



Wednesday, 20 May 2020

6:30pm

Senior Citizens Centre

Kerang

AGENDA

Ordinary Council Meeting

Council is operating in accordance with the new *COVID-19 Omnibus (Emergency Measures) Act 2020* which operates for a Prescribed Period from 1 May to 1 November.

During this Prescribed Period the following arrangements will apply until 1 November 2020:

- Ordinary Council Meetings will be closed to the public
- Meetings will be live-streamed via Council's Facebook page which can be accessed at this link (www.facebook.com/gannawarra)

Order Of Business

1	Welcome to Country	3
2	Opening Declaration.....	3
3	Apologies and Leave of Absence.....	3
4	Confirmation of Minutes	3
5	Declaration of Conflict of Interest	3
6	Assembly of Councillors.....	5
6.1	Assembly of Councillors 15 April to 12 May, 2020.....	5
7	Business Reports for Decision.....	8
7.1	Audit Committee - Independent Member Remuneration.....	8
7.2	Audit Committee - 24 March, 2020 Meeting.....	10
7.3	Quarterly Financial Report - Quarter Ending 31 March 2020.....	14
7.4	Council Plan 2017 - 2021 Annual Statutory Review.....	34
7.5	Kerang Aerodrome - Proposed Lease.....	36
8	Information Reports.....	39
	Nil	
9	Urgent Items	39
10	Notices of Motion	39
	Nil	
11	Delegates Reports	39
11.1	Delegates Reports - 15 April to 12 May, 2020	39
12	Confidential Items	40
	Nil	

Tom O'Reilly
CHIEF EXECUTIVE OFFICER

1 WELCOME TO COUNTRY

I would like to acknowledge the Traditional Owners of the land on which we meet today, their rich culture and connection to Country. I pay my respects to Elders past, present and emerging and acknowledge Elders from other communities who may be meeting with us today.

2 OPENING DECLARATION

We, the Councillors of the Shire of Gannawarra, declare that we will undertake the duties of the office of Councillor, in the best interests of our community, and faithfully, and impartially, carry out the functions, powers, authorities and discretions vested in us, to the best of our skill and judgement.

3 APOLOGIES AND LEAVE OF ABSENCE

4 CONFIRMATION OF MINUTES

Ordinary Meeting - 15 April, 2020

5 DECLARATION OF CONFLICT OF INTEREST

A Councillor, member of a special committee, or member of Council staff has a conflict of interest in a matter if he or she has a *direct interest* or an *indirect interest* in that matter.

A person has a direct interest in a matter if there is a likelihood that the benefits, obligations, opportunities or circumstances of the person would be directly altered if the matter is decided in a particular way. This includes where there is a likelihood that the person will receive a direct benefit or loss that can be measured in financial terms or that the residential amenity of the person will be directly affected if the matter is decided in a particular way.

A person has an indirect interest in a matter if the person has:

- a close association in the matter because a family member, a relative or a member of their household has a direct or indirect interest in the matter
- an indirect financial interest in the matter
- a conflicting duty – although there are circumstances where a person does not have an indirect interest because of a conflicting duty
- received an ‘applicable gift’
- become an interested party in the matter by initiating civil proceedings or becoming a party to civil proceedings in relation to the matter.
- Because their residential amenity is likely to be altered if the matter is decided in a particular way.

Disclosure of conflict of interest

If a Councillor or member of a special committee has a conflict of interest in a matter which is to be or is likely to be considered at a meeting of the Council or special committee, the Councillor or member must:

- if he or she will be present at the meeting, make a full disclosure of that interest by advising of the class and nature of the interest to either –

- the Council or special committee immediately before the matter is considered at the meeting, *or*
- in writing to the Chief Executive Officer (CEO). Where the disclosure is made to the CEO in writing, the Councillor or member need only disclose the class of interest to the meeting, immediately before the matter is considered.
- if he or she will not be present at the meeting, make a full disclosure to the CEO or Chairperson of the meeting, in writing, of the class and nature of the interest. If a Chairperson is given a written disclosure, he or she must give the written disclosure to the CEO.
- The CEO must keep written disclosures in a secure place for three years after the date the Councillor or member of the special committee who made the disclosure ceases to be a Councillor or member, and destroy the written disclosure when the three year period expires.
- While the matter is being considered or any vote taken, the Councillor or member of a special committee with the conflict of interest must leave the room and notify the Mayor or Chairperson of the special committee he or she is doing so. The Mayor or Chairperson must notify the Councillor or member that he or she may return to the room after consideration of the matter and all votes have been cast.
- A CEO or Chairperson of a special committee must record in the minutes of the meeting the declaration of the conflict of interest, the class of the interest and, if the Councillor or member has disclosed the nature of the interest to the meeting, the nature of the interest.
- A failure by a Councillor or member to comply with Section 79 of the Act may result in a penalty of up to 120 penalty units and disqualification under Section 29(2) of the Act.

6 ASSEMBLY OF COUNCILLORS

6.1 ASSEMBLY OF COUNCILLORS 15 APRIL TO 12 MAY, 2020

Author: Mel Scott, Executive Assistant - Chief Executive Office

Authoriser: Tom O'Reilly, CEO

Attachments: 1 [Assembly of Councillors - 11 May 2020](#) ↓

RECOMMENDATION

That Council note the records of Assembly of Councillors from 15 April to 12 May, 2020.

EXECUTIVE SUMMARY

This report presents to Council written records of Assembly of Councillors in accordance with Section 80A of the *Local Government Act 1989*.

DECLARATIONS OF CONFLICT OF INTEREST

In accordance with Section 80B of the *Local Government Act 1989*, the Officer preparing this report declares no conflict of interest in regards to this matter.

COUNCIL PLAN

Council Plan 2017-2021: Good Governance and a Healthy Organisation.

BACKGROUND INFORMATION

In accordance with Section 80A of the *Local Government Act 1989* a written record of assembly of councillors must be reported at an Ordinary Council meeting and minuted as soon as practicable.

The record must include:

1. The names of all Councillors and members of Council staff attending
2. The matters considered
3. Any conflict of interest disclosures made by a councillor attending
4. Whether a councillor who has disclosed a conflict of interest left the assembly.

CONSULTATION

Consultation with Councillors and staff has occurred to ensure the accuracy of the Assemblies of Councillors records.

CONCLUSION

To ensure compliance with Section 80A of the *Local Government Act 1989*, it is recommended that Council note the Assembly of Councillors records as outlined in this report.



Assembly of Councillors Record Form

Date:	Monday, 11 May, 2020	
Time:	9:00am – 1:35pm	
Location:	Zoom – Videoconference	
In Attendance: (Councillors)	Cr Lorraine Learmonth Cr Charlie Gillingham Cr Brian Gibson – left at 12:39pm, re-joined at 12:45pm Cr Jodie Basile – from 10:25am Cr Steve Tasker Cr Jenny Fawcett Cr Andrew Gibbs – left at 12:22pm, re-joined at 12:40pm	
Apologies:	Nil	
In Attendance: (Officers)	Tom O’Reilly, Phil Higgins, Geoff Rollinson, Sid Hutchinson, Lisa Clue, Mel Scott, Wade Williams, Paul Fernee, Alissa Harrower, Brent Heitbaum, Roger Griffiths	
In Attendance: (Other)	Nil	
Matters Discussed:	<p>Council Reports:</p> <ul style="list-style-type: none"> • Audit Committee – Remuneration • Audit Committee – 24 March, 2020 Meeting • Quarterly Financial Report – Quarter ending 31 March, 2020 • Kerang Aerodrome – Proposed Lease <p>Councillor Updates:</p> <ul style="list-style-type: none"> • COVID-19 Business Plan • Transitional Arrangements for the Local Government Act 2020 • 2020 Local Government Election Update • Council Plan 2017-2021 Annual Statutory Review • Corporate Performance Reporting Framework Quarterly Report • Vision Super Update • Swimming Pools 2019/2020 Season Update <p>Councillor Strategic Briefing Update:</p> <ul style="list-style-type: none"> • 2019/2020 Capital Works Program Update • Strategic Projects – Towards 2025 • Sir John Gorton – Regional Multi-Purpose Centre <p>Councillor Issues Raised</p>	
Conflict of Interest Disclosures		
Matter No.	Councillor/Officer making disclosure	Councillor/Officer left meeting Yes/No
3.1	Cr Andrew Gibbs	Yes

Completed By:	Tom O'Reilly –Chief Executive Officer 
----------------------	--

7 BUSINESS REPORTS FOR DECISION

7.1 AUDIT COMMITTEE - INDEPENDENT MEMBER REMUNERATION

Author: Phil Higgins, Director Corporate Services

Authoriser: Phil Higgins, Director Corporate Services

Attachments: Nil

RECOMMENDATION

That the 2020/2021 Audit Committee annual sitting fee remain at \$1,740 for the Chair and \$1,240 for the other Independent Members.

EXECUTIVE SUMMARY

Gannawarra Shire Council's Audit Committee Charter provides that the remuneration paid to each Independent Member be reviewed and set annually by the Council.

Taking into account the current sensitivity of the economy and sitting fee ranges across other small rural councils, it is recommended that no increase be applied to Audit Committee annual sitting fees for 2020/2021.

BACKGROUND

The Audit Committee Charter provides that the remuneration paid to each Independent Member be reviewed and set annually by the Council. Council currently pays an annual sitting fee of \$1,740 to the Chair and \$1,240 to each Independent Member.

POLICY CONTEXT

Section 139 of the *Local Government Act 1989* requires that Council must establish an Audit Committee. The Audit Committee operates in accordance with the Audit Committee Charter which has been adopted by Council.

DISCUSSION

The Audit Committee Charter provides that the remuneration paid to each Independent Member be reviewed and set annually by the Council. Council currently pays an annual sitting fee of \$1,740 to the Chair and \$1,240 to each Independent Member.

A prior review of amounts paid by four other shire councils reflected a range of \$1,600 to \$4,000 per annum for the Chair and for each Independent Member the range is \$1,000 to \$2,400. In addition to a sitting fee, some councils reimburse accommodation and travel costs incurred.

Taking into account the current sensitivity of the economy and sitting fee ranges across other small rural councils, it is recommended that no increase be applied to Audit Committee annual sitting fees for 2020/2021.

CONSULTATION

Neighbouring councils were previously consulted for information.

CONFLICT OF INTEREST

In accordance with Section 80B of the *Local Government Act 1989*, the Officer preparing this report declares no conflict of interest in regards to this matter.

CONCLUSION

Taking into account the current sensitivity of the economy and sitting fee ranges across other small rural councils, it is recommended that no increase be applied to Audit Committee annual sitting fees for 2020/2021.

7.2 AUDIT COMMITTEE - 24 MARCH, 2020 MEETING

Author: Phil Higgins, Director Corporate Services

Authoriser: Phil Higgins, Director Corporate Services

Attachments: Nil

RECOMMENDATION

That Council note the recommendations and outcomes of the Audit Committee meeting held on 24 March, 2020.

EXECUTIVE SUMMARY

The Gannawarra Shire Council Audit Committee met on Tuesday, 24 March, 2020.

BACKGROUND

The Audit Committee Charter requires the Director Corporate Services to provide a report of each Audit Committee meeting to the next Ordinary Meeting of the Council, including an explanation of any specific recommendations and key outcomes.

This report relates to the Audit Committee meeting held on Tuesday, 24 March, 2020.

POLICY CONTEXT

In accordance with Section 139 of the *Local Government Act 1989*, Council has established an Audit Committee as an Advisory Committee of Council.

Council Plan 2017–2021: Good Governance and a Healthy Organisation.

DISCUSSION

Details of the 24 March, 2020 Audit Committee Meeting:

Attendees:

MEMBERS:

John Campbell – Independent Member – Chairperson

Bradley Tarr – Independent Member - *(via teleconference)*

Cr Charlie Gillingham – Councillor Representative - *(via teleconference)*

IN ATTENDANCE:

Brad Ead – Internal Auditor, AFS & Associates - *(via teleconference)*

Ryan Schischka – Johnson MME - *(via teleconference)*

Phil Higgins – Acting Chief Executive Officer

Lisa Clue – Acting Director Corporate Services

Sid Hutchinson – Manager Finance

Alissa Harrower – Acting Manager Governance

Apologies:

Cr Brian Gibson – Councillor Representative

Tom O'Reilly – Chief Executive Officer
 Deanne Van der Drift – Independent Member

No known instances of fraud were reported on by the Acting CEO.

No Conflicts of Interest were declared.

The following items were considered by the Audit Committee at the meeting:

Report	Discussion	Recommendation/Outcome
Appoint Audit Committee Chair	Appointment of the Audit Committee Chairperson and term	John Campbell was appointed the Audit Committee Chair for a one year period.
Audit Committee Member Changes	At its February 2020 Ordinary meeting, Council resolved that Cr Gibson would fill the councillor Audit Committee representative vacancy created due to the resignation of Cr Wright.	The Audit Committee received and noted the report.
VAGO Audit Strategy	The VAGO Audit Strategy for year ending 30 June, 2020 was presented to the Audit Committee.	The Audit Committee received and noted the report.
Internal Audit Program Status	The Internal Audit Status was presented, scope and dates of future reviews were discussed. The date proposed for a Procurement Audit was amended and the number of Past Issues Reviews may be reduced, dependent on the number of items to be assessed for closure.	The Audit Committee acknowledged receipt of the report with amendments as discussed. The program will need to fit within the allocated budget.
Occupational Health and Safety Review (2019-04)	The October 2019 Occupational Health and Safety Internal Audit Report (2019-04) was presented to the Audit Committee.	The Audit Committee acknowledged receipt of the report and the AFS & Associates presentation outlining the key findings of the report and management responses.
Past Issues Review (2019-03)	The 2019-03 Past Issues Review was presented to the Audit Committee. The review assessed fourteen recommendations and deemed all had been satisfactorily addressed and three recommendations may be deemed 'completed' subject to Audit Committee approval.	The Audit Committee acknowledged receipt of the report and approved completion of 17 outstanding items.

Report	Discussion	Recommendation/Outcome
Outstanding Audit Items – October 2019	The Outstanding Audit Items spreadsheet provides an update on the status of implementing recommendations arising from internal audits. Items can only be removed following assessment by the Internal Auditors and resolution of the Audit Committee. The 2019-03 Past Issues Review identified fourteen recommendations had been satisfactorily addressed and three recommendations may be deemed ‘completed’ subject to Audit Committee approval.	The Audit Committee acknowledged the Outstanding Audit Items spreadsheet has been reviewed and determined 17 items have been satisfactorily addressed and may be removed from the spreadsheet.
Risk Management Report	Council’s current Risk Management Framework requires quarterly reporting to the Audit Committee. The report examined risk management progress and highlights from individual directorates for the period 1 October, 2019 to 31 December, 2019.	The Audit Committee received and noted the Risk Management Report.
Recent Report and Publications of Interest	A summary of recent reports and publications of interest by government agencies and other sources that may impact on councils, collated by AFS & Associates, was presented to the Audit Committee.	The Audit Committee received and noted the report.
Proposed 2020/2021 Budget	In accordance with Council’s Budget Timetable, a report on the preparation of the proposed 2020/2021 Budget was presented to the Audit Committee.	The Audit Committee received and noted the report.
Rating Strategy – Options Update	The rating strategy used to calculate rates and charges was presented to the Audit Committee.	The Audit Committee received and noted the report.
Proposed Schedule Fees and Charges 2020/2021	The proposed 2020/2021 Fees and Charges formally adopted by Council on 18 March, 2020 were presented to the Audit Committee.	The Audit Committee received and noted the report.
Quarterly Financial Report – Quarter ending 31 December, 2019	The quarterly financial report for quarter ending 31 December, 2019 was presented to the Audit Committee.	The Audit Committee received and noted the report.
Council Policy Review – Purchasing Card	An internal Purchasing Card policy was developed and presented to Audit Committee prior to implementation of a purchasing card system, programmed to commence in April, 2020.	The Audit Committee received and noted the report.

Report	Discussion	Recommendation/Outcome
VAGO Results of 2018-19 Audits - Local Government	Key findings of the VAGO 'Results of 2018-19 Audits - Local Government' were presented to the Audit Committee.	The Audit Committee received and noted the report.
VAGO Report: Development Contributions Survey	Key findings of the VAGO Development Contributions Survey were presented to the Audit Committee.	The Audit Committee received and noted the report.
Correspondence – Items of Interest	Updates were received from Local Government Victoria in relation to various planning templates and a newsletter from the Inspectorate.	The Audit Committee received and noted the report.
Rate Arrears Summary	A rate arrears summary report presented to Councillors at the February briefing session was presented to the Audit Committee.	The Audit Committee received and noted the report.
Corporate Credit Card	Transactions relating to expenditure to the CEO corporate credit card were presented to the Audit Committee.	The Audit Committee received and noted the report.
Internal Audit Contract	The current internal audit contract will cease in November, 2020. The process to enter into a new contract was provided to the Audit Committee.	The Audit Committee received and noted the report.

CONSULTATION

A number of these reports have been discussed with appropriate staff or Council prior to being considered by the Audit Committee. The rating review has been the subject of public consultation.

CONFLICT OF INTEREST

In accordance with Section 80B of the *Local Government Act 1989*, the Officer preparing this report declares no conflict of interest in regards to this matter.

CONCLUSION

The recommendations and outcomes of the 24 March, 2020 Audit Committee meeting are presented for the information and noting of Council.

7.3 QUARTERLY FINANCIAL REPORT - QUARTER ENDING 31 MARCH 2020

Author: Sid Hutchinson, Manager Finance

Authoriser: Phil Higgins, Director Corporate Services

Attachments: 1 [March 2020 Quarterly Report](#) ↓

RECOMMENDATION

That Council receive the report outlining the 2019/2020 quarterly financial report as at 31 March, 2020.

EXECUTIVE SUMMARY

At 31 March, 2020 Council is anticipating that the budgeted underlying surplus of \$848k will increase by \$444k to an anticipated underlying surplus of \$1.292 million.

The budgeted Operating Result of \$3.707 million surplus will increase by \$900k to an anticipated Operating Result of \$4.607 million surplus.

Council's Capital Works program is progressing with an anticipated variation in scheduled works of \$660k. The adopted capital budget for 2019/2020 is \$10.877 million and it is expected to increase to \$11.537 million by 30 June, 2020.

The financial position of the Council remains stable.

BACKGROUND

Council prepares a quarterly financial report as at 30 September, 31 December and 31 March each year to:-

- Meet its statutory obligations
- Ensure sound financial management principles are adopted over Council's operations and
- Keep Council informed and ensure that the forecast results as at 30 June are achievable.

POLICY CONTEXT

- Council Plan 2017-2021: Good Governance and a Healthy Organisation – Pursue initiatives to achieve long term financial sustainability in line with best practice.
- S136 and 138 *Local Government Act 1989*.

DISCUSSION

Operating Budget

The 'Summary of Adjustments' details the changes between the approved budget and the forecast to 30 June, 2020. The major changes in the operating budget are:-

- An increase in R2R funding of \$264k funding has been increased by \$1.320 million over the 5 year life of the R2R program. Additional funding of \$1.318 million as part of the Drought Extension under the R2R has been allocated. This amount is to be spent over a 2 year period, the amount to be included in this financial year is \$659k (Total R2R increase \$923k).
- Receipt of \$230k in capital grant funding that was not received prior to 30 June, 2019.

- A reduction in the Victorian Grants Commission Grant of \$96k. The overall grant between 2018/2019 and 2019/2020 increased by 3.5%. The actual grant since the budget notification has reduced due to CPI adjustments and greater than 50% being received in 2018/2019.
- Grant funding received to undertake the 'Move it Program' \$113k.
- Drought Communities Programme – Extension funding of \$1 million approved, of this \$900k will be received during 2019/2020 (\$520k operating and \$380k capital) with the balance to be received in 2020/2021. An additional \$1 million as stage 2 of the Drought Communities Programme – Extension funding has been approved and is anticipated to be spent in 2020/2021.
- A review of the functional areas affected by COVID-19 has been undertaken and these variations (\$403k) have been incorporated into this review. The major changes relate to a reduction in fees and charges and other income.

Capital Budget

At the end of March, 63.16% (\$7.287 million) of the capital works budget had been spent. The capital budget adopted by Council was \$10.877 million and an additional \$660k is anticipated to be spent on capital works by 30 June, 2020 bringing the total amount of capital works to \$11.537 million. A detailed listing of variations is included in the attachment. The major variation relates to:-

- A total increase in R2R expenditure of \$923k due to an increase in program funding.
- Drought Communities Programme – Extension projects \$430k and an additional \$50k being put to the Lalbert toilet block shower project.
- Following Federal funding for the Appin South bridge, works have been brought forward from 2020/21 \$210k.
- An amount of \$425k had been allocated to complete the Koondrook Nature Based Tourism Hub project. Due to the delays experienced in relation to approvals from DEWLP and Parks Victoria, additional works that were expected to be undertaken in 2018/19 have been carried forward to 2019/2020. These works total \$254k.
- Several projects that were grant dependant will not proceed in the current budget. These include the Respark the Park project \$115K and Loddon River Fishing Jetties \$110K.
- Two projects have been carry forward to the 2020/2021 budget these are the Koondrook Caravan Park works \$350K and Sustainable Recreation Water for Quambatook \$610k.

CONSULTATION

Council Officers with responsibility for line budgets.

The March quarterly financial report is to be presented to Council's Internal Audit Committee meeting on 10 June, 2020.

CONFLICT OF INTEREST

In accordance with Section 80B of the *Local Government Act 1989*, the Officer preparing this report declares no Conflict of Interest in regards to this matter.

CONCLUSION

Council is showing an overall positive result for the period ending 31 March, 2020 and forecasts a full year underlying surplus higher than budgeted.

Financial Report for
the Quarter Ending
31 March 2020



Comprehensive Income Statement

	Note	As at 31 March 2020			Projected Year End		
		YTD Budget \$	YTD Actual \$	YTD Variance \$	FY Budget \$	FY Forecast \$	FY Adjustments \$
Income							
Rates and charges	1	13,152,644	13,153,830	1,186	13,088,766	13,185,766	97,000
Statutory fees and fines	2	201,393	217,945	16,552	252,155	312,155	60,000
User fees	3	1,580,025	1,490,454	(89,571)	2,403,918	1,910,187	(493,731)
Grants operating	4	6,219,185	6,045,849	(173,336)	9,872,445	11,277,142	1,404,697
Contributions and donations	5	114,571	134,407	19,836	94,727	116,577	21,850
Reimbursements	6	2,406,920	2,355,229	(51,691)	2,537,480	2,995,531	458,051
Net proceeds from the sale of assets	7	28,447	88,678	60,231	131,332	101,832	(29,500)
Interest earned	8	78,600	79,503	903	141,740	122,570	(19,170)
Other income	9	223,395	215,337	(8,058)	289,768	262,613	(27,155)
Total income		24,005,180	23,781,231	(223,948)	28,812,331	30,284,373	1,472,042
Expenses							
Employee costs	10	(9,870,945)	(10,160,292)	(289,347)	(12,583,230)	(13,089,395)	(506,165)
Operational Materials and Services	11	(7,081,477)	(6,950,135)	131,342	(9,172,565)	(9,518,793)	(346,228)
Bad and doubtful debts	12	(6,000)	(0)	6,000	-	(6,000)	(6,000)
Borrowing costs		(23,715)	(23,715)	0	(33,254)	(33,254)	-
Depreciation	13	(4,517,979)	(4,547,992)	(30,013)	(5,873,746)	(6,025,746)	(152,000)
Other expenses	14	(249,830)	(204,246)	45,584	(301,600)	(319,600)	(18,000)
Total expenses		(21,749,946)	(21,886,380)	(136,434)	(27,964,395)	(28,992,788)	(1,028,393)
Underlying surplus/(deficit)		2,255,233	1,894,851	(360,382)	847,936	1,291,585	443,649
Grants capital and major projects	15	3,052,763	1,554,011	(1,498,752)	2,853,653	3,310,763	457,110
Contributions - non monetary assets		-	-	-	5,000	5,000	-
Capital contributions - other sources		-	-	-	-	-	-
Surplus/(deficit) for the year		5,307,996	3,448,862	(1,859,134)	3,706,589	4,607,347	900,760

- Favourable greater than 10% ✔
- Constant between plus or minus 10% =
- Unfavourable less than 10% ✘

Note: The amounts shown as FY Forecast (Full Year Forecast) are an estimated projection of the income and expenditure to 30 June 2020.

Overall Result

Income			FY
Note			Adjustments
1	Rates and charges	Favourable 97,000	
	1.1 Additional interest to be raised due to the level of outstanding rates debtors		63,000
	1.2 Additional rates raised following supplementary valuations		34,000
			97,000
2	Statutory fees and fines	Favourable 60,000	
	2.1 Income for Statutory fees where under budgeted and building permit application numbers have increased since having a permanent building		20,000
	2.2 Income under estimated and increased based on current trends		40,000
			60,000
3	User fees	Unfavourable (493,731)	
	3.1 Decrease in expected user fees at the landfill (landfill usage currently under review)		(112,711)
	3.2 Fees for service budgeted for Building, however, Council does not provide external building services		(50,000)
	3.3 Government funding provided in relation to immunisations - originally budgeted as a grant		6,335
	3.4 Long Day Care - reduction due to free child care - COVID-19		(91,000)
	3.5 Family Day Care previously allowed for in reimbursements		155,160
	3.6 Chargeable works reduction in expected income due to a reduction in works (partly offset by expense reduction of 313,674)		(392,970)
	3.7 Reduction in annual facility hire charges for Cohuna and Leitchville Football and Netball Clubs - COVID-19		(3,954)
	3.8 Reduction in annual facility hire charges for Cohuna Show cancelled - COVID-19		(1,591)
	3.9 Reduction in septic tank fees due to no further inspections prior to 30 June - COVID-19		(3,000)
			(493,731)
4	Grants - Operating	Favourable 1,404,697	
	4.1 Veterans home care income budgeted as grant money instead of Service reimbursement		(66,000)
	4.2 Additional L2P grant money as per agreement		6,000
	4.3 Victorian Grants Commission (General and Roads) - The grant between 2018/19 and 2019/20 increased by 3.5%. But since the grant notification in May 2019, the grant has been reduced due to CPI adjustments and over half of the grants were paid in last year 2018/19		(95,878)
	4.4 Extra grant income in relation to roadside weeds and pests program as per approved funding agreement		6,989
	4.5 Increase in R2R funding of \$1.32 million over the 5 year life of the program		263,591
	4.5.1 Increase in R2R funding for Drought \$1,317,955 over 2 years (\$658,978 per year)		658,977
	4.6 Successful grant application in relation to the Move it Program		113,400
	4.7 Community Resilience Drought funding grant (\$1m) - portion going towards Operating projects		520,000
	4.8 Long Day Care increase in Federal grant		4,000
	4.9 Government funding provided in relation to immunisations moved to fee for service		(6,335)
	4.10 New Maternal Child Health initiative for Sleep and Settling services		7,178
	4.11 Under estimated Maternal Child Health funding from the Department of Health and Human Services for the 2019/20 year		30,489
	4.12 Rural Access Program (Building Inclusive Communities) funding has been extended		15,013
	4.13 Additional State grant to cover some of the reduction in Preschool fees - COVID-19		33,366
	4.14 Part State grant no longer shown in Children & family services admin		(46,440)
	4.15 Supported playgroup program underspent 2018/19 - Further income suspended		(42,272)
	4.16 Public health - grant for tobacco reform moved to tobacco reform program (-13,704) grant received for Respect Women Call it Out campaign received (1,500)		(12,204)
	4.17 Tobacco reform grant moved from public health program		13,704
	4.18 Additional funding for the Arbovirus program		1,119
			1,404,697
5	Contributions and donations	Favourable 21,850	
	5.1 Contribution for L2P program not expected to be received		(1,400)
	5.2 Contribution for Family Day Care not expected as per March review		(46,750)
	5.3 Contribution from other Councils for transfer of LSL entitlements on the commencement of employment with Gannawarra		70,000
			21,850

Income (cont.)			FY
Note			Adjustments
6	Reimbursements	Favourable 458,051	
	6.1 Increase in brokerage services delivered		42,000
	6.2 Veterans home care income budgeted as grant money instead of service reimbursement		66,000
	6.3 Increase in NDIS services delivered		620,580
	6.4 Costs awarded to Council by VCAT in relation to a planning matter		16,816
	6.5 Reduction in the level of reimbursements for Long day care due to free child care - COVID-19		(118,472)
	6.6 Reduction in the level of reimbursements for Family day care due to free child care - COVID-19		(190,873)
	6.7 Reduction in legal fee reimbursements as outstanding debts will not be pursued during pandemic (offset by legal fees)		(12,000)
	6.8 Reimbursements for workcover claims in excess of 10 days (offset by expenditure)		34,000
			458,051
7	Net proceeds from the sale of assets	Unfavourable (29,500)	
	7.1 Written down value of plant sold higher than anticipated and proceeds from sale lower than expected.		(29,500)
			(29,500)
8	Interest earned	Unfavourable (19,170)	
	8.1 Decrease in interest received due to falling interest rates		(19,170)
			(19,170)
9	Other income	Unfavourable (27,155)	
	9.1 Reduction in commercial leases due to COVID-19		(27,155)
			(27,155)
			1,472,042
	Total Income Adjustments		

Expenses			FY
Note			Adjustments
10	Employee direct costs	Unfavourable (506,165)	
	10.1 Increase in labour due to more services being delivered through our brokerage service		(27,123)
	10.2 Additional labour expense due to more services being delivered through our NDIS service		(261,420)
	10.3 Reduction in labour due to library staff position being vacant as well as a new 48/52 arrangement		19,000
	10.4 Saving in labour due to finance staff positions being vacant		45,018
	10.5 Shift in labour for community engagement program including pool management		(24,550)
	10.6 Decrease in labour due to staffing changes in the engineering department while covering extended leave		21,421
	10.7 Additional labour in relation to the Move It program		(25,068)
	10.8 Increase in labour costs in undertaking the immunisation program		(5,000)
	10.9 \$46k moved from HR staff restructure to Depot for restructure (Termination)		(46,000)
	10.10 Decrease in IT employee costs due to vacant IT positions		12,570
	10.11 Rural Access Program (Building Inclusive Communities) funding has been extended and is to be expended by 30 June 2020 Employee to be hired to deliver		(27,733)
	10.12 Decrease in Labour due to NDCH Youth Health Promotion Officer undertaking the walk to school program		6,000
	10.13 Shift in oncost recovery to March 2020		(18,575)
	10.14 Increase in FBT expense due to cost level of vehicles increasing		(10,000)
	10.15 Shift in the cost of labour miscellaneous items including uniform, training, recruitment and OH&S		(1,465)
	10.16 Increase in workcover expenses offset by income above		(28,000)
	10.17 Superannuation anticipated to increase by \$40k over budget due to increase in labour costs		(40,000)
	10.18 Increase in Long service leave taken including amounts transferred to other Councils on resignation.		(120,000)
	10.19 Decrease in Local laws due to vacancy		25,000
	10.20 Decrease in Arts & culture due to vacancy		14,308
	10.21 Decrease in Rates and valuations due to vacancy		14,000
	10.22 Increase in administration costs at the depot		(22,400)
	10.23 Increased labour for Arbovirus program		(6,147)
			(506,164)

Expenses (cont.)			FY
Note			Adjustments
11 Operational Materials and Services	Unfavourable	(346,228)	
11.1 Proportional increased expenditure in relation to roadside weeds and pests program as per the approved funding agreement			(6,989)
11.2 Reduction in level of operational services in Family Day care area.			80,000
11.3 Increase in expenditure due to successful grant application for the Whale's Tale \$15k and reduction in program due to staff movements \$37k			22,630
11.4 Saving due to Arbovirus program not purchasing a cabinet for storing chemicals			2,076
11.5 Depot staff restructure \$46k and minor additional costs			(52,812)
11.6 Shift in movement of costs for Public Health			26,903
11.7 Community Resilience Drought funding grant (\$1m) - portion going towards Operating projects			(520,000)
11.8 Increased in insurance cost corporate governance \$57k less savings identified in program \$22k			(34,550)
11.9 Move it program expenditure for 2019/20 financial year			(45,400)
11.10 Internal plant recovery for car usage in relation to NDIS service			(45,000)
11.11 Internal plant recovery for car usage in relation to GNETS service			(30,000)
11.12 Internal plant recovery for car usage in relation to the Community Care Brokerage program			(11,000)
11.13 Reduce \$150k Staff restructure budgeted in Corporate Strategies and Reviews and staff training \$10k within the HR budget.			160,000
11.14 Additional \$193k for ICT Strategy, reductions in ICT program March review \$34,600			(158,869)
11.15 Increased expenditure for Rural Access Program (Building Inclusive Communities)			(2,625)
11.16 Completion of program realised savings of \$9k			9,101
11.17 Reduction in chargeable works			313,674
11.18 Maintenance of aerodrome not included in budget			(42,100)
11.19 Increase in the cost of running swimming pools including the warm water exercise pool			(75,050)
11.20 Reduction in costs finance, rates and valuations			26,300
11.21 Various minor reductions in costs Community Wellbeing directorate			10,501
11.22 Various minor reductions in costs Corporate services directorate			36,148
11.23 Various minor increases in costs Infrastructure directorate			(9,166)
			(346,228)
12 Bad debts and doubtful debts	Unfavourable	(6,000)	
12.1 Adjustments in relation to the correction of properties brought forward from Council's previous rating system incorrectly.			(6,000)
			(6,000)
13 Depreciation	Unfavourable	(152,000)	
13.1 Increased depreciation \$87k for powered sites at the Cohuna Caravan Park following revaluation			(87,000)
13.2 Depreciation reduced on cars due to the timing differences of new purchases and the calculation of the budgeted depreciation and reduced number of replacements			30,000
13.3 Depreciation reduced on utes due to the timing differences of new purchases and the calculation of the budgeted depreciation and reduced number of replacements			20,000
13.4 Decrease in depreciation due to capital projects not being finished in prior year			35,000
13.5 Additional depreciation due to level of road works completed in 2018/2019			(150,000)
			(152,000)
14 Other expenses	Unfavourable	(18,000)	
14.1 Valuation fees for land and buildings 2018/19 not accrued			(18,000)
			(18,000)
	Total Expenditure Adjustments		(1,028,392)
15 Grants - Capital	Favourable	457,110	
15.1 \$75,000 grant funding for Koondrook Nature Based Hub received this financial year instead of last financial year			75,000
15.2 \$30,000 Grant funding received for the Koondrook Township Flood project in this financial year instead of 2018/19 Financial year			30,000
15.3 Final grant funding received for the Sampson Bridge Project delivered in 2018/19			124,738
15.4 Local Roads to Market income not budgeted			17,372
15.5 Community Resilience Drought funding grant (\$1m) - portion going towards Capital projects (\$100k to be received 20/21)			380,000
15.6 Federal funding for Appin South Bridge will be accessed in 19/20 instead of 20/21 - Project now to be completed by Jun 2020			300,000
15.7 Additional funding from SV Local Government Energy Saver program - To be used to complete upgrades to Murrabit Hall			10,000
15.8 Sustainable Recreational Water For Quambatook capital project deferred to 2020/21 financial year, funding approval expected 2020/21			(305,000)
15.9 Respark the park project not proceeding during 2019/20 - grant funding not received			(65,000)
15.10 Loddon river fishing jetties funding not received			(110,000)
			457,110
	Total Variation - Budget to Forecast		900,760

**Capital Works Report as at
31 Mar 2020**

Note	YTD Actuals	Hard Commitments	Total Expenditure	Adopted Budget	Forecast - Total Project Cost	Permanent Adjustments
Property						
Building Improvements						
	\$ 81,463	\$ 695	\$ 82,158	\$ 95,000	\$ 95,000	\$ -
1	\$ 2,061	\$ -	\$ 2,061	\$ 15,000	\$ 2,100	\$ (12,900)
2	\$ 6,676	\$ -	\$ 6,676	\$ 40,000	\$ 6,700	\$ (33,300)
	\$ 27,640	\$ -	\$ 27,640	\$ 65,000	\$ 65,000	\$ -
3	\$ 2,992	\$ 35,909	\$ 38,901	\$ 20,000	\$ 70,000	\$ 50,000
Total Property	\$ 120,831	\$ 36,604	\$ 157,435	\$ 235,000	\$ 238,800	\$ 3,800
Plant and Equipment						
Plant, machinery and equipment						
4	\$ 509,501	\$ -	\$ 509,501	\$ 535,000	\$ 510,000	\$ (25,000)
5	\$ 122,192	\$ -	\$ 122,192	\$ 660,000	\$ 590,000	\$ (70,000)
Computers and telecommunications						
6	\$ -	\$ -	\$ -	\$ 200,000	\$ -	\$ (200,000)
7	\$ -	\$ -	\$ -	\$ 15,000	\$ -	\$ (15,000)
Library resources						
	\$ 63,261	\$ -	\$ 63,261	\$ 90,000	\$ 90,000	\$ -
Total Plant and Equipment	\$ 694,954	\$ -	\$ 694,954	\$ 1,500,000	\$ 1,190,000	\$ (310,000)
Infrastructure						
Roads						
	\$ 672,519	\$ 22,532	\$ 695,051	\$ 954,000	\$ 954,000	\$ -
8	\$ 541,848	\$ 11,295	\$ 553,144	\$ 1,020,000	\$ 1,283,591	\$ 263,591
	\$ 295	\$ 17,795	\$ 18,090	\$ 800,000	\$ 800,000	\$ -
Bridges						
	\$ 578,951	\$ 18,474	\$ 597,425	\$ 635,000	\$ 635,000	\$ -
9	\$ 4,000	\$ 743,500	\$ 747,500	\$ 590,000	\$ 800,000	\$ 210,000
	\$ 540	\$ 195,697	\$ 196,237	\$ -	\$ -	\$ -

	Note	YTD Actuals	Hard Commitments	Total Expenditure	Adopted Budget	Forecast - Total Project Cost	Permanent Adjustments
Footpaths and cycleways						\$ -	
Footpath Replacement Program		\$ 76,828	\$ -	\$ 76,828	\$ 110,000	\$ 102,721	\$ (7,279)
Riverside Park Scoresby Street Footpath		\$ 32,279	\$ -	\$ 32,279	\$ 25,000	\$ 32,279	\$ 7,279
Kerb Replacement Program		\$ 31,968	\$ 8,375	\$ 40,343	\$ 150,000	\$ 150,000	\$ -
Gannwarra Arts Trail Design	10	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ (50,000)
Drainage						\$ -	
Stormwater Pumps - Wyndham Street	11	\$ -	\$ 132,564	\$ 132,564	\$ 120,000	\$ 150,000	\$ 30,000
Quambatook Levee Continuation (Stage 2)		\$ 218,343	\$ 2,240	\$ 220,583	\$ 400,000	\$ 400,000	\$ -
Koondrook Township Flood Study		\$ 14,500	\$ 75,900	\$ 90,400	\$ 150,000	\$ 150,000	\$ -
Recreational, leisure and community facilities						\$ -	
Swimming Pool Renewal Program		\$ 117,692	\$ 6,420	\$ 124,112	\$ 135,000	\$ 135,000	\$ -
Respark The Park - Community Playground - Quambatook	12	\$ -	\$ -	\$ -	\$ 115,000	\$ -	\$ (115,000)
Leitchville Playground Consolidation (Kitchener Street)		\$ 13,494	\$ -	\$ 13,494	\$ 50,000	\$ 50,000	\$ -
Promotional Infrastructure	13	\$ 27,678	\$ -	\$ 27,678	\$ 25,000	\$ 27,700	\$ 2,700
Town Boundary Entrances And Signage		\$ 1,814	\$ -	\$ 1,814	\$ 25,000	\$ 25,000	\$ -
Cohuna Skate Park	14	\$ 11,042	\$ 9,508	\$ 20,550	\$ 60,000	\$ 35,000	\$ (25,000)
Loddon River Fishing Jetties	15	\$ -	\$ -	\$ -	\$ 110,000	\$ -	\$ (110,000)
Sustainable Recreational Water For Quambatook	16	\$ -	\$ -	\$ -	\$ 610,000	\$ -	\$ (610,000)
Lake Charm Signage And Promotion Improvements		\$ -	\$ -	\$ -	\$ 30,000	\$ 30,000	\$ -
Waste management						\$ -	
Transfer Station Upgrade		\$ 45,645	\$ 28,701	\$ 74,346	\$ 90,000	\$ 90,000	\$ -
Parks, open space and streetscapes						\$ -	
Automating Irrigation Systems	17	\$ 32,757	\$ -	\$ 32,757	\$ 50,000	\$ 33,000	\$ (17,000)
Tree Planting Program		\$ 7,785	\$ 5,928	\$ 13,713	\$ 17,000	\$ 17,000	\$ -
Lyall Park And Avenue - Tree Planting		\$ 10,510	\$ 2,863	\$ 13,373	\$ 16,000	\$ 16,000	\$ -
Other infrastructure						\$ -	
Strategic Project Development And Planning	18	\$ 77,132	\$ 36,168	\$ 113,300	\$ 220,000	\$ 116,070	\$ (103,930)
Climate Change Adaptation	19	\$ 33,834	\$ 21,109	\$ 54,943	\$ 50,000	\$ 60,000	\$ 10,000
Back Swamp Infrastructure	20	\$ 2,928	\$ -	\$ 2,928	\$ -	\$ 3,000	\$ 3,000
Total Infrastructure		\$ 2,554,383	\$ 1,339,068	\$ 3,893,452	\$ 6,607,000	\$ 6,095,361	\$ (511,639)
Total New Capital Works 2019/2020		\$ 3,370,168	\$ 1,375,673	\$ 4,745,841	\$ 8,342,000	\$ 7,524,161	\$ (817,839)

Note	YTD Actuals	Hard Commitments	Total Expenditure	Adopted Budget	Forecast - Total Project Cost	Permanent Adjustments		
Works Carried Forward from 2018/2019								
Plant and Equipment								
Computers and telecommunications								
	Information Technology	21	\$ 94,670	\$ 14,305	\$ 108,975	\$ 100,000	\$ 300,000	\$ 200,000
	Total Plant and Equipment		\$ 94,670	\$ 14,305	\$ 108,975	\$ 100,000	\$ 300,000	\$ 200,000
Infrastructure								
Drainage								
	Southern Levee Acquisition		\$ 2,927	\$ 950	\$ 3,877	\$ 80,000	\$ 80,000	\$ -
	Quambatook Township Flood Mitigation (Stage 1)	22	\$ 210,001	\$ -	\$ 210,001	\$ 210,000	\$ 207,000	\$ (3,000)
	Richardson Street	23	\$ 23,392	\$ -	\$ 23,392	\$ 20,000	\$ 23,392	\$ 3,392
	Recreational, leisure and community facilities					\$ -	\$ -	\$ -
	Koondrook Nature Based Tourism Hub	24	\$ 231,320	\$ 279,018	\$ 510,338	\$ 425,000	\$ 679,200	\$ 254,200
	Koondrook Caravan Park Stage 2 (Roads And Drainage)	25	\$ -	\$ -	\$ -	\$ 350,000	\$ -	\$ (350,000)
	Kangaroo Lake Recreational And Power Boat		\$ 387,740	\$ 26,129	\$ 413,869	\$ 450,000	\$ 450,000	\$ -
	Koondrook Waterfront Connections		\$ 33,802	\$ 378,301	\$ 412,104	\$ 500,000	\$ 500,000	\$ -
	Cohuna Waterfront Connections		\$ 18,340	\$ 336,802	\$ 355,142	\$ 400,000	\$ 400,000	\$ -
	Total Infrastructure		\$ 907,523	\$ 1,021,200	\$ 1,928,723	\$ 2,435,000	\$ 2,339,592	\$ (95,408)
	Total Works Carried Forward from 2018/2019		\$ 1,002,192	\$ 1,035,506	\$ 2,037,698	\$ 2,535,000	\$ 2,639,592	\$ 104,592
Other Projects								
	Koondrook Memorial Hall Land	26	\$ 3,555	\$ -	\$ 3,555	\$ -	\$ 6,000	\$ 6,000
	Sampsons Bridge	26	\$ 17,440	\$ -	\$ 17,440	\$ -	\$ 17,440	\$ 17,440
	Murrabit Stormwater Drainage Survey & Design	26	\$ 13,490	\$ -	\$ 13,490	\$ -	\$ 13,490	\$ 13,490
	Cell 3 Completion - Denyers	26	\$ 130,091	\$ -	\$ 130,091	\$ -	\$ 130,000	\$ 130,000
	Kerang Security Lighting Upgrade	27	\$ 49,805	\$ -	\$ 49,805	\$ -	\$ 49,805	\$ 49,805
	Main Street Links to Punt Road (Koondrook)		\$ 1,878	\$ -	\$ 1,878	\$ -	\$ -	\$ -
	R2R Bridges	28				\$ -	\$ 458,000	\$ 458,000
	R2R Roads	28				\$ -	\$ 200,977	\$ 200,977
	Kerang Hall Supper Room Roof/Ceiling	29	\$ 39,851	\$ -	\$ 39,851	\$ -	\$ 40,000	\$ 40,000
	Koondrook Wharf And Good Shed Phase 3 Power		\$ -	\$ -	\$ -	\$ -	\$ 25,000	\$ 25,000
	Other Plant and Equipment		\$ 2,605	\$ -	\$ 2,605	\$ -	\$ 3,000	\$ 3,000
	Total Other Projects		\$ 258,715	\$ -	\$ 258,715	\$ -	\$ 943,712	\$ 943,712

	Note	YTD Actuals	Hard Commitments	Total Expenditure	Adopted Budget	Forecast - Total Project Cost	Permanent Adjustments
Drought Resilience Support							
Kerang Park Run	30	\$ 20,412	\$ 8,805	\$ 29,217	\$ -	\$ 60,000	\$ 60,000
Climate Change Adaptation (Lake Charm Hall, Tragowel Hall, Quambatook Hall)	30	\$ 2,703	\$ 10,812	\$ 13,515	\$ -	\$ 15,000	\$ 15,000
Kerang Museum & Tennis Club Fire Services	30	\$ -	\$ 24,766	\$ 24,766	\$ -	\$ 20,000	\$ 20,000
Town Beautifucation - Lalbert	30	\$ -	\$ -	\$ -	\$ -	\$ 15,000	\$ 15,000
Leitchville Rec Reserve - Playground Fence	30	\$ 6,525	\$ 820	\$ 7,345	\$ -	\$ 15,000	\$ 15,000
Murrabit Raw Water Projects	30	\$ -	\$ -	\$ -	\$ -	\$ 95,000	\$ 95,000
Exercise Stations - Lake Charm	30	\$ 18,000	\$ 27,000	\$ 45,000	\$ -	\$ 50,000	\$ 50,000
Lake Charm Hall Kitchen Renovation	30	\$ -	\$ -	\$ -	\$ -	\$ 15,000	\$ 15,000
Koondrook Senior Citizens Centre Kitchen Renovation	30	\$ 4,068	\$ 4,545	\$ 8,613	\$ -	\$ 20,000	\$ 20,000
Dump Point - RV Site Koondrook	30	\$ 25,000	\$ -	\$ 25,000	\$ -	\$ 25,000	\$ 25,000
Cohuna Recreation Reserve Gateway Entrance	30	\$ 14,304	\$ 26,970	\$ 41,273	\$ -	\$ 50,000	\$ 50,000
	30						
RV Camping improvements Cohuna - Trees and landscaping		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Scoreboard Cohuna Recreation Reserve	30	\$ 50,000	\$ -	\$ 50,000	\$ -	\$ 50,000	\$ 50,000
Total Drought Resilience Support		\$ 141,012	\$ 103,718	\$ 244,730	\$ -	\$ 430,000	\$ 430,000
Total Capital Works 2019/2020		\$ 4,772,088	\$ 2,514,896	\$ 7,286,983	\$ 10,877,000	\$ 11,537,466	\$ 660,466

Summary - Overall Result

The capital budget for 2019/2020 is \$10.877m - this includes budgeted new works and budgeted carried forward works. 39% of the 2019/2020 budgeted new capital work projects has been spent along with 49% of projects carried forward from 2018/19. An additional \$480k in capital work projects have been added to the program which is funded by the Federal Government drought relief grant. At the end of December a total amount of \$4.723 million has been expended against a forecasted total project cost of \$12.837 million.

As projects proceed a need may arise where the budget allocation needs to be reviewed, the following projects have been reviewed:

Note	Permanent Adjustments
1 Kerang office airconditioning under budget due to project scope change	(12,900)
2 Kerang library airconditioning under budget due to project scope change	(33,300)
3 Lalbert - Showers In Public Toilet project scope expanded to now include a disable toilet and shower as part of the Community Resilience drought funding	50,000
4 Light plant replacement under budget - no further utes or cars to be purchased for 2019/20	(25,000)
5 Heavy plant replacement under budget - no further plant to be purchased for 2019/20	(70,000)
6 IT Capital Renewals - combined project with carried forward project (Refer Note 8)	(200,000)
7 Communication equipment on LMW toer not undertaken	(15,000)
8 Sealed Roads Rehabilitation Program - Additional R2R expenditure on Council's road network due to an increase in the level of R2R funding.	263,591
9 Appin South Bridge Federal funding will be accessed in 19/20 instead of 20/21 - Project now to be completed by Jun 2020	210,000
10 Gannawarra Arts Trail project deferred until 2020/21	(50,000)
11 Stormwater Pumps - Wyndham Street project quoted prices for replacement were above the budgeted amount	30,000
12 Respark the Park - project not being undertaken during 2019/20	(115,000)
13 Promotional infrastructure overspent	2,700
14 Cohuna skate park - design and plans completed	(25,000)
15 Loddon River Fishing Jetties project to be undertaken as part of stg. 2 Drought Resilience	(110,000)
16 Sustainable Recreational Water For Quambatook project deferred to the 2020/21 budget	(610,000)
17 Automating irrigation systems program for 2019/20 completed and realised savings	(17,000)
18 Strategic Project Development And Planning - Reduction in planned expenditure to fund additional projects listed in (Note 11 below)	(103,930)
19 Climate Change Adaptation - Additional \$10,000 in funding for solar, lighting and heating/cooling upgrade works at Murrabit Hall	10,000
20 Infrastructure works undertaken at Back Swamp Kerang	3,000
21 Information Technology - combined carried forward project with current year project to give a total budget of \$300k (Refer Note 2 above)	200,000
22 Quambatook Township Flood Mitigation (Stage 1) completed and savngs realised	(3,000)
23 Additional expenditure in relation to delivering the Richardson Street Drainage project	3,392
24 Due to delays in 2018/19 with DEWLP and Parks, carryover to 2019/20 was insufficient in relation to the Koondrook Nature Based Tourism Hub. Total project allocation is \$1.20m and the estimated spend is \$1.27m	254,200
25 Koondrook Caravan Park Stage 2 (Roads And Drainage) project deferred to 2020/21	(350,000)

Note	Permanent Adjustments
26 Additional projects partly funded by reduction in planned expenditure for Strategic Project Development and Planning : Purchase of Koondrook Memorial Hall Land as per Council resolution \$6,000, completion of Sampson's Bridge replacement \$17,440, consultant fees from 2018/2019 for the Murrabit stormwater drainage survey and design undertaken \$13,490 and additional funds to complete the construction of cell 3 at Denyers to meet EPA requirements \$130000,000 . (Refer Note 6 above)	166,930
27 Kerang Security Lighting Upgrade funded project from late 2018/2019 and completed 2019/2020.	49,805
28 Additional R2R projects for roads (\$200k) and bridges (\$458k) due to additional drought R2R funding	658,977
29 Works undertaken to renew the collapsed ceiling in the Kerang Memorial Hall supper room	40,000
30 Drought Resilience Support Funding for Capital projects plus \$50k added to the Lalbert public toilet project	458,000
	660,466

**Balance Sheet
As at 31 March 2020**

	Actual 2018/19	Year to Date	Forecast To 30 June 2020
	\$		\$
Assets			
Current assets			
Cash and cash equivalents	7,634,009	10,962,300	8,350,593
Trade and other receivables	3,285,628	5,286,319	3,793,807
Financial assets	4,187,787	1,700,000	1,700,000
Inventories	1,127,785	913,587	431,784
Other Assets	226,928	21,439	227,454
Non-current assets classified as held for sale	0	0	-
Total current assets	16,462,137	18,883,645	14,503,638
Non-current assets			
Property, infrastructure, plant and equipment	198,318,166	198,424,108	203,604,425
Investment Assets	1,152,329	1,152,329	1,152,329
Total non-current assets	199,470,495	199,576,437	204,756,754
Total assets	215,932,632	218,460,082	219,260,393
Current liabilities			
Trade and other payables	2,618,687	1,040,833	2,143,616
Trust funds and deposits	486,339	1,258,686	188,411
Provisions (CL)	2,841,238	2,818,952	2,895,238
Interest-bearing loans and borrowings (CL)	108,481	14,861	116,481
Total current liabilities	6,054,745	5,133,333	5,343,746
Non-current liabilities			
Provisions (NCL)	1,052,105	1,052,105	1,079,105
Interest-bearing loans and borrowings (NCL)	455,790	455,790	339,790
Total non-current liabilities	1,507,895	1,507,895	1,418,895
Total liabilities	7,562,640	6,641,228	6,762,641
Net Assets	208,369,992	211,818,854	212,497,752
Equity			
Accumulated surplus	88,100,397	91,549,259	92,228,157
Reserves	120,269,595	120,269,595	120,269,595
Total Equity	208,369,992	211,818,854	212,497,752

STATEMENT OF CASH FLOWS ('000)

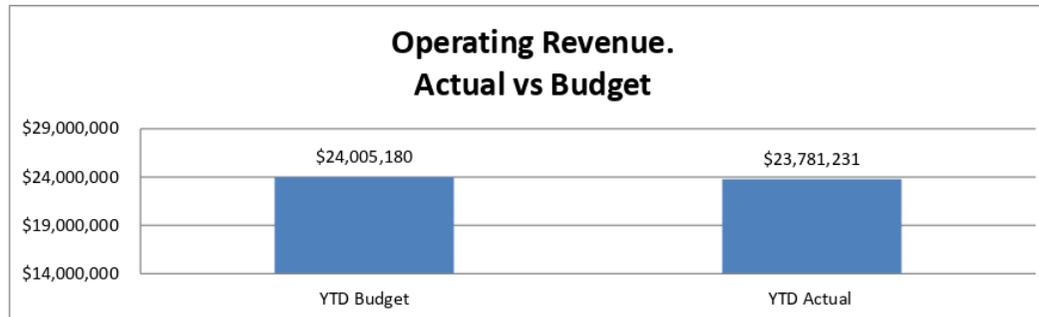
Description	Note	Actual 2018/19	Year to Date	Forecast To 30 June 2020
Cash Flows from Operating Activities	1			
Rates and charges		12,137	11,153	12,678
Statutory Fees and Fines		368	218	312
User Fees		1,560	1,490	1,910
Grants Operating		8,844	6,046	11,277
Grants Capital		2,944	1,554	2,831
Contributions monetary		216	134	122
Interest received		208	80	123
Trust funds and deposits taken		77	-	-
Other receipts		1,835	2,571	3,258
Net GST refund		-	-	-
Employee Costs		(10,633)	(10,183)	(13,014)
Materials & Services		(7,863)	(8,108)	(9,296)
Trust funds and deposits paid		-	772	(298)
Other Payments		(1,738)	(204)	(320)
Net Cash provided by operating activities		7,955	5,523	9,582
Cash Flows from Investing Activities	2			
Payment for property, infr. p&e		(8,478)	(4,655)	(11,313)
Proceeds from sale of property, infr, p & e		622	89	102
Payment for investments		(2,586)	-	-
Proc. from sale of Investments		-	2,488	2,488
Net Cash used in Investing activities		(10,442)	(2,078)	(8,723)
Cash Flows from Financing Activities	3			
Proceeds from borrowings				
Finance Costs		(40)	(24)	(33)
Loan Redemption		(101)	(94)	(108)
Net Cash used in Financing Activities		(141)	(117)	(141)
Net Increase / (Decrease) in Cash/ Invest.		(2,628)	3,327	718
Cash / Investments at beginning of year		10,261	7,633	7,633
Cash / Investments at end of financial period	4	7,633	10,960	8,351
Investments on Hand at Year end		4,188	1,700	1,700
Total Cash, cash equivalents and investments	5	11,821	12,660	10,051

FINANCIAL OVERVIEW

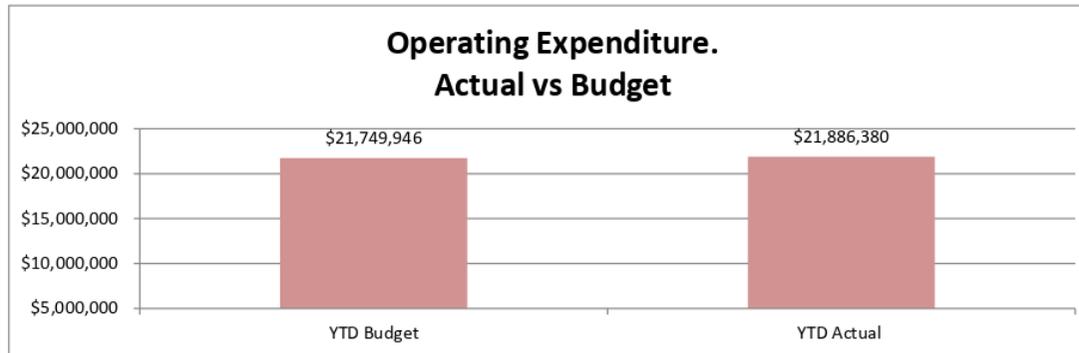
	Year to Date		
	YTD Budget	YTD Actual	Variance
Total income	\$24,005,180	\$23,781,231	(\$223,948)
Total expenses	\$21,749,946	\$21,886,380	(\$136,434)
Underlying Surplus/(deficit)	\$2,255,233	\$1,894,851	(\$360,382)

Abbreviations: YTD - Year to date EOY - End of year FY - Full year

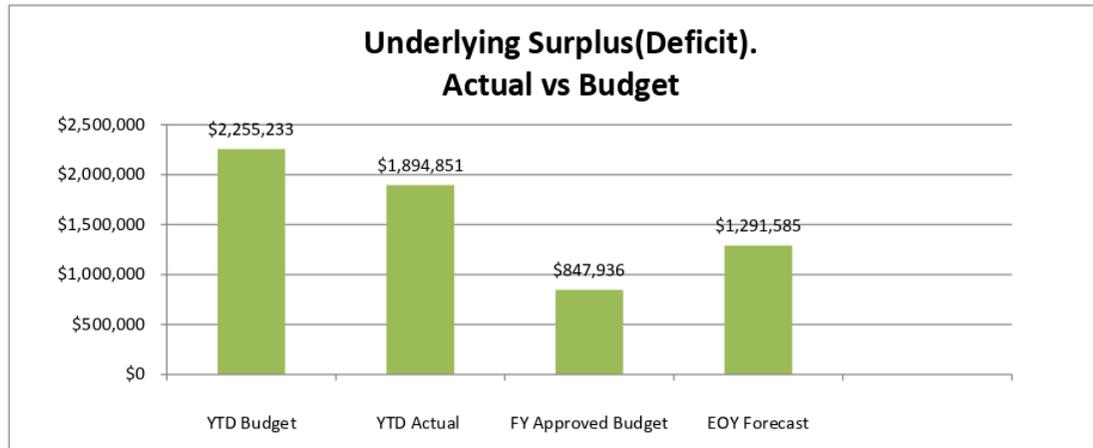
Operating Revenue:



Operating Expenditure:



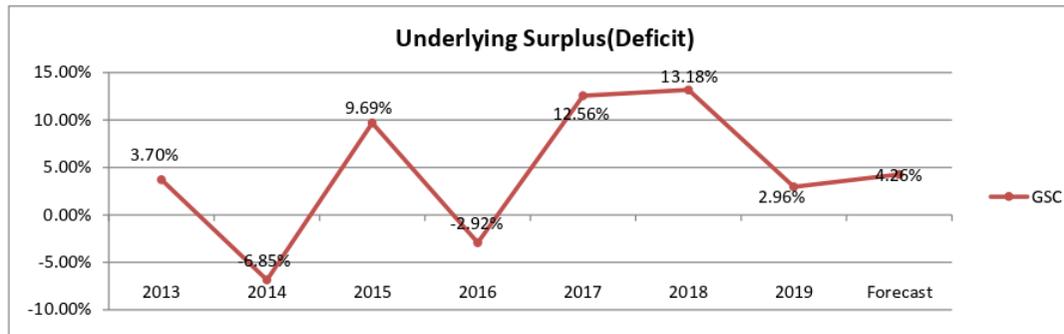
Result from ordinary activities:



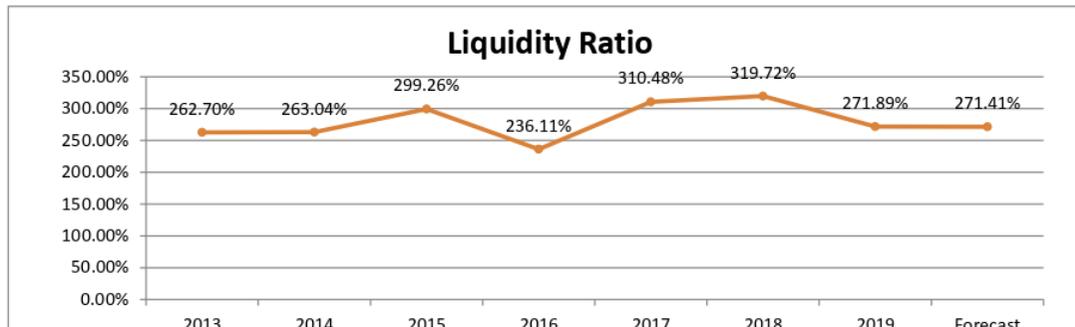
Abbreviations: YTD - Year to date FY - Full year EOY - End of year

Financial Ratios

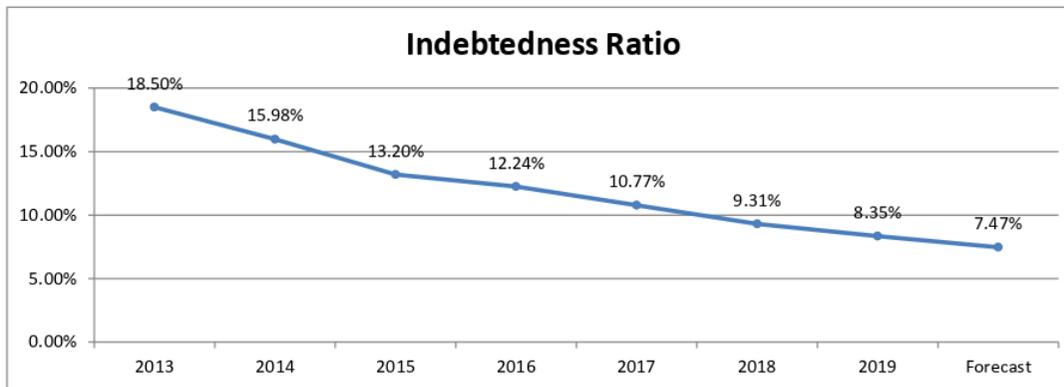
Financial Sustainability:



Underlying surplus(deficit): An indicator of the sustainable operating result required to enable Council to continue to provide core services and meet its objectives. The underlying deficit removes Non-Recurrent Capital grants from the surplus and reflects Council's ability to fund its operating expenditure out of all other operating income. A shift in the level of operating grants leads to a material change in the underlying deficit.



Liquidity ratio: Measures the level of Council's current assets to meet its current liabilities. A ratio higher than 100% indicates current assets being greater than current liabilities.



Indebtedness Ratio: Measures Council's non-current liabilities as a percentage of Council own source income.

7.4 COUNCIL PLAN 2017 - 2021 ANNUAL STATUTORY REVIEW

Author: Alissa Harrower, Governance & Compliance Coordinator

Authoriser: Phil Higgins, Director Corporate Services

Attachments: 1 Council Plan 2017 - 2021 (under separate cover) ⇨
2 Council Plan 2017 - 2021 (2018 Update) (under separate cover) ⇨

RECOMMENDATION

That Council, having reviewed the Council Plan 2017-2021 pursuant to Section 125(7) of the *Local Government Act 1989*, determines that the current Plan requires no adjustment or revision at this time.

EXECUTIVE SUMMARY

In accordance with Section 125 of the *Local Government Act 1989* (the Act), a Council Plan for the 2017-2021 period was prepared and adopted in June, 2017.

Section 125(7) of the Act also requires that at least once in each financial year, a Council must consider whether the current Council Plan requires any adjustment in respect of the remaining period of the Council Plan.

BACKGROUND

The Council Plan 2017-2021 was adopted in June 2017 and serves as a 'road map' to focus Council's activities over the four year period. The Plan, incorporating the Municipal Health and Wellbeing Plan, is a legislative requirement under the Act.

POLICY CONTEXT

Section 125(7) - *Local Government Act 1989*

DISCUSSION

In accordance with legislative requirements, proposed adjustments to the Council Plan 2017-2021 must be considered at least once in each financial year.

At its June, 2018 Ordinary Meeting, following a public exhibition and submission period, Council adopted a number of proposed adjustments that have been incorporated in the Council Plan 2017-2021.

Councillors recently reviewed the Council Plan 2017-2021 and identified no required adjustments or revision at this time, in respect of the remaining period of the Plan.

CONSULTATION

Councillors and Council's Executive Leadership Team have been involved in the review of the Council Plan.

CONFLICT OF INTEREST

In accordance with Section 80B of the *Local Government Act 1989*, the Officer preparing this report declares no conflict of interest in regards to this matter.

CONCLUSION

In accordance with Section 125(7) of the *Local Government Act 1989*, Council must consider whether the current Council Plan requires any adjustment in respect of the remaining period of the Council Plan.

Having reviewed the Council Plan 2017-2021, it has been determined that the current Plan requires no adjustment or revision at this time.

7.5 KERANG AERODROME - PROPOSED LEASE

Author: Wade Williams, Manager Projects and Property

Authoriser: Geoff Rollinson, Director Infrastructure and Development

Attachments: Nil

RECOMMENDATION

That Council resolve to:

1. Give public notice of a proposal to lease a 12 hectare parcel of land within the Kerang Aerodrome site for the purpose of constructing, commissioning and operating a 5 MW Solar Micro Grid, in accordance with section 190 (3) of the Local Government Act 1989.
2. Invite submissions on the proposed lease in accordance with sections 190(4) and 192(2) of the *Local Government Act 1989*.
3. Consider all submissions in accordance with Section 223 of the Local Government Act 1989, at the July 2020 Ordinary meeting of Council.

EXECUTIVE SUMMARY

Council has been approached by KIG Energy Pty Ltd to seek approval from Council to lease 12 hectares within the Kerang Aerodrome land for the purpose of construction, commissioning and operating a 5 MW Solar Micro Grid.

KIG Energy Pty Ltd and Swinburne University made a presentation to a Council briefing session in April, 2019. At this briefing session both parties outlined their proposal and benefits of such a project.

The *Local Government Act 1989* is quite clear on the process required by Council on the leasing of land. Sections 190, *Restriction on power to lease land*. Section 192, *Use of land for another purpose* and Section 223 *Right to make a submission* must be adhered to if Council resolves to commence the process of leasing any council land.

BACKGROUND

KIG Energy Pty Ltd and Swinburne University made a presentation to a Council briefing session in April, 2019. At this meeting both KIG Energy Pty Ltd and Swinburne University representatives outlined and presented their proposal to build a 5 MW Solar Micro Grid in close proximity to a town within the Gannawarra Shire.

A Micro Grid is small power generation plant connected to the broader electricity network. The Micro Grid can be 'off the grid' and produce power through renewable energy which can then be on sold to the local community. KIG Energy Pty Ltd are proposing to erect fixed solar panels within this particular proposal.

KIG Energy Pty Ltd has written to Council seeking Council approval to commence the statutory process to lease a 12 hectare parcel of the Kerang Aerodrome land for the proposed Micro Grid. The land parcel identified as a possible location for the Micro Grid is positioned in the south eastern corner of the aerodrome land. The proposed term of the lease is to be 30 years and the rental offer put to Council is \$36,000 GST inclusive per annum with an increase of 3% on the anniversary of the commencement date.

The Kerang Aerodrome is positioned on the south side of Airport Road with direct access from this roadway. It is approximately 3 kilometres south east of Kerang Post Office and abuts the Kerang-Bendigo railway line along its western side boundary. The land has additional road frontage along its eastern boundary to Sleepy Lane and part of its northern boundary is to Airport Road and the Kerang-Koondrook Road.

All building development is positioned at the north western end and close to Airport Road frontage. The proposed parcel of approximately 12 hectares is to be positioned in the south east corner. This land is generally level and is protected by the Kerang Township Levee. There are some old borrow pits from the levee works located in this area.

This parcel of land is disused and has not been actively occupied nor has it been earning any recurring income other than for some minor agricultural activities in recent times.

The design, development, siting, and positioning of the proposed Micro Grid must be considered in conjunction with the continuing use of the Airport.

POLICY CONTEXT

The *Local Government Act 1989* is quite clear on the process required by Council on the leasing of land. Sections 190, *Restriction on power to lease land*. Section 192, *Use of land for another purpose* and Section 223 *Right to make a submission* must be adhered to if Council resolves to commence process of leasing council land.

The proposal will be subject to planning approval and referral authority conditions and a change of use or zoning for the duration of that use or the term of the lease. Referral Authorities in particular, the Civil Aviation Safety Authority (CASA) will have a number of conditions given the close proximity to the Kerang Aerodrome.

Council will be required to enter into a building or improving lease with the lessee. Such a lease will need to be constructed by a legal professional to include appropriate performance clauses and "Make Good Provisions" at the end of the term of the lease to ensure there is no additional cost to Council in site rehabilitation.

DISCUSSION

Council is approached regularly by proponents looking to develop and invest in the municipality. The Council Plan 2017-2021 sets out the strategic objectives of this current Council particularly around economic diversity growth and prosperity. Council Plan strategies include to "Create business opportunities to increase Councils revenue" along with "Support and advocate for sustainable and renewable energy industries within the Shire". The proposal presented by KIG Energy Pty Ltd and Swinburne University is in accord with the strategic indicators of the Council Plan objectives. However it is imperative that the requirements of the *Local Government Act 1989* are followed and that the Council consider community input via the Section 223 submission process as provided for in the Act.

The proposed term of the lease is 30 years and the rental offer put to Council is \$36,000 GST inclusive per annum with an increase of 3% on the anniversary of the commencement date. Council will not control, manage, maintain or operate this proposed Micro Grid facility in any way during the lease term. All costs associated with building and constructing the Micro Grid facility will be the responsibility of KIG Energy Pty Ltd as will be their obligation to rehabilitate the land to its original state at the end of the 30 Year lease term.

CONSULTATION

KIG Energy Pty Ltd and Swinburne University made a presentation to a Council briefing session in April 2019. Since this meeting Council Officers have been liaising with KIG Energy Pty representatives on various aspects of the proposal. Council Officers have sought legal advice regarding lease documentation, land valuation, planning requirements and *Local Government Act 1989* requirements. Most importantly, consultation will be with the community as provided for via the Section 223 public submission process as provided for in the Act. If Council resolves to commence the statutory process Council will consult with the community and will bring a report back to the July Council meeting.

CONFLICT OF INTEREST

In accordance with Section 80B of the *Local Government Act 1989*, the officer preparing this report declares no conflict of interest in regards to this matter.

CONCLUSION

Council Officers are regularly approached by interested parties to create business opportunities and develop renewable energy industries within the municipality. KIG Energy Pty Ltd and Swinburne University expressed an interested in entering into a building or improving lease with the Gannawarra Shire on a 12 hectare parcel of unused, unproductive land in the corner of the Kerang Aerodrome paddock for a lease term of 30 years.

The 12 hectare parcel of land is currently unproductive and if made available for lease would present an opportunity for Council to increase its revenue from this land and create some local employment. However, Council will be required to work within all relevant Acts and legislation if it should resolve to commence the process to lease the 12 hectare parcel of land within the Kerang Aerodrome.

8 INFORMATION REPORTS

Nil

9 URGENT ITEMS

10 NOTICES OF MOTION

Nil

11 DELEGATES REPORTS

11.1 DELEGATES REPORTS - 15 APRIL TO 12 MAY, 2020

Author: Mel Scott, Executive Assistant - Chief Executive Office

Authoriser: Tom O'Reilly, CEO

Attachments: Nil

EXECUTIVE SUMMARY

Delegates Reports from 15 April to 12 May, 2020.

Cr Lorraine Learmonth

17 April	Loddon Mallee Waste and Resource Recovery Group Board Meeting – Videoconference Filming of the 2020/2021 Draft Budget video – Kerang Cohuna Progress Association Meeting – Videoconference
24 April	Loddon Campaspe Councils Meeting – Videoconference
25 April	Lay ANZAC Day wreath – Cohuna Lay ANZAC Day wreath – Leitchville
4 May	Filming of the 2020/2021 Draft Budget video – Cohuna
5 May	Municipal Association of Victoria Mayoral Forum – Videoconference

Cr Andrew Gibbs

4 April	Request made to visit a rate payer in Cohuna for footpath concerns Mead St – Cohuna
10 April	Verbal brief by a local neighbouring community to made aware an issue to watch – Koondrook
16 April	Briefing on Cohuna Pool Project – Cohuna
22 April	Request presented for assistance by former Mayor to a local business for advocacy internally – Cohuna
25 April	ANZAC Day Dawn Service – Cohuna
28 April	Meeting with LG Agency to discuss frameworks around procedural matters being presented – Telephone
4 May	Filming of the 2020/2021 Draft Budget video – Cohuna
12 May	Brief with Brappa on what they do and range of concepts they have in development – Kerang

Cr Steve Tasker

25 April

Lay ANZAC Day wreath – Koondrook
Lay ANZAC Day wreath – Murrabit

Cr Jenny Fawcett

25 April

Lay ANZAC Day wreath – Kerang

This table represents attendances at Council meetings and briefings:

Function Attended	Councillor (✓)						
	Gibson	Fawcett	Basile	Gillingham	Learmonth	Tasker	Gibbs
Ordinary Council Meeting (15 April)	✓	✓	✓	✓	✓	✓	✓
Councillor Briefing (11 May)	✓	✓	✓	✓	✓	✓	✓

12 CONFIDENTIAL ITEMS

Nil