitalisation Project Stage 2 and Kernot Hall Stage 1</p> <p>Reconciliation Action Plan Endorsement</p>		



Local Government Representation on the National Cabinet
 Public Transparency Policy
 Governance Rules (including Election Period Policy) and Local Law No.1
 Establishment of Community Asset Committees under the Local Government Act 2020
 Draft Inter-Township Trail Network
 Consideration of Draft Amended Hardship Policy
 Hazelwood Pondage Progress Update
 Current Status of Events Planning for 2020-21
 Disability Access Grants Projects
 Moe Keenagers Funding Update
 Outstanding Issues
 Strategic Issues for Future Briefings

Are any of the matters discussed, considered confidential under the *Local Government Act 2020*?

Yes **No**

Please list the confidentiality reasoning next to the matter discussed, as per the example in the guidance notes.

Conflict Of Interest Disclosures:

Councillor / Officer making disclosure	Left Meeting: Yes / No
Cr Harriman re item 10.3	yes
Cr Clancey re items 9.1 and 10.3	yes

Record Completed by: Greg Drumm, General Manager Organisational Performance

*(Please use the **Quick Add Profile Assembly of Councillors – Advisory Committees** when registering this form on Ci Anywhere)*



Assembly of Councillors Record

Assembly details:	Out of session briefing - Delburn wind farm
Date:	24/08/2020
Time:	16:00
Assembly Location:	Goto meeting

In Attendance

Councillors:	<input checked="" type="checkbox"/> Cr McFarlane	<input checked="" type="checkbox"/> Cr Middlemiss	<input checked="" type="checkbox"/> Cr White OAM
Arrival / Departure Time:	<input checked="" type="checkbox"/> Cr Harriman	<input checked="" type="checkbox"/> Cr O'Callaghan	<input checked="" type="checkbox"/> Cr Howe
	<input checked="" type="checkbox"/> Cr Clancey	<input checked="" type="checkbox"/> Cr Law	<input type="checkbox"/> Cr Gibson
Officer/s:	Steve P Marc Grant Larry S Suzanne M Jody Riordan		
Matters discussed:	Proposed Delburn Wind Farm		

Are any of the matters discussed, considered confidential under the *Local Government Act 2020*?

Yes No

Please list the confidentiality reasoning next to the matter discussed, as per the example in the guidance notes.

Conflict Of Interest Disclosures:

Councillor / Officer making disclosure	Left Meeting: Yes / No
Gail Gatt	Not in attendance

Record Completed by: Jody Riordan



Assembly of Councillors Record

Assembly details:	Councillor Briefing
Date:	31 August 2020
Time:	5pm to 9pm
Assembly Location:	Via audio-visual link

In Attendance

Councillors: Arrival / Departure Time:	<input checked="" type="checkbox"/> Cr McFarlane	<input checked="" type="checkbox"/> Cr Middlemiss	<input checked="" type="checkbox"/> Cr White OAM
	<input checked="" type="checkbox"/> Cr Harriman	<input checked="" type="checkbox"/> Cr O'Callaghan	<input checked="" type="checkbox"/> Cr Howe
	<input checked="" type="checkbox"/> Cr Clancey	<input checked="" type="checkbox"/> Cr Law	<input checked="" type="checkbox"/> Cr Gibson
Officer/s:	Steven Piasente From 6.40pm Gail Gatt, Larry Sengstock, Suzanne Miller and Greg Drumm		
Matters discussed:	Future Presentations Upcoming Council Meeting Notice of Motion Requests Points of Clarification Alternate Motion Requests Mayor's Update Chief Executive Officer's Update Delburn Wind Farm - Engagement activities Removal of single use water bottles Improvement Initiatives 2019/20 VAGO Sexual Harassment Audit - Initial Report Findings Service Review Summary 2019/20 Capital Status - Quarterly Report Centre for Australian Automotive Futures Outstanding Issues Strategic Issues for Future Briefings		



Are any of the matters discussed, considered confidential under the *Local Government Act 2020*?

Yes No

Please list the confidentiality reasoning next to the matter discussed, as per the example in the guidance notes.

Conflict Of Interest Disclosures:

Councillor / Officer making disclosure	Left Meeting: Yes / No
Cr Harriman - Council Meeting Item 16.1 2020/21 Community Grant and Sponsorship Program.	No
Cr White - Council Meeting Item 16.1 2020/21 Community Grant and Sponsorship Program.	No
Cr Clancey - Council Meeting Item 16.1 2020/21 Community Grant and Sponsorship Program.	No
Gail Gatt - Briefing Item 10.1 Delburn Wind Farm - Engagement activities.	Yes

Record Completed by: Greg Drumm, General Manager Organisational Performance

*(Please use the **Quick Add Profile Assembly of Councillors – Advisory Committees** when registering this form on Ci Anywhere)*



Assembly of Councillors Record

Assembly details:	Municipal Emergency Management Planning Committee Meeting
Date:	01/09/2020
Time:	10am-11.20am
Assembly Location:	GoTo Meetings

In Attendance

Councillors:	<input type="checkbox"/> Cr McFarlane	<input type="checkbox"/> Cr Middlemiss	<input type="checkbox"/> Cr White OAM
Arrival / Departure Time:	<input type="checkbox"/> Cr Harriman	<input type="checkbox"/> Cr O'Callaghan	<input checked="" type="checkbox"/> Cr Howe 10-11.20am
	<input type="checkbox"/> Cr Clancey	<input checked="" type="checkbox"/> Cr Law 10-11.20am	<input checked="" type="checkbox"/> Cr Gibson 1015-1054am
Officer/s:	Laance King, Robyn Duffy, Heather Farley, Linda Snell, Rebekah Baynard-Smith, Rebecca Johnson		
Matters discussed:	Agency Reports, LEAP Reports, MECC Activations, Training and Exercise, MEMP Review, MEMP Sub-Plan Review, CERA Review, General Business		
<p>Are any of the matters discussed, considered confidential under the <i>Local Government Act 2020</i>?</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please list the confidentiality reasoning next to the matter discussed, as per the example in the guidance notes.</p>			

Conflict Of Interest Disclosures:

Councillor / Officer making disclosure	Left Meeting: Yes / No

Record Completed by: Rebecca Johnson

*(Please use the **Quick Add Profile Assembly of Councillors – Advisory Committees** when registering this form on Ci Anywhere)*



Assembly of Councillors Record

Assembly details:	Latrobe City Cultural Diversity Advisory Committee
Date:	Thursday, 10 September 2020
Time:	6.30 pm - 8.30 pm
Assembly Location:	Video Meeting - Zoom

In Attendance

Councillors: Arrival / Departure Time:	<input type="checkbox"/> Cr McFarlane	<input type="checkbox"/> Cr Middlemiss	<input checked="" type="checkbox"/> Cr White OAM 7.27 pm - 8.38 pm
	<input type="checkbox"/> Cr Harriman	<input type="checkbox"/> Cr O'Callaghan	<input type="checkbox"/> Cr Howe
	<input checked="" type="checkbox"/> Cr Clancey 7.08 pm - 8.38 pm	<input type="checkbox"/> Cr Law	<input type="checkbox"/> Cr Gibson
Officer/s:	Suzanne Miller, General Manager Community Health and Wellbeing Heather farley, Coordinator Community Strengthening Teresa Pugliese, Community Development Officer Alice Knight, Access and Outreach Officer		
Matters discussed:	<p>Committee Induction - Committee role and responsibilities, Latrobe City and Council and Our Diverse Community</p> <p>Invite Daniel (CMY) to next meeting to talk about the programs being run.</p> <p>Information on processing deceased people according to Islam practices</p> <p>Chit Chat Coffee Cart review report</p> <p>Contact details for the Young Change Agents program</p> <p>Process when engaging facilitators to check credentials</p> <p>Latrobe City Citizenship Ceremonies</p> <p>Australia Day 2021 Call for Nominations</p> <p>Thank you letter to outgoing Committee Members</p> <p>Latrobe City COVID-19 helpline- activities, resources and safety messages in culturally diverse languages</p> <p>Understanding Local Government elections – assistance to CALD Communities, Victorian Electoral Commission</p> <p>Latrobe City Cultural Diversity Action Plan 2020-2024</p> <p>Latrobe Settlement Network Update</p> <p>Committee Member Reports</p>		



	Victorian Multicultural Commission – Multicultural Awards for Excellence
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Are any of the matters discussed, considered confidential under the *Local Government Act 2020*?

Yes No

Please list the confidentiality reasoning next to the matter discussed, as per the example in the guidance notes.

Conflict Of Interest Disclosures:

Councillor / Officer making disclosure	Left Meeting: Yes / No

Record Completed by: Teresa Pugliese

*(Please use the **Quick Add Profile Assembly of Councillors – Advisory Committees** when registering this form on Ci Anywhere)*





Assembly of Councillors Record

Assembly details:	Youth Council and Latrobe City Council Meeting
Date:	14 September 2020
Time:	5.30 pm - 6.30 pm
Assembly Location:	Online via Zoom Platform

In Attendance

Councillors: Arrival / Departure Time:	<input checked="" type="checkbox"/> Cr McFarlane 5.30 pm / 6.30 pm	<input checked="" type="checkbox"/> Cr Middlemiss 5.30 pm / 6.30 pm	<input checked="" type="checkbox"/> Cr White OAM 5.30 pm / 6.30 pm
	<input checked="" type="checkbox"/> Cr Harriman 5.30 pm / 6.30 pm	<input checked="" type="checkbox"/> Cr O'Callaghan 6.07 pm / 6.30 pm	<input checked="" type="checkbox"/> Cr Howe 5.25 pm / 6.30 pm
	<input type="checkbox"/> Cr Clancey 5.30 pm / 6.30 pm	<input checked="" type="checkbox"/> Cr Law 5.30 pm / 6.30 pm	<input checked="" type="checkbox"/> Cr Gibson 5.35 pm / 6.30 pm
Officer/s:	Suzanne Miller, Larry Sengstock, Gail Gatt, Andrew Legge, Rebecca Fenton, Janelle Rhodes		
Matters discussed:	<ul style="list-style-type: none"> * COVID 19 updates by all (how everyone is coping) * Youth Council provided update on their Good Food for Mood Project and discussed ideas with the Councillors. * Cr Clancey provided a brief overview of Council update for the week. * Youth Councillors thanked the Councillors for their contribution to Council this year. 		
<p>Are any of the matters discussed, considered confidential under the <i>Local Government Act 2020</i>?</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please list the confidentiality reasoning next to the matter discussed, as per the example in the guidance notes.</p>			

Conflict Of Interest Disclosures:

Councillor / Officer making disclosure	Left Meeting: Yes / No

Record Completed by: Rebecca Fenton

*(Please use the **Quick Add Profile Assembly of Councillors – Advisory Committees**)*



Assembly of Councillors Record

Assembly details:	Gippsland Regional Aquatic Centre Project Reference Group
Date:	15 September 2020
Time:	4:20pm
Assembly Location:	Video Conference

In Attendance

Councillors:	<input type="checkbox"/> Cr McFarlane	<input type="checkbox"/> Cr Middlemiss	<input type="checkbox"/> Cr White OAM
Arrival / Departure Time:	<input checked="" type="checkbox"/> Cr Harriman 4:10pm - 5:05pm	<input checked="" type="checkbox"/> Cr O'Callaghan 4:16pm - 5:05pm	<input checked="" type="checkbox"/> Cr Howe 4:13pm - 5:05pm
	<input type="checkbox"/> Cr Clancey	<input type="checkbox"/> Cr Law	<input type="checkbox"/> Cr Gibson
Officer/s:	Larry Sengstock, Luke McGrath, Tania Eleftheriou		
Matters discussed:	Project Manager Update GRAC Operations Tender		
<p>Are any of the matters discussed, considered confidential under the <i>Local Government Act 2020</i>?</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please list the confidentiality reasoning next to the matter discussed, as per the example in the guidance notes.</p>			

Conflict Of Interest Disclosures:

Councillor / Officer making disclosure	Left Meeting: Yes / No

Record Completed by: Tania Eleftheriou, Project Officer Major Recreation Projects

*(Please use the **Quick Add Profile Assembly of Councillors – Advisory Committees** when registering this form on Ci Anywhere)*

URGENT BUSINESS

18. URGENT BUSINESS

Business may be admitted to this meeting as urgent business in accordance with clause 17 of the Governance Rules, by resolution of 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.

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

19. MEETING CLOSED TO THE PUBLIC TO CONSIDER CONFIDENTIAL INFORMATION

The information in this section was declared to be confidential information under section 77 of the Local Government Act 1989 and as a result this information is also confidential information under the Local Government Act 2020.

For the avoidance of doubt, section 66 of the *Local Government Act 2020* (which came into effect on 01 May 2020) also enables the Council to close the meeting to the public to consider confidential information as this term is defined under the *Local Government Act 2020*.

RECOMMENDATION

That Council closes this Ordinary Meeting of Council to the public to consider confidential information on the following grounds:

(a) the information to be considered has been declared to be confidential information under section 77 of the Local Government Act 1989 and as a result this information is also confidential information under the Local Government Act 2020; and

(b) pursuant to section 66 of the *Local Government Act 2020* on the following grounds:

19.1 Sports Courts Remediation - Status Update

Agenda item 19.1 *Sports Courts Remediation - Status Update* is designated as confidential under subsection (a) of the definition of confidential information contained in section 3(1) of the *Local Government Act 2020*, as it relates to Council business information, being information that would prejudice the Council's position in commercial negotiations if prematurely released. Includes potential negotiating strategies