



Notice is given that an Ordinary Meeting of Council will be held on:

Date: Tuesday, 13 October 2020
Time: 3pm
Location: Video conference
Public access via audio live stream

AGENDA

Ordinary Council Meeting

13 October 2020

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OPENING COMMENT

THIS MEETING IS BEING CONDUCTED IN ACCORDANCE WITH THE LOCAL GOVERNMENT ACT 2020 AS TEMPORARILY AMENDED TO ENABLE MEETING BY ELECTRONIC MEANS OF COMMUNICATION.

THIS MEETING IS BEING RECORDED AND AUDIO STREAMED VIA THE COUNCIL WEBSITE AND FACEBOOK.

1 OPENING PRAYER

“Almighty God, we humbly ask you to bless this Council, direct and prosper its deliberations towards the true welfare of your people of the Shire of Loddon.”

2 ACKNOWLEDGEMENT OF COUNTRY

“The Loddon Shire Council acknowledges the Traditional Custodians of the land on which we are gathered and pays its respects to their Elders both past and present.”

3 APOLOGIES**4 DECLARATIONS OF CONFLICT OF INTEREST**

5 PREVIOUS MINUTES**5.1 CONFIRMATION OF MINUTES**

File Number: 02/01/001

Author: Lynne Habner, Manager Executive and Commercial Services

Authoriser: Phil Pinyon, Chief Executive Officer

Attachments: Nil

RECOMMENDATION

That Council confirm:

1. The minutes of the Council Briefing of 15 September 2020.
2. The minutes of the Ordinary Council Meeting of 15 September 2020.
3. The minutes of the Confidential Council Meeting of 15 September 2020.

REPORT

Seeking approval of the unconfirmed minutes of the previous meetings.

6 ASSEMBLY OF COUNCILLORS**6.1 RECORD OF ASSEMBLY OF COUNCILLORS**

File Number: 02/01/001

Author: Lynne Habner, Manager Executive and Commercial Services

Authoriser: Phil Pinyon, Chief Executive Officer

Attachments: Nil

RECOMMENDATION

That Council note the Assembly of Councillors records for the following meetings:

1. Council Briefing 15 September 2020.

In accordance with Section 80A of the Local Government Act 1989 (the Act), records of Assemblies of Councillors must be reported at the next practicable Council meeting and recorded in the minutes.

An Assembly of Councillors is defined in Section 76AA of the Act as a meeting at which matters are considered that are intended or likely to be the subject of a Council decision or the exercise of a delegated authority and which is either of the following:

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

The record is therefore presented for Council's noting.

RECORD OF ASSEMBLIES OF COUNCIL

Assembly details	Briefing
Date	15 September 2020
Councillor Attendees	Cr Beattie Cr Condliffe Cr Curnow Cr Holt Cr McKinnon
Staff/Stakeholder representatives	Phil Pinyon, Chef Executive Officer Wendy Gladman, Director Community Wellbeing Sharon Morrison, Director Corporate Services Steven Phillips, Director Operations Lynne Habner, Manager Executive and Commercial Services Item 1: Projectura representatives
Items discussed.	<ol style="list-style-type: none"> 1. The Loddon Project update 2. Annual Report update 3. General business: <ul style="list-style-type: none"> • Committee insurance • Council elections • Relocation of historical engine, Pyramid Hill
Conflict of Interest Disclosures - Councillor/officer making disclosure	Nil
Councillor/officer left room	

7 REVIEW OF ACTION SHEET**7.1 REVIEW OF ACTIONS**

File Number: 02/01/002

Author: Christine Coombes, Executive and Commercial Services Officer

Authoriser: Phil Pinyon, Chief Executive Officer

Attachments: 1. Action sheet

RECOMMENDATION

That Council receive and note the action sheet.

CONFLICT OF INTEREST

There is no conflict of interest for any Council staff member involved in the preparation of this report, or involved in the subject matter of the report.

REPORT

Refer attachment.

Outstanding	Division: Committee: Officer:	Date From: Date To:
Action Sheets Report		Printed: Monday, 5 October 2020 9:40:22 AM

Outstanding action from previous meetings

Meeting	Officer/Director	Section	Subject
Council 28/01/2020	Phillips, Steven Pinyon, Phil	New Item	Skinnners Flat reservoir
<p>Cr Holt requested that Council staff continue to liaise with Grampians Wimmera Mallee Water regarding changes to the originally proposed arrangements for the supply of permanent recreation water to Skinnners Flat, and provide a report to the next Council meeting about progress with finalising the heads of agreement between Council and GWM Water.</p> <p><i>14/02/2020 5:26:20 PM - Steven Phillips</i> Council Staff have been in discussions with GWMWater staff about the terms contained within the Heads of Agreement for several months, with a major sticking point being the allocation of Recreational Water for Skinnners Flat Reservoir. GWMWater is seeking that Council acquire a water entitlement up to the maximum volume as listed at Item 5 of Schedule A of the Heads Of Agreement (currently stated as 200 MI) from Northern Victoria trading zone 1A (Goulburn regulated). Council Officers have been able to secure agreement from GWMWater for the allocation of up to 200 MI of Recreational Water once off as an initial allowance. Arrangements are being made to secure a meeting between senior members of Council and GWMWater to continue negotiations over this matter.</p> <p><i>13/03/2020 5:21:57 PM - Steven Phillips</i> The Southwest Loddon Pipeline Steering Committee has a meeting scheduled for Friday 20 March. GWMWater are continuing discussion with Coliban Water to further investigate opportunities for the provision of an ongoing water supply for Skinnners Flat Reservoir.</p> <p><i>14/04/2020 5:22:52 PM - Steven Phillips</i> Discussions have been undertaken and an agreement has been reached to honor the provision of recreational water to Skinnners Flat.</p> <p><i>11/05/2020 8:42:39 PM - Steven Phillips</i> According to GWMWater staff, a definitive solution to the 200 megalitre problem remains to be found. Discussions are ongoing with GWMWater Staff.</p> <p><i>11/06/2020 2:25:54 PM - Steven Phillips</i> This matter was discussed at the June 2020 Council Forum noting that the supply of water to Skinnners Flat is still an outstanding issue. Cr Beattie undertook to contact the Chairman of the Board of GWMWater to discuss how to progress the matter.</p> <p><i>20/07/2020 1:48:05 PM - Steven Phillips</i> A meeting between Cr Holt, Cr Beattie, Phil Pinyon CEO Loddon Shire Council and Peter Vogel Chairman of the Board of GWMWater and Mark Williams Managing Director GWMWater was held on 22 June 2020 in Beaufort. Following this meeting Cr Holt, Cr Beattie, Phil Pinyon CEO Loddon Shire Council were to meet with Damian Wells Managing Director of Coliban Water to discuss possible solutions to this matter. This meeting has not been able to take place due to COVID-19 restrictions.</p> <p><i>10/08/2020 11:44:55 AM - Steven Phillips</i> Progress has been significantly hampered due to the current COVID – 19 restrictions and the desire for a face to face meeting with Coliban Water. Once restrictions allow, a face to face meeting with Coliban Water will be arranged.</p> <p><i>1/09/2020 6:05:17 PM - Steven Phillips</i> This matter is scheduled on the September Council Forum agenda for discussion. The timing and circumstances for a meeting with Coliban Water remains a critical issue. It is important that Council is able to engage with them in a meaningful way about potential solutions that they may be able to assist with.</p> <p><i>1/10/2020 6:17:27 PM - Steven Phillips</i> Following the discussion at the September Council Forum contact has been made with GHD for them to provide Council with a fee proposal to investigate the required works associated with actively maintaining the water level at Skinnners Flat. The meeting with Coliban Water has not yet been scheduled.</p>			

Outstanding	Division: Committee: Officer:	Date From: Date To:
Action Sheets Report		Printed: Monday, 5 October 2020 9:40:22 AM

Actions completed since last meeting

Meeting	Officer/Director	Section	Subject
Council 15/09/2020	Coombes, Christine Pinyon, Phil	Decision Reports	2020 Christmas New Year Holiday Period
RESOLUTION 2020/147			
Moved: Cr Colleen Condliffe			
Seconded: Cr Neil Beattie			
That subject to the resumption of operations at Council's administrative centres in compliance with COVID-19 restrictions:			
1. Council approve the closure of the Wedderburn and Serpentine administrative centres from midday Thursday 24 December 2020 and reopening at 8.15 am on Monday 4 January 2021.			
2. Council give notice of these amended office hours by publishing the details in the public notices section of the Bendigo Advertiser, on Council's website and on social media.			
CARRIED			
29/09/2020 12:07:40 PM - Christine Coombes			
Action completed by: Coombes, Christine			
Notice has been included in the Staff Newsletter for September to inform staff. An advertisement has been drafted for a scheduled release on Saturday 5 December for the Bendigo Advertiser and social media, subject to the resumption of operations at Council's administrative centres and the services to be provided over the Christmas/New Year period in compliance with COVID-19 restrictions.			

Meeting	Officer/Director	Section	Subject
Council 15/09/2020	Coombes, Christine Pinyon, Phil	Decision Reports	Wedderburn Housing Estate - 28 Ridge Street - condition amendment
RESOLUTION 2020/148			
Moved: Cr Gavan Holt			
Seconded: Cr Geoff Curnow			
That Council resolve to amend the conditions regarding construction and completion of a residence placed on the sale of Lot 5, 28 Ridge Street, Wedderburn to:			

Outstanding	Division: Committee: Officer:	Date From: Date To:
Action Sheets Report		Printed: Monday, 5 October 2020 9:40:22 AM

1. construction to commence within 2 years of purchase
2. construction to be completed within 3 years of purchase.

CARRIED

29/09/2020 8:45:55 AM - Christine Coombes

Action completed by: Coombes, Christine

Updated conditions have been noted on the property file in Loddon Content Manager. Local real estate agents have been notified of the updated conditions along with the property lawyer.

Meeting	Officer/Director	Section	Subject
Council 15/09/2020	Perry, Sarah Gladman, Wendy	Decision Reports	Community Plan Allocations 2020/21
RESOLUTION 2020/149			
Moved: Cr Colleen Condliffe			
Seconded: Cr Neil Beattie			
That Council approves the 2020-21 Community Plan project allocations of \$151,560 in accordance with the attached report.			
CARRIED			
21/09/2020 9:28:32 AM - Sarah Perry			
Action completed by: Perry, Sarah			
The applicants of the 2020/2021 Community Planning program have been notified of their success via the SmartyGrants program. Contact has been made with relevant Community Planning Groups to discuss next steps.			

Meeting	Officer/Director	Section	Subject
Council 15/09/2020	Habner, Lynne Pinyon, Phil	Decision Reports	Review of Delegations - Marine Safety Act
RESOLUTION 2020/150			
Moved: Cr Neil Beattie			
Seconded: Cr Colleen Condliffe			

Outstanding	Division: Committee: Officer:	Date From: Date To:
Action Sheets Report		Printed: Monday, 5 October 2020 9:40:22 AM

That Council, in the exercise of the powers conferred by the legislation referred to in the attached instrument of delegation, resolves that:

- (a) There be delegated to the members of Council staff holding, acting in or performing the duties of the offices or positions referred to in the attached Instrument of Delegation to members of Council staff, the powers, duties and functions set out in that instrument, subject to the conditions and limitations specified in that Instrument.
- (b) On the coming into force of the instrument, all previous Council delegations to members of Council staff (Marine Safety Act) are revoked.
- (c) The duties and functions set out in the instrument must be performed, and the powers set out in the instruments must be executed, in accordance with any guidelines or policies of Council that it may from time to time adopt.

CARRIED

22/09/2020 10:37:57 AM - Lynne Habner

Action completed by: Habner, Lynne

Completed. Instrument of Delegation has been finalised and registered.

Meeting	Officer/Director	Section	Subject
Council 15/09/2020	Gladman, Wendy Gladman, Wendy	Decision Reports	BOORT WARD STRATEGIC FUND - NOMINATION OF PROJECT
RESOLUTION 2020/151			
Moved: Cr Neil Beattie			
Seconded: Cr Gavan Holt			
That Council endorse the Boort Foreshore Sporting Precinct Development as the nominated project for the 2019/20 Community Planning Strategic Fund \$500,000 allocation; noting that the draft concept plans will be provided to Council when completed for consideration and approval.			
CARRIED			
28/09/2020 4:22:54 PM - Wendy Gladman			
Action completed by: Gladman, Wendy			
Council's Finance department have been advised of the decision to allow the necessary budget provisions to be made. Council's Community Support team have been advised to allow the planning component to be factored into the department work plan.			

Meeting	Officer/Director	Section	Subject
Council 15/09/2020	Gladman, Wendy	Decision Reports	COMMUNITY SUPPORT POLICY - INCLUSION OF ANNUAL ALLOCATION TO COMMUNITY

Outstanding	Division: Committee: Officer:	Date From: Date To:
Action Sheets Report		Printed: Monday, 5 October 2020 9:40:22 AM

Gladman, Wendy	NEWSLETTERS
<p>RESOLUTION 2020/152</p> <p>Moved: Cr Colleen Condliffe Seconded: Cr Neil Beattie</p> <p>That Council:</p> <ol style="list-style-type: none"> adds Community Newsletter allocations as an activity to the Community Support Policy, providing an annual allocation based on the allocation matrix detailed in the body of this report and provides funding based on: <ol style="list-style-type: none"> the confirmed production levels required for local distribution to areas where there is no other newsletter in circulation support to the newsletters identified in the report, and that any requests for funding of new newsletters must be accompanied by a business case demonstrating need and distribution area with Council determining their admission to the program the provision of an annual acquittal, demonstrating appropriate use of the allocated funds the newsletters inserting Council media releases (relevant to timeliness), including the Mayoral column and recognise Council as a funding contributor a copy of each newsletter edition being forwarded to Council endorse the reduction of the Community Grants annual allocation to \$180K with the correlating introduction of a Community Newsletter annual allocation of \$20K (without indexation) to commence in the 2021/22 financial year. <p style="text-align: right;">CARRIED</p> <p>28/09/2020 4:42:05 PM - Wendy Gladman Action completed by: Gladman, Wendy Council's Finance and Community Support departments have been advised of the changes required to implement the allocation for the 21/22 financial year as prescribed in the report</p>	

Meeting	Officer/Director	Section	Subject
Council 15/09/2020	Gladman, Wendy Gladman, Wendy	Decision Reports	2020/21 Hall and Recreation Reserve allocation
<p>RESOLUTION 2020/153</p> <p>Moved: Cr Gavan Holt</p>			

Outstanding	Division: Committee: Officer:	Date From: Date To:
Action Sheets Report		Printed: Monday, 5 October 2020 9:40:22 AM

Seconded: Cr Colleen Condiffe

That Council by exception increase the 2020/21 halls and recreation reserves allocation by 2%, noting that all subsequent allocations return to a CPI informed increase.

CARRIED

28/09/2020 4:47:17 PM - Wendy Gladman

Action completed by: Gladman, Wendy

The Hall and Recreation Committees of Management have been advised of the 20/21 allocation increase and provided with an online form via Smarty Grants to confirm bank account details and the current activity status of the facility.

Meeting	Officer/Director	Section	Subject
Council 15/09/2020	Perry, Sarah Gladman, Wendy	New Item	COMMUNITY GRANTS - PYRAMID HILL & DISTRICT HISTORICAL SOCIETY
RESOLUTION 2020/155			
Moved: Cr Cheryl McKinnon			
Seconded: Cr Neil Beattie			
That Council:			
1. provide funding of \$515 to the Pyramid Hill & District Historical Society to offset the building fee for the removal (demolition) of the shed that houses the Historical Ruston engine at the old pet food factory at Pyramid Hill in preparation for its relocation.			
2. provide these funds from the 2020/21 Community Grant unallocated funds.			
CARRIED			
21/09/2020 9:31:50 AM - Sarah Perry			
Action completed by: Perry, Sarah			
The transfer from the unallocated 2020/2021 Community Grants Program funds to pay the Building permit fee for the removal (Demolition) of the shed that houses the Historical Ruston engine at 1 Factory Lane has been completed.			

8 MAYORAL REPORT**8.1 MAYORAL REPORT****File Number:** 02/01/001**Author:** Lynne Habner, Manager Executive and Commercial Services**Authoriser:** Phil Pinyon, Chief Executive Officer**Attachments:** Nil**RECOMMENDATION**

That Council receive and note the Mayoral Report

REPORT

The Mayor will present a report at the meeting.

Cr McKinnon**North Central Goldfields Regional Library****Section 86 Committees:** East Loddon Community Centre Committee of Management, Pyramid Hill Memorial Hall Committee of Management, Pyramid Hill Swimming Pool Committee of Management and Reserve Committee of Management**Nature Tourism Advisory Team****Other Council activities**

DATE	Activity

9 COUNCILLORS' REPORT**9.1 COUNCILLORS' REPORTS****File Number:** 02/01/001**Author:** Lynne Habner, Manager Executive and Commercial Services**Authoriser:** Phil Pinyon, Chief Executive Officer**Attachments:** Nil**RECOMMENDATION**

That Council receive and note the Councillors' reports

REPORT

Each Councillor will present a report at the meeting.

Cr Beattie

Murray Darling Association	
Rail Freight Alliance	
GMW Connections Project:	
Section 86 Committees: Boort Aerodrome Committee of Management, Boort Development Committee Inc., Boort Memorial Hall Committee of Management, Boort Park Committee of Management, Korong Vale Mechanics Hall Committee of Management, Korong Vale Sports Centre Committee of Management, Little Lake Boort Management Committee Inc., Yando Public Hall Committee of Management	
Other Council activities	
DATE	Activity

Cr Condliffe

Calder Highway Improvement Committee	
Section 86 Committees: Bridgewater on Loddon Development Committee of Management, Campbells Forest Hall Committee of Management, Inglewood Community Sports Centre Committee of Management, Inglewood Lions Community Elderly Persons Units Committee of Management, Inglewood Town Hall Hub Committee of Management, Jones Eucalyptus Distillery Site Committee of Management	
Australia Day Committee	
Central Victorian Greenhouse Alliance	
Central Victoria Rural Women's Network	
Healthy Minds Network	
Loddon Youth Committee	
Other Council activities	
DATE	Activity

Cr Curnow

Loddon Mallee Waste Resource Recovery Group

Section 86 Committees: Kingower Development and Tourism Committee**Municipal Emergency Management Plan Committee and Municipal Fire Management Plan Committee****Other Council activities****DATE****Activity****Cr Holt****Municipal Association of Victoria**

Section 86 Committees: Donaldson Park Committee of Management, Wedderburn Community Centre Committee of Management, Wedderburn Engine Park Committee of Management, Wedderburn Mechanics Institute Hall Committee of Management, Wedderburn Tourism Committee of Management

Audit Committee**Other Council activities****DATE****Activity**

10 DECISION REPORTS**10.1 FINANCE REPORT FOR THE PERIOD ENDING 31 AUGUST 2020**

File Number: 08/06/001

Author: Deanne Caserta, Manager Financial Services

Authoriser: Sharon Morrison, Director Corporate Services

Attachments: 1. Finance Report for Period Ending 31 August 2020

RECOMMENDATION

That Council:

1. receives and notes the 'Finance report for the period ending 31 August 2020'
2. approves budget revisions included in the report for internal reporting purposes only
3. approves the supplementary valuations of rateable and non-rateable properties in respect of the 2020/21 financial year, as returned by the Shire Valuer, LG Valuations Pty Ltd, and endorses them being incorporated into the Register of Rateable and Non Rateable Properties and Rate Book for 2020/21.

CONFLICT OF INTEREST

There is no conflict of interest for any Council staff member involved in the preparation of this report, or involved in the subject matter of the report.

PREVIOUS COUNCIL DISCUSSION

Council is provided with Finance Reports on a monthly basis with the exception of when changes to the Council meeting timetable result in the Council meeting occurring before the completion of the end of month finance procedures.

BACKGROUND

The Finance Report for the period ended 31 August 2020 includes standard monthly information about budget variations, cash, investments, interest, debtors and creditors, and provides a comparison of year-to-date actual results to year-to-date budget (by dollars and percentage) and total revised budget (by percentage).

The information is in the format provided in the adopted 2020/21 Budget, and includes operating results, capital expenditure and funding sources.

The report this month does not provide explanation on budget timing variances as this timing work has only just commenced 2020/21. This will occur during September 2020.

This Finance Report also includes reporting on supplementary valuations. Each year Council makes a number of additions, subtractions and alterations to the valuations contained in the annual rate book. These changes arise from various sources including:

- splitting of parcels into new rateable assessments
- development of vacant or unproductive land (urban and rural)
- consolidation of separate rateable assessments into one assessment
- re-assessment of property valuations arising from objections to the initial valuation
- additions and cancellations of licences (grazing and water frontages)
- change of use

- covenant on Title
- area amendment
- change of Australian Valuation Property Classification Code (AVPCC)
- supplementary valuation corrections.

ISSUES/DISCUSSION

Budgeted Surplus - Council's budgeted cash surplus has increased by \$1.24M to \$1.34M, this is mainly due to the adjustment to the carried forward surplus from 2019/20.

Income Statement (revenue) - Council's year to date (YTD) operating revenue is at 40% of total budget. Revenue brought to account for August was \$1.4M (July was \$12.2M).

Income Statement (expenditure) - Council's operating expenditure is at 15% of total budget. Payments for this month totalled just over \$2.23M (\$3.67M in July).

Capital Works - The approved budget for capital works is \$24.07M and is 2% complete in financial terms for the current financial year.

Service Areas – Appendix 3 now provides Council with a clearer picture of the net result for each service area. As further work is done on service planning and reviews throughout the year, the cost of each service will be refined.

Balance Sheet - Council has a cash total of \$28.0M with \$1.8M in general accounts. Total debtors at the end of August are \$12.97M (\$13.75M in July). Sundry debtors total \$1.06M with invoices outstanding for 90 or more days relating to community wellbeing debtors and local community groups totalling approximately \$33K.

COST/BENEFITS

The benefit to Council and the community is that accurate and regular financial reporting is being disclosed, along with an accurate representation of property valuations being reflected in Council's rating system and the distribution of rate notices for the year 2020/21.

Provision of financial reports on at least a quarterly basis is a requirement of the Local Government Act.

RISK ANALYSIS

The provision of regular and accurate finance reports to Council minimises the risk of Council not delivering projects within the approved budget. Council's risk exposure is also increased if the rating system does not reflect the valuation changes associated with supplementary valuations as Council will not be aware of the changes, which can alter the rate revenue in the current year and in future rating years.

CONSULTATION AND ENGAGEMENT

There has been considerable consultation internally with respective managers in understanding their budget responsibilities and keeping within budgetary constraints.

Consultation with ratepayers and authorities that act on behalf of ratepayers occurs when a change to a property is required or occurs by virtue of a sale.

External engagement with the community was undertaken during the submission period of the budget, and regular reporting provides a mechanism of monitoring the financial outcomes of Council against that expectation.

LODDON SHIRE COUNCIL

FINANCE REPORT FOR PERIOD ENDING 31 AUGUST 2020



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1 INTRODUCTION

At the start of the financial year, Council implemented a new chart of accounts structure, this will see a variation in the reporting provided to Council with the availability of service level structuring. With many systems and reports still being adjusted, this report will be providing a summary of the financial position at the end of August 2020.

During August 2020, staff within the Finance Department have been busy with the providing support to Council's external auditors to ensure the Financial Statements and Performance Statements are signed off by the legislated deadline. Staff within the Procurement Department have been finalising the implementation of electronic purchase orders which will give more accurate commitment reporting moving forward through 2020/21.

2 CASH SURPLUS POSITION

2.1 Budget revisions

Budget variations have been processed for August 2020. The 2019/20 carry over projects have now been finalised and capital works program has been updated into the financials.

As a result the cash surplus has increased from \$95,718 to \$1,337,571.

Adopted Budget surplus	\$ 95,718
Additional carried forward from 2019/20 final statements	\$ 1,205,251
Opening surplus	\$ 1,300,969
ADJUSTMENTS	
Additonal cost of workcover for 2020/21	-\$ 32,726
Lower Victoria Grants Commission funding for 2020/21	-\$ 59,771
Additional funding for Fire Services Property Levy	\$ 44,595
Capital works program adoption	\$ 113,051
Other minor items	-\$ 28,547
Closing surplus	\$ 1,337,571

3 STANDARD INCOME STATEMENT

Budget revisions are now complete and timing of the budget is the next major project which will commence in September 2020. For this reason there is no variance reporting included within this report.

3.1 Operating revenue

Total revenue brought to account for the month of August was \$1.4M. The total income received is 40% of the total revised budget income for 2020/21.

3.1.1 Interest income

Council's Investment Policy requires investment of funds with authorised deposit taking institutions rated AAA+ to BBB- with a maximum of 40% of funds at any one institution and a maximum of \$2M in any one transaction.

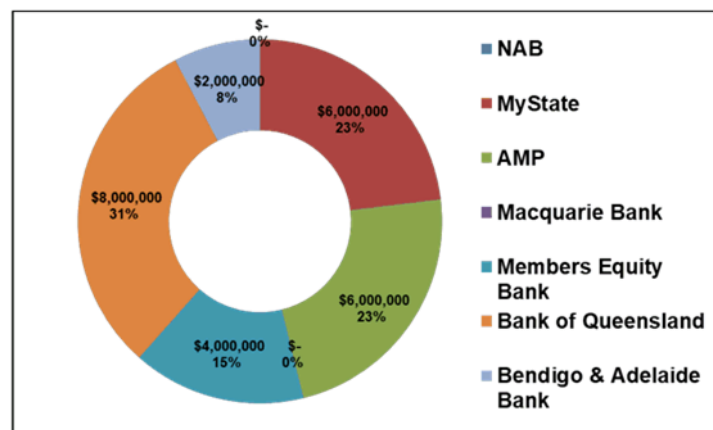
The total investment interest received and accrued to date is \$63K. Rates interest amounts to \$NIL due to Council waiving interest on rates until 31 December 2020. Year to date represents 17% of the total Revised Budget amount of \$375K.

All investments are term deposits and are currently with banks which meet Council's rating standards as below.

Current investments:							
NAB	A1+AA-					\$ -	0.0%
MyState	A2/BBB+					\$ 6,000,000	23.1%
AMP	A2/BBB+					\$ 6,000,000	23.1%
Macquarie Bank	A1/A					\$ -	0.0%
Members Equity Bank	A2/BBB					\$ 4,000,000	15.4%
Bank of Queensland	A2/BBB					\$ 8,000,000	30.8%
Bendigo & Adelaide Bank	A2/BBB+					\$ 2,000,000	7.7%
Council Funds on Term Deposit						\$26,000,000	100%

The below table shows all investments for the financial year to date.

LODDON SHIRE COUNCIL INVESTMENT SCHEDULE												
Bank	Establishment date	Status	Maturity date	Term (days)	Interest rate	Investment amount	Total interest receivable on TD	Interest accrual 2019/20	YTD accrued interest	Total interest accrual	YTD interest received	Total YTD interest earned
Bendigo & Adelaide Bank	31/12/2018	Closed	N/A	N/A	0.20%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 230	\$ 230
Members Equity Bank	28/05/2020	Closed	28/07/2020	61	0.95%	\$ 2,000,000	\$ 3,175	\$ 1,718	\$ -	\$ -	\$ 1,457	\$ 1,457
Members Equity Bank	28/05/2020	Closed	26/08/2020	90	1.10%	\$ 2,000,000	\$ 5,425	\$ 1,989	\$ -	\$ -	\$ 3,436	\$ 3,436
MyState	16/03/2020	Open	16/09/2020	184	1.75%	\$ 2,000,000	\$ 17,644	\$ 10,164	\$ 5,945	\$ 16,110	\$ -	\$ 5,945
MyState	15/04/2020	Open	15/10/2020	183	1.75%	\$ 2,000,000	\$ 17,548	\$ 7,288	\$ 5,945	\$ 13,233	\$ -	\$ 5,945
MyState	17/03/2020	Open	19/10/2020	216	1.75%	\$ 2,000,000	\$ 20,712	\$ 10,068	\$ 5,945	\$ 16,014	\$ -	\$ 5,945
Bank of Queensland	5/05/2020	Open	5/11/2020	184	1.45%	\$ 2,000,000	\$ 14,619	\$ 4,449	\$ 4,528	\$ 9,376	\$ -	\$ 4,926
AMP	25/05/2020	Open	25/11/2020	184	1.65%	\$ 2,000,000	\$ 16,636	\$ 3,256	\$ 5,805	\$ 8,860	\$ -	\$ 5,605
Bank of Queensland	28/05/2020	Open	28/01/2021	245	1.15%	\$ 2,000,000	\$ 15,438	\$ 2,079	\$ 3,907	\$ 5,986	\$ -	\$ 3,907
Members Equity Bank	18/05/2020	Open	18/02/2021	276	1.20%	\$ 2,000,000	\$ 18,148	\$ 2,827	\$ 4,077	\$ 6,904	\$ -	\$ 4,077
Bendigo & Adelaide Bank	26/08/2020	Open	26/02/2021	184	0.65%	\$ 2,000,000	\$ 6,553	\$ -	\$ 178	\$ 178	\$ -	\$ 178
Members Equity Bank	25/05/2020	Open	25/03/2021	304	1.20%	\$ 2,000,000	\$ 19,989	\$ 2,367	\$ 4,077	\$ 6,444	\$ -	\$ 4,077
Bank of Queensland	12/06/2020	Open	12/04/2021	304	1.05%	\$ 2,000,000	\$ 17,490	\$ 1,036	\$ 3,567	\$ 4,603	\$ -	\$ 3,567
AMP	5/05/2020	Open	5/05/2021	365	1.55%	\$ 2,000,000	\$ 31,000	\$ 4,756	\$ 5,266	\$ 10,022	\$ -	\$ 5,266
AMP	6/05/2020	Open	6/05/2021	365	1.55%	\$ 2,000,000	\$ 31,000	\$ 4,671	\$ 5,266	\$ 9,937	\$ -	\$ 5,266
Bank of Queensland	28/07/2020	Open	28/06/2021	335	0.85%	\$ 2,000,000	\$ 15,603	\$ -	\$ 1,584	\$ 1,584	\$ -	\$ 1,584
Total Interest on Investments								\$ 56,668	\$ 56,268	\$ 109,249	\$ 5,123	\$ 61,410
Interest on General Accounts												\$ 1,121
Total Interest												\$ 62,532
Interest transferred to/from externally funded projects												\$ -
Net interest on investments												\$ 62,531.78



Due to the short term nature of the term deposits, those deposits which have not reached maturity are included as cash in the Balance Sheet.

3.2 Operating expenditure

Total operating expenditure for August was \$2.23M. The total expenditure for the month is 15% of the revised budget expenditure for 2020/21.

3.2.1 Payments

During the month the following payments were made:

Creditor payments - cheque	\$5,829
Creditor payments - electronic funds transfer	\$1,472,599
Payroll (2 pays)	\$613,322
TOTAL	\$2,091,750

3.3 Operating surplus

The operating surplus to date is \$7.69M. This is mainly due to the raising of rates at the start of the financial year.

3.4 Capital expenditure

Total capital works expenditure for August was \$331K. After clearing reserve accounts, the total revised budget amount for 2020/21 is \$24.07M.

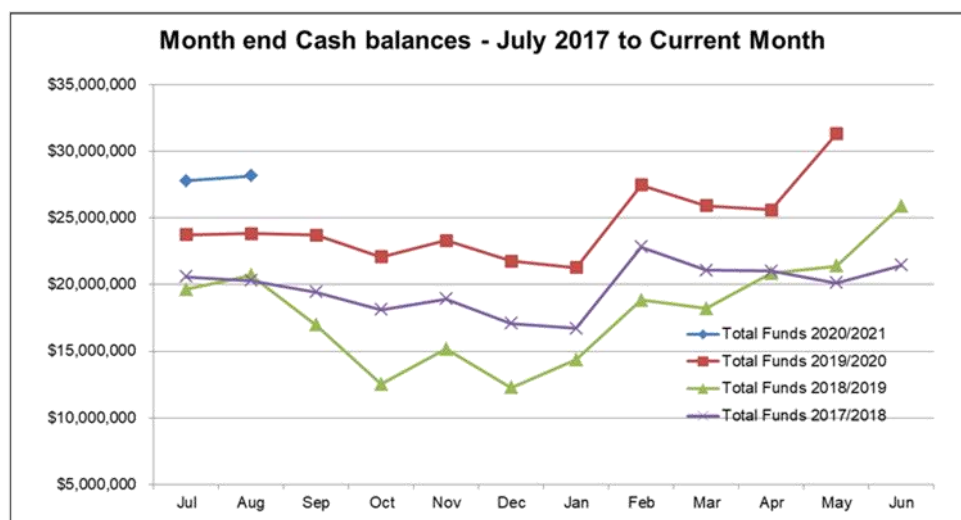
The total capital works annual expenditure is 2% complete in financial terms.

4 STANDARD BALANCE SHEET

4.1 Cash

At the end of the month, Council's overall cash total was \$28.0M which includes a balance of \$1.8M in general accounts.

Month end balances for Council's cash, from July 2017 until the current month, are reflected in the following graph:



4.2 Receivables

4.2.1 Debtors

Monthly balances of the various categories of debtors for the financial year are:

Debtor category	August 2019	May 2020	July 2020	August 2020
Rates	10,369,863	572,868	11,390,638	10,717,454
Fire Services Property Levy	1,203,045	112,063	1,327,697	1,226,826
Total Rates & Fire Services Property Levy	11,572,908	684,931	12,718,334	11,944,281
Sundry debtors	2,040,488	274,609	1,057,323	1,058,771
Community loans/advances	2,400	2,400	1,168	1,200
Long term loans/advances	-	-	-	-
Employee superannuation	3,147	3,619	(4,072)	(6,254)
Magistrates court fines	100,319	100,319	100,319	100,319
LESS provision for doubtful debts	(118,887)	(118,887)	(127,248)	(127,248)
Total	13,600,376	946,990	13,745,825	12,971,069

4.2.2 Rates debtors

Outstanding rates and Fire Services Property Levy at the end of selected months were:

	August 2019 (5/8/2019)	May 2020 (1/6/2020)	July 2020 (7/8/2020)	August 2020 (4/9/2020)
2006/07 to 2012/13	\$ 15,307	\$ 13,003	\$ 12,766	\$ 12,583
2013/14	\$ 2,982	\$ 1,830	\$ 1,830	\$ 1,830
2013/14 Fire Services Property Levy	\$ 688	\$ 722	\$ 722	\$ 722
2014/15	\$ 5,474	\$ 3,704	\$ 3,755	\$ 3,755
2014/15 Fire Services Property Levy	\$ 1,335	\$ 1,192	\$ 1,186	\$ 1,186
2015/16	\$ 13,114	\$ 8,049	\$ 6,861	\$ 6,799
2015/16 Fire Services Property Levy	\$ 2,641	\$ 2,027	\$ 1,627	\$ 1,617
2016/17	\$ 26,081	\$ 19,058	\$ 16,279	\$ 14,916
2016/17 Fire Services Property Levy	\$ 4,499	\$ 3,280	\$ 3,049	\$ 2,845
2017/18	\$ 49,421	\$ 35,582	\$ 28,797	\$ 27,598
2017/18 Fire Services Property Levy	\$ 8,960	\$ 6,869	\$ 3,073	\$ 5,829
2018/19	\$ 146,638	\$ 63,301	\$ 53,185	\$ 50,510
2018/19 Fire Services Property Levy	\$ 21,784	\$ 12,004	\$ 10,279	\$ 9,829
2019/20	\$ -	\$ 434,540	\$ 218,843	\$ 198,316
2019/20 Fire Services Property Levy	\$ -	\$ 79,771	\$ 35,050	\$ 31,587
2020/21		\$ -	\$ 11,048,321	\$ 10,401,148
2020/21 Fire Services Property Levy		\$ -	\$ 1,272,711	\$ 1,173,211
Sub-total: arrears	\$ 298,924	\$ 684,932	\$ 12,718,334	\$ 11,944,281
Current year (outstanding but not due)	\$ 10,369,863	\$ -	\$ 11,048,321	\$ 10,401,148
Fire Services Property Levy	\$ 1,203,045	\$ -	\$ 1,272,711	\$ 1,173,211
Total outstanding	\$ 11,572,908	\$ 684,932	\$ 12,321,032	\$ 11,574,359
<i>Summary</i>				
Rates in arrears	\$ 259,017	\$ 579,067	\$ 342,316	\$ 316,307
FSPL in arrears	\$ 39,907	\$ 105,865	\$ 54,986	\$ 53,615
Total arrears	\$ 298,924	\$ 684,932	\$ 397,302	\$ 369,922

4.2.3 Sundry debtors

Outstanding sundry debtors at the end of the month consist of:

Current	\$48,392	41%
30 days	\$25,821	22%
60 days	\$13,188	11%
90 + days	\$31,844	27%
Sub total routine debtors	\$119,246	100%
Paid Parental Leave	\$0	
Government departments	\$873,757	
GST	\$65,768	
Total	\$1,058,771	
90 + days consists of:		
Community Wellbeing debtors	\$2,181	
Local community groups	\$913	
Others	\$29,663	
Total	\$32,757	

Total outstanding sundry debtors as at 31 August 2020 are (\$1.06M).

The mainstream sundry debtors (\$119K) have been broken into the amount of time they have been outstanding. At the time of this report \$32K or 27% of that total has been outstanding for more than 90 days. All debtors are contacted as a matter of routine.

4.2.4 Supplementary valuations

All rateable and non-rateable supplementary valuations are included in this report.

Valuation type	30 June 2020 Balance	1 July 2020 Revaluation	Supplementary changes	Closing balance
Site Value	\$ 1,556,194,900	\$ 1,646,862,300	\$ 2,038,700	\$ 1,648,901,000
Capital Improved Value	\$ 2,354,772,700	\$ 2,481,532,400	\$ 13,349,800	\$ 2,494,882,200
NAV	\$ 120,800,115	\$ 127,213,700	\$ 664,710	\$ 127,878,410

Type	Number	Site Value Movement	Capital Improved Value Movement	NAV Value Movement
Amend Area	22	-\$ 163,100	-\$ 45,700	-\$ 2,285
Change AVPCC	1	\$ -	\$ 10,000	-\$ 3,730
Consolidation	14	\$ 1,090,000	\$ 1,203,000	\$ 60,150
Demolition	3	\$ -	-\$ 98,000	-\$ 4,900
Fire Damaged	4	\$ -	-\$ 345,000	-\$ 17,250
Improvement	79	\$ 7,000	\$ 9,046,000	\$ 454,060
New Property	34	\$ 5,004,600	\$ 7,723,300	\$ 386,175
Now Rateable	2	\$ 100,000	\$ 176,000	\$ 8,800
Purchase Exchannel	1	\$ 4,000	\$ 5,000	\$ 250
Split	34	-\$ 4,003,800	-\$ 4,554,800	-\$ 228,060
Revaluation Correction	1	\$ -	\$ 230,000	\$ 11,500
TOTAL	195	\$ 2,038,700	\$ 13,349,800	\$ 664,710

The total rateable CIV at the end of August 2020 is at \$2.49B.

4.3 **Water rights**

Council-owned water rights were valued at \$2.98M at 30 June 2020.

The rights are revalued to market at the end of each financial year.

There have been no purchases to date this financial year, and no future purchases are budgeted for 2020/21.

4.4 **Vision Super Defined Benefits Plan update**

On 14 August 2020, Council received official notification of the 30 June 2020 actual Vested Benefit Index (VBI) for the sub-plan being 104.6%. This is a slight increase from the previous quarter and it remains well above the required 100%.

Currently, under the superannuation prudential standards, VBI's must generally be kept above a fund's nominated shortfall, currently 97%. When an actuarial review/investigation is in progress the fund's VBI must be at least 100% as it was at 30 June 2020.

Below is the sub-plan's recent VBI history:

As at	30 June 2017 (actual)	30 June 2018 (actual)	30 June 2019 (actual)	31 March 2020 (estimated)	30 June 2020 (actual)
LASF DB	103.1%	106.0%	107.1%	102.1%	104.6%

APPENDIX 1: STANDARD INCOME STATEMENT

Element	2020/21 Original Budget	2020/21 Revised Budget	2020/21 YTD Revised Budget	2020/21 YTD Actuals
Income				
69 - Statutory Fees	277,532	277,532	23,127	59,391
70 - Fees & Charges	1,464,986	1,476,259	123,017	210,388
71 - Contribution	100,000	100,000	8,333	0
73 - Interest	375,200	375,200	31,267	62,532
77 - Reimbursements	277,411	277,411	23,118	43,804
80 - Rates	11,461,007	11,461,007	955,079	11,276,643
81 - Non Recurrent Grants (Operating)	152,766	635,518	52,959	371,208
82 - Recurrent Grants (Capital)	6,299,505	6,239,734	519,981	1,489,050
83 - Recurrent Grants (Capital)	2,387,726	4,098,703	341,556	(3,302)
84 - Recurrent Grants (Operating)	0	8,295,604	691,297	0
90 - VicRoads	510,474	510,474	42,539	83,991
Total Income	23,306,607	33,747,442	2,812,273	13,593,705
Expenses				
01 - Labour	11,492,803	12,015,547	1,001,285	1,801,587
04 - Creditors	8,903,914	13,394,011	995,451	2,094,387
05 - Stores	70,286	70,286	5,857	0
06 - Fuel	1,051,376	1,051,376	87,616	137,864
07 - Contractors	1,797,721	1,825,060	152,089	160,938
08 - Depreciation	9,666,789	9,666,789	805,563	1,611,132
09 - Utilities	527,885	527,885	43,991	36,245
25 - Grants Expenditure	361,400	376,354	31,362	65,528
45 - Bad Debts Expense	0	0	0	73
63 - Reversal of Impairment Losses	0	0	0	(32)
Total Expenses	33,872,174	38,927,308	3,123,214	5,907,722
Net Result Surplus / (Deficit)	(10,565,567)	(5,179,866)	(310,941)	7,685,983

*Income and expense items required by Australian Accounting Standards (AAS)

APPENDIX 2: STANDARD CAPITAL WORKS STATEMENT

Element	2020/21 Original Budget	2020/21 Revised Budget	2020/21 YTD Revised Budget	2020/21 YTD Actuals
Funding Decisions				
88 - Reserves Transfer From	6,466,816	17,720,496	1,393,099	0
89 - Reserves Transfer To	(2,341,772)	(2,116,772)	(168,064)	0
74 - Asset Sales (Capital)	471,181	471,181	39,265	0
Total Funding Decisions	4,596,225	16,074,905	1,264,300	0
Capital Expenditure				
21 - Caravan Parks	7,500	2,010,437	167,536	0
40 - Community Support	0	31,335	2,611	41,664
41 - Community Planning - Boort	0	1,105	0	0
42 - Community Planning - Inglewood	50,000	120,500	10,042	0
43 - Community Planning - Tamagulla	50,000	61,683	5,140	0
44 - Community Planning - Terricks	50,000	20,848	1,737	0
45 - Community Planning - Wedderburn	50,000	25,000	2,083	0
47 - Grants & Community Planning	750,000	4,298,189	358,180	0
49 - Swimming Pools	0	15,101	1,258	0
65 - Information Technology	185,000	185,000	15,417	1,385
71 - Council Engineering and Technical Services	0	50,000	4,167	0
72 - Project & Contract Management	2,555,132	11,629,294	969,104	275,439
73 - Roads to Recovery	2,387,726	3,180,550	265,044	40,105
75 - Local Laws and Animal Management	0	102,121	8,510	0
82 - Building & Property Maintenance	535,000	706,983	58,915	18,295
84 - Fleet	522,000	1,402,900	116,908	0
90 - Parks & Townships	100,000	90,310	7,526	295
98 - Waterways Management	0	138,781	11,565	
Total Capital Expenditure	7,242,358	24,070,137	2,005,743	377,183
Non Cash Adjustments				
08 - Depreciation	9,666,789	9,666,789	805,563	1,611,132
45 - Bad Debts Expense	0	0	0	73
63 - Reversal of Impairment Losses	0	0	0	(32)
Total Non Cash Adjustments	9,666,789	9,666,789	805,563	1,611,173
Accumulated surplus bought forward	3,640,629	4,845,880	403,822	0
Net Cash Surplus / (Deficit)	95,718	1,337,571	157,001	8,919,973

APPENDIX 3: NET RESULT BY SERVICE AREA

Service Area	2020/21 Full Year Budget	2020/21 Total Revised Budget	2020/21 YTD Actuals August	2020/21 August Revised Budget
11 - Administration and Management	3,047,228	3,592,269	281,567	292,650
12 - Economic Development	93,510	288,180	18,390	24,015
13 - Council Administration	1,106,573	1,157,020	68,679	96,224
14 - Library Services	216,502	216,502	51,641	18,042
21 - Caravan Parks	(60,165)	1,330,963	6,227	110,911
22 - Loddon Discovery Tours	83	101	118	(2)
23 - Tourism	346,479	366,219	49,594	29,994
31 - Aged Care Services	622,547	1,653,197	48,067	65,530
32 - Elderly Persons Units	(15,795)	(15,795)	967	(1,317)
33 - Rural Access	25,000	145,653	390	12,138
34 - Seniors	43,048	43,097	6,079	3,562
40 - Community Support	943,577	1,213,849	217,856	99,747
41 - Community Planning - Boort	50,000	134,684	0	1,105
42 - Community Planning - Inglewood	50,000	186,478	0	15,540
43 - Community Planning - Tarnagulla	50,000	283,402	0	23,617
44 - Community Planning - Terricks	50,000	122,932	0	10,244
45 - Community Planning - Wedderburn	50,000	258,543	2,052	21,545
46 - Emergency Management	16,447	16,447	63,612	1,370
47 - Grants & Community Planning	771,891	1,773,499	65,528	147,788
48 - Municipal Health & Wellbeing	8,500	139,522	4,225	11,627
49 - Swimming Pools	538,314	562,506	9,230	46,876
50 - Maternal and Child Health	193,733	307,547	(6,339)	25,329
51 - Early Years	148,236	426,722	2,957	35,407
52 - Boort Pre School	0	(0)	(1,150)	(112)
53 - Dingee Pre School	(0)	0	60	(139)
54 - Inglewood Pre School	0	(0)	6,896	(137)
55 - Pyramid Hill Pre School	0	(0)	(1,704)	(112)
56 - Wedderburn Pre School	0	(0)	816	(114)
59 - Youth	13,560	21,572	0	1,797
61 - Financial Services	(510,155)	(13,115,320)	1,016,000	(1,011,401)
62 - Rates & Property	(9,641,826)	(9,686,071)	(9,589,048)	(807,371)
63 - Customer Service	293,129	293,726	45,797	24,133
64 - Information Management	230,218	240,234	41,231	20,011
65 - Information Technology	889,092	919,731	235,008	76,275
66 - Human Resources & Development	728,156	815,592	62,396	67,872
67 - Risk Management	443,711	453,937	295,883	37,699
71 - Council Engineering & Technical Services	231,555	289,090	24,033	24,091
72 - Project & Contract Management	2,535,338	5,743,909	315,713	478,658
73 - Roads to Recovery	0	693,656	40,105	57,804
74 - Building Regulation	72,870	72,985	(2,560)	6,017
75 - Local Laws and Animal Management	372,730	519,975	34,570	42,772
76 - Public Health	99,957	100,040	13,876	8,289
77 - Strategic & Statutory Planning	145,483	146,557	11,730	11,594
80 - Air Strips	9,393	9,393	655	782
82 - Building & Property Maintenance	1,370,585	1,680,025	137,953	139,662
84 - Fleet	(2,023,737)	(1,277,018)	(631,507)	(106,417)
86 - Gravel Pits	(86,567)	(86,567)	1,782	(7,214)
88 - Management & Administration	512,411	512,643	91,052	42,586
90 - Parks & Townships	1,171,430	1,243,992	152,247	102,167
92 - Roads	4,201,610	4,280,042	972,096	348,962
94 - RRV Contract Roads	(75,783)	(75,783)	(42,373)	(6,315)
96 - Waste Management	244,353	281,712	(1,430,192)	23,128
98 - Waterways Management	47,849	47,630	(1,004)	3,968

APPENDIX 4: STANDARD BALANCE SHEET

	August 2020 As per trial balance	June 2020 As per financial statements	August 2019 As per trial balance
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$28,370,730	\$30,326,446	\$23,832,398
Trade and other receivables	\$12,969,801	\$807,408	\$13,597,979
Financial assets	\$134,876	\$462,212	\$2,727
Inventories	\$26,800	\$26,782	\$41,120
Non-current assets classified as held for sale	\$540,076	\$540,076	\$556,091
TOTAL CURRENT ASSETS	\$42,042,284	\$32,162,924	\$38,030,315
NON-CURRENT ASSETS			
Trade and other receivables	\$1,268	\$1,268	\$2,397
Financial assets	\$275,436	\$275,336	\$725,394
Intangible assets	\$2,979,650	\$2,979,650	\$2,702,545
Property, infrastructure, plant and equipment	\$357,152,104	\$362,791,061	\$353,043,790
TOTAL NON-CURRENT ASSETS	\$360,408,458	\$366,047,315	\$356,474,126
TOTAL ASSETS	\$402,450,743	\$398,210,239	\$394,504,440
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	\$1,011,532	\$1,339,196	\$140,702
Trust funds and deposits	\$1,612,699	\$356,380	\$1,582,025
Provisions	\$2,653,310	\$2,622,435	\$2,409,701
Interest bearing loans and borrowings	\$0	\$0	\$0
TOTAL CURRENT LIABILITIES	\$5,277,542	\$4,318,011	\$4,132,427
NON-CURRENT LIABILITIES			
Provisions	\$1,716,013	\$1,716,013	\$1,797,418
Interest bearing loans & borrowings	\$0	\$0	\$0
TOTAL NON-CURRENT LIABILITIES	\$1,716,013	\$1,716,013	\$1,797,418
TOTAL LIABILITIES	\$6,993,555	\$6,034,024	\$5,929,845
NET ASSETS	\$395,457,189	\$392,176,215	\$388,574,596
EQUITY			
Accumulated Surplus	\$94,199,305	\$90,918,332	\$101,421,488
Asset Revaluation Reserve	\$278,439,144	\$278,439,144	\$265,442,673
Other Reserves	\$22,818,739	\$22,818,739	\$21,710,435
TOTAL EQUITY	\$395,457,189	\$392,176,215	\$388,574,596

11 INFORMATION REPORTS**11.1 2019/20 END OF FINANCIAL YEAR VARIATION ANALYSIS**

File Number: 08/06/001
Author: Deanne Caserta, Manager Financial Services
Authoriser: Sharon Morrison, Director Corporate Services
Attachments: 1. Snapshot 2019/20 Financials

RECOMMENDATION

That Council receives and notes the '2019/20 End of Financial Year Variation Analysis' Report.

CONFLICT OF INTEREST

There is no conflict of interest for any Council staff member involved in the preparation of this report, or involved in the subject matter of the report.

PREVIOUS COUNCIL DISCUSSION

As part of the 2020/21 budget process, budget projections for the end of 2019/20 financial year were presented to Council in the form of a Revised Budget.

At the October Council Briefing a snapshot at activity level of the major variations between the 2019/20 Revised Budget and the 2019/20 Actuals was presented. Explanations were given where variances existed outside Council's threshold of 10% or \$10,000.

BACKGROUND

The annual budget process requires that budget projections of the current financial year be undertaken to calculate the potential carried forward surplus that will form part of the next year's budget.

As this process is generally finalised in late March or early April, there are a further three months of activity to the end of June which may give rise to variations to the budget projections.

This report outlines the variations which have arisen between the budget projections made and the actual final results achieved at year end 30 June 2020.

ISSUES/DISCUSSION

The revised budget projections called for an end of financial year closing cash surplus position of \$3.64M. The actual cash surplus was \$4.84M, a positive variance of \$1.20M.

The monthly Finance Report tables are provided as an attachment to this report, and include the budget, actuals, variance in dollars and percentage terms.

Whilst there are a number of variances, this report focuses on those which fall outside a 10% or \$10,000 threshold, whichever is the greater.

SUMMARISED FINANCIAL RESULT

The table below discloses the actual result for the year in comparison to the budget:

Report item	2019/20 Revised Budget \$	2019/20 Actual \$	Variance of Actual to Budget \$	Variance of Actual to Budget %
Revenue	(34,253,570)	(30,246,543)	(4,007,026)	88%
Expenses	34,638,466	30,900,561	3,737,905	89%
Net operating result	384,896	654,019	(269,121)	170%
Funding decisions	(10,778,758)	794,410	(11,573,166)	-7%
Capital expenditure	20,045,059	6,504,115	13,540,944	32%
Non cash adjustments	(9,431,014)	(9,871,874)	440,859	105%
Accumulated deficit b/f	(3,860,817)	(2,920,817)	(940,000)	76%
Net cash surplus/(deficit)	(3,640,633)	(4,840,148)	1,199,516	133%

INCOME

Income for the year was \$30.25M representing a variance of 12% or \$4.01M lower than the budget of \$34.3M. Within the income items the following variances occurred:

Capital grants

Capital grants received were less than the budget by \$4.01M.

Instances where Council received income that was less than the budget were:

- Donaldson Park Wedderburn of \$2.5M with grant approval not received until late 2019/20
- Sloans Road bridge construction grant of \$445K with a claim still to be made once the project is complete
- caravan park improvement project funding of \$611k with construction about to commence
- flood mitigation works of \$606K with milestones still to be reached before claims can be made.

Recurrent contributions

Recurrent contributions received were lower than the budget by \$400K.

Instances where Council received income that was less than the budget were:

- Donaldson Park Wedderburn of \$310K with a contribution to be made once the project commences
- Bridgewater Recreation Reserve change facilities with a contribution of \$90K to be made once the project commences.

Interest income

Interest income earned was higher than the budget by \$42K. This is due to the availability of extra cash for investments due to delays in some large capital works projects and up front funding.

EXPENDITURE

Expenditure for the year was \$30.90M representing a variance of 11% or \$3.74M lower than budget. Within the line items the following variances occurred:

Materials and services

Materials and services were \$3.91M or 33% lower than budget; the main reasons are outlined below.

Items below budget:

- home and community care unspent funds of \$543K, which have been carried forward into 2020/21
- rural access programs of \$126K with less work delivered in this area than expected
- Bridgewater Recreational Reserve change facilities of \$364K with the project about to commence

- urban drainage strategy of \$186K with works underway and funds carried forward to be expended in 2020/21.

Utilities

Utilities were \$56K or 113% higher than budget; the main reason was increased water usage around pools and recreational facilities due to warmer weather and low rainfall.

Profit / (Loss) on sale of assets

There is no budget allocation for the profit or loss on the sale of assets due to its unpredictable nature. There was a \$30K profit for the 2019/20 financial year. This relates to the sale of land along with plant and equipment. In 2018/19 this was a loss of \$233K.

CAPITAL EXPENDITURE

Capital expenditure was \$6.50M representing a variance of 68% or \$13.54M below the set revised budget of \$20.05M.

Land and buildings

Land and buildings were 67% or \$1.00M below the set budget of \$1.50M.

The main variances below budget which are offset by reserve transfers were:

- livestock and domestic pound of \$102K
- community planning strategic fund of \$500K.

These projects have all been carried forward into 2020/21 and are expected to be commenced by 30 June 2021.

Plant and equipment

Plant and equipment was 24% or \$375K below the set budget of \$1.59M.

The main variance was the delay in delivery of new plant with shortages in some heavy equipment pieces in the marketplace.

Roads infrastructure

Roadworks were 35% or \$1.76M below the set budget of \$5.04M.

The main variances below budget which are offset by reserve transfers were:

- Echuca Serpentine Road projects of \$460K
- Bridgewater Raywood Road projects of \$155K
- Sloans Road bridge project of \$730K
- Pyramid Hill culvert works of \$296K.

Items below budget:

- reseal program of \$81K due to a competitive tendering process, all jobs were completed with savings.

Urban and road drainage

Urban and road drainage were 84% or \$1.31M below the set budget of \$1.56M.

The main variances below budget which are offset by reserve transfers were:

- flood mitigation works at Pyramid Hill and Boort of \$1.49M
- Inglewood dam safety upgrades of \$1.19M.

Recreation, leisure and community facilities

Recreation, leisure and community facilities were 100% or \$5.62M below the set budget of \$5.65M.

The main variances below budget which are offset by reserve transfers were:

- \$1.21M caravan park improvement project
- \$778K for the purchase of Wedderburn and Boort caravan parks
- \$3.31M for Donaldson Park Wedderburn with the project expected to commence during 2020/21.

Parks, open space and streetscapes

Parks, open space and streetscapes were 82% or \$1.57K below the set budget of \$1.92M.

The main variances below budget which are offset by reserve transfers were:

- Pyramid Hill streetscape works of \$810K
- Bridgewater Foreshore stage two works of \$289K.

Footpaths

Footpaths were 52% or \$590K below budget of \$1.14M.

\$473K has been carried over through reserves for completion during 2020/21.

FUNDING DECISIONS

Funding decisions were \$11.57M or 93% lower than expected within the budget.

Transfers to reserves

Transfers to reserves were \$10.76 higher than the set budget.

The main reasons were:

- Unspent Grants Reserve was \$3.33M above budget which represents funds received for a variety of projects that remained unspent at 30 June 2020
- Capital Expenditure Reserve was \$6.24 above budget which represents projects that will now be added to the 2020/21 program
- Community Planning Reserve was \$1.16M above budget which represents projects that are either incomplete or will not commence until 2020/21.

Proceeds from sale of assets

Proceeds from sale of assets were \$89K or 22% below budget.

SUMMARY

In summary, at the end of the financial year Council earned a surplus of \$1.20M in excess of expectation.

There are many variances throughout the different elements of the financial statements, however, it can be reported that:

- Council used Capital Expenditure, Community Planning and Unspent Grants Reserves to capture any financial items that were not effected in 2019/20 and will be completed in 2020/21 or subsequent years
- savings in many areas of the accounts were realised due to strong financial management by the officers responsible for delivering projects and programs.

COST/BENEFITS

The benefit of Council receiving a variation report of actual to projected budget is that it gives Council an understanding of the difference in the cash surplus position and keeps Council fully informed.

RISK ANALYSIS

The provision of a variance to budget report to Council minimises the risk of Council not understanding the financial position at year end, and provides reasons for carry over projects.

CONSULTATION AND ENGAGEMENT

There has been considerable consultation internally with respective managers in understanding their budget responsibilities and keeping within budgetary constraints.

External engagement with the community was undertaken during the submission period for the Budget, and regular reporting provides a mechanism for monitoring the financial outcomes of Council against the Budget.

	2019/20 Original Budget	2019/20 Revised Budget	YTD Budget	YTD Actual	Variance of YTD Actual & YTD Budget	% YTD Actual to YTD Budget	% YTD Actual to Revised Budget
REVENUE FROM ORDINARY ACTIVITIES							
Rates	\$11,027,275	\$11,049,483	\$11,049,483	\$11,047,771	(\$1,712)	100%	100%
Revenue grants	\$6,222,978	\$11,167,151	\$11,167,151	\$11,402,445	\$235,294	102%	102%
Capital grants	\$5,916,828	\$8,380,349	\$8,380,349	\$4,371,679	(\$4,008,671)	52%	52%
Vic Roads	\$524,064	\$515,027	\$515,027	\$587,516	\$72,489	114%	114%
User fees	\$1,836,005	\$2,044,401	\$2,044,401	\$2,069,619	\$25,218	101%	101%
Capital contributions	\$0	\$0	\$0	\$0	\$0	0%	0%
Recurrent contributions	\$310,000	\$421,626	\$421,626	\$21,165	(\$400,461)	5%	5%
Interest income	\$375,125	\$400,125	\$400,125	\$442,148	\$42,023	111%	111%
* Reversal of impairment losses	\$0	\$0	\$0	\$103	\$103	0%	0%
* Library equity	\$0	\$0	\$0	\$5,764	\$5,764	0%	0%
Reimbursements	\$295,833	\$275,408	\$275,408	\$298,333	\$22,925	108%	108%
Total revenue	\$26,508,108	\$34,253,570	\$34,253,570	\$30,246,543	(\$4,007,027)	88%	88%
EXPENDITURE FROM ORDINARY ACTIVITIES							
Labour	\$10,796,481	\$10,623,784	\$10,623,784	\$10,435,330	\$188,454	98%	98%
Materials & services	\$8,638,752	\$11,947,325	\$11,947,325	\$8,036,020	\$3,911,305	67%	67%
Depreciation	\$9,431,014	\$9,431,014	\$9,431,014	\$9,898,344	(\$467,330)	105%	105%
Utilities	\$507,274	\$517,793	\$517,793	\$573,964	(\$56,171)	111%	111%
Contract payments	\$1,638,038	\$1,807,754	\$1,807,754	\$1,676,765	\$130,990	93%	93%
Loan interest	\$0	\$0	\$0	\$0	\$0	0%	0%
Auditor costs	\$84,631	\$84,631	\$84,631	\$79,927	\$4,704	94%	94%
Councillor costs	\$226,166	\$226,166	\$226,166	\$220,814	\$5,352	98%	98%
Loss on sale of assets	\$0	\$0	\$0	(\$29,890)	\$29,890	0%	0%
* Impairment losses	\$0	\$0	\$0	\$32	(\$32)	0%	0%
Bad debts expense	\$0	\$0	\$0	\$9,255	(\$9,255)	0%	0%
Total expenditure	\$31,322,355	\$34,638,466	\$34,638,466	\$30,900,561	\$3,737,906	89%	89%
NET RESULT FOR THE PERIOD	(\$4,814,247)	(\$384,896)	(\$384,896)	(\$654,018)	\$269,122	170%	170%
The operating expenditure shown above is represented in Council's key direction areas as follows:							
	2019/20 Original Budget	2019/20 Revised Budget	YTD Budget	YTD Actual	Variance of YTD Actual & YTD Revised Budget	% YTD Actual to YTD Budget	% YTD Actual to Revised Budget
EXPENSES FROM ORDINARY ACTIVITIES							
Economic development & tourism	\$1,449,827	\$1,679,456	\$1,679,456	\$1,374,643	\$304,814	82%	82%
Leadership	\$1,688,427	\$1,743,929	\$1,743,929	\$1,626,154	\$117,774	93%	93%
Works & infrastructure	\$14,542,506	\$14,062,327	\$14,062,327	\$14,861,954	(\$799,627)	106%	106%
Good management	\$4,353,730	\$5,008,639	\$5,008,639	\$4,423,043	\$585,595	88%	88%
Environment	\$2,287,172	\$2,381,447	\$2,381,447	\$2,030,429	\$351,018	85%	85%
Community services & recreation	\$7,000,694	\$9,762,668	\$9,762,668	\$6,614,227	\$3,148,441	68%	68%
Loss on sale of assets	\$0	\$0	\$0	(\$29,890)	\$29,890	0%	0%
Total operating expenditure	\$31,322,355	\$34,638,466	\$34,638,466	\$30,900,561	\$3,737,906	89%	89%
NET RESULT FOR THE PERIOD	(\$4,814,247)	(\$384,896)	(\$384,896)	(\$654,018)	\$269,122	170%	170%

	2019/20 Original Budget	2019/20 Revised Budget	YTD Budget	YTD Actual	Variance of YTD Actual & YTD Budget	% YTD Actual to YTD Budget	% YTD Actual to Revised Budget
FUNDING DECISIONS							
Add loan interest accrued	\$0	\$0	\$0	\$0	\$0	0%	0%
Less loan repayments	\$0	\$0	\$0	\$0	\$0	0%	0%
Add transfer from reserves	\$7,812,974	\$17,787,946	\$17,787,946	\$17,062,419	\$725,527	96%	96%
Less transfer to reserves	(\$2,618,186)	(\$7,411,659)	(\$7,411,659)	(\$18,170,723)	\$10,759,064	245%	245%
Add proceeds from sale of assets	\$429,537	\$402,471	\$402,467	\$313,894	\$88,573	78%	78%
TOTAL FUNDING DECISIONS	\$5,624,325	\$10,778,758	\$10,778,754	(\$794,410)	\$11,573,164	-7%	-7%
NET FUNDS AVAILABLE FOR CAPITAL	\$810,078	\$10,393,862	\$10,393,858	(\$1,448,428)	\$11,842,286	-14%	-14%
CAPITAL EXPENDITURE BY ASSET TYPE							
Furniture and office equipment	\$405,500	\$358,000	\$358,000	\$336,300	\$21,700	94%	94%
Land and buildings	\$1,048,932	\$1,496,524	\$1,496,524	\$496,952	\$999,572	33%	33%
Plant and equipment	\$1,275,763	\$1,588,990	\$1,588,990	\$1,214,486	\$374,504	76%	76%
Roadworks	\$4,711,536	\$5,044,573	\$5,044,573	\$3,285,283	\$1,759,291	65%	65%
Urban and road drainage	\$924,000	\$3,044,987	\$3,044,987	\$243,799	\$2,801,188	8%	8%
Recreation, leisure and community facilities	\$4,507,054	\$5,648,356	\$5,648,356	\$27,048	\$5,621,308	0%	0%
Parks, open space and streetscapes	\$550,000	\$1,724,170	\$1,724,170	\$351,048	\$1,373,122	20%	20%
Footpaths	\$261,057	\$1,139,459	\$1,139,459	\$549,199	\$590,260	48%	48%
TOTAL CAPITAL EXPENDITURE PAYMENTS	\$13,683,842	\$20,045,059	\$20,045,059	\$6,504,115	\$13,540,944	32%	32%
NON CASH ADJUSTMENTS							
Less depreciation	\$9,431,014	\$9,431,014	\$9,431,014	\$9,898,344	(\$467,330)	105%	105%
Add reversal of impairment losses	\$0	\$0	\$0	(\$103)	\$103	0%	0%
Library equity	\$0	\$0	\$0	(\$5,764)	\$5,764	0%	0%
Impairment losses	\$0	\$0	\$0	\$32	(\$32)	0%	0%
Less loss on sale of assets	\$0	\$0	\$0	(\$29,890)	\$29,890	0%	0%
Less bad debts expense	\$0	\$0	\$0	\$9,255	(\$9,255)	0%	0%
TOTAL NON CASH ADJUSTMENTS	\$9,431,014	\$9,431,014	\$9,431,014	\$9,871,874	(\$440,861)	105%	105%
Accumulated surplus brought forward	(\$3,591,683)	(\$3,860,817)	(\$3,860,817)	(\$2,920,817)	(\$940,000)	0%	76%
NET CASH (SURPLUS)/DEFICIT	(\$148,932)	(\$3,640,633)	(\$3,640,629)	(\$4,840,148)	\$1,199,519	133%	133%

12 COMPLIANCE REPORTS

Nil

13 GENERAL BUSINESS

14 CONFIDENTIAL ITEMS**RECOMMENDATION**

That Council considers the confidential report(s) listed below in a meeting closed to the public in accordance with Section 66(1) and 66(2)(a) of the Local Government Act 2020:

14.1 REVIEW OF CONFIDENTIAL ACTIONS

This matter is considered to be confidential under Section 3(1)(h) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with confidential meeting information, being the records of meetings closed to the public under section 66(2)(a).

Pursuant to section 66(5)(b) of the Local Government Act 2020, if released the information to be received, discussed or considered in relation to this agenda item, may disclose confidential meeting information, being the records of meetings closed to the public under section 66(2)(a)

Closing of Meeting to the Public

RECOMMENDATION

That the meeting be closed to the public.

NEXT MEETING

The next Ordinary Meeting of Council will be held on 24 November 2020 commencing at at 3pm.

There being no further business the meeting was closed at [enter time](#).

Confirmed this.....day of..... 2020