

MINUTES

COMMUNITY FOCUS COUNCIL MEETING

TUESDAY 10 SEPTEMBER 2019

7.00PM

ARMSTRONG CREEK COMMUNITY CENTRE
46-70 CENTRAL BOULEVARD
ARMSTRONG CREEK

COUNCIL:

Cr B Harwood (Kardinia Ward)
Mayor

Cr S Asher (Bellarine Ward)
Cr J Mason (Bellarine Ward)
Cr T Sullivan (Bellarine Ward)
Cr E Kontelj (Brownbill Ward)
Cr S Mansfield (Brownbill Ward)
Cr P Murrthy (Brownbill Ward)
Cr R Nelson (Kardinia Ward)
Cr P Murnane (Kardinia Ward)
Cr A Aitken (Windermere Ward)
Cr K Grzybek (Windermere Ward)

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**MINUTES OF THE COMMUNITY FOCUS COUNCIL MEETING
HELD AT THE ARMSTRONG CREEK COMMUNITY CENTRE
46-70 CENTRAL BOULEVARD, ARMSTRONG CREEK
TUESDAY, 10 SEPTEMBER 2019
COMMENCING AT 7.00 PM**

PRESENT: Cr B Harwood (Mayor), Crs A Aitken, S Asher, K Grzybek, E Kontelj, S Mansfield, J Mason, P Murnane, P Murrhiy, R Nelson, T Sullivan

Also present: M Cutter (Chief Executive Officer), B Luxford (Director Economy, Investment and Attraction), G Smith (Director Planning, Design and Development), G Wilson-Browne (Director City Services), M Dugina (Director Customer and Corporate Services), R Pedretti (Acting Director Community Life), K Phyland (Executive Manager People and Culture), R Leonard (Director Governance, Strategy and Performance)

OPENING: The Chair declared the meeting open at 7.00pm

ACKNOWLEDGEMENTS:

Council acknowledged Wadawurrung Traditional Owners of this land and all Aboriginal and Torres Strait Islander People who are part of the Greater Geelong community today.

APOLOGIES: Nil.

PRESENTATION:

Crs Harwood, Murnane and Nelson provided the gallery with a snapshot of some of the activities and projects happening in the Kardinia Ward.

CONFIRMATION OF MINUTES:

Cr Mason moved, Cr Murrhiy seconded -

That the Minutes of the Community Focus Council Meeting held on 13 August 2019 be confirmed.

Carried.

DECLARATIONS OF CONFLICTS OF INTEREST:

Cr Sullivan declared a Conflict of Interest by a close association in Agenda Item 2 Amendment GC104 – Proposed Train Stabling and Maintenance Facility at 255 Reservoir Road, Waurin Ponds, in that his partner's family owns an adjoining property.

PETITIONS: Nil.

PUBLIC QUESTION AND SUBMISSION TIME:

Victoria Moore submitted a question prior to the Council Meeting which will be responded to in writing.

Neil Collins asked the following question in relation to the proposed site selection for the Waurm Ponds Train Maintenance and Stabling Facility:

- 1) What is the Council's position on noise mitigation in the planning application?
- 2) What is the Council's position on reducing the negative impact on ratepayer's property values?
- 3) What is the Council's position on the use of prime farmland for this project when soon to be disused Boral Cement factory site will be available, reducing impact to the whole community?

The Mayor thanked Mr Collins for his questions and responded that the issue will be further discussed later in the evening.

Lisa Larcombe asked the following regarding the Waurm Ponds Stabling and Maintenance Facility:

Will the Council support our family and our community in assisting a visible and accountable process as per our letter, through your submission to the Committee?

The Mayor responded, 'yes' and will make further comment later in the evening during debate of the item.

David Phillips asked the following in regard to the Zero Carbon Targets:

Will Council make the 2015 Emissions data available?

The Mayor responded the City would be happy to make available data relating to its 2015 emissions.

The Director of City Services says 'the latest figures show we have abated approximately ... 8% ... compared to the baseline'. This is a long way from a 50% reduction target and 2020 is only months away. The Director also says that Council will develop a plan to source 100% of renewable energy together with 40 other Councils to power buildings and street lighting. This expected to meet 2020 targets.

What are the details of this plan? How many megawatt hours of power will be sourced? When will the plan be in place?

The Mayor responded the City is developing a plan to potentially invest in a renewable power purchase agreement. The amount of power purchased will depend upon its needs at the time. The plan is expected to be put in place in 2020, details of which will be made publicly available.

Will the Council provide cumulative data on power usage across the City environs for the public to follow?

The Mayor responded the City provides annual emissions information via annual reports, incorporating electricity, gas and fleet generated emissions. The City's electricity retailers are currently unable to provide live tracking of electricity usage across the City's many sites.

Electricity tracking across the broader community would need to be provided by the distributor (Powercor). Given the technical nature of these questions City officers are happy to discuss in further detail.

Sanja Van Huet asked the following question in relation to Council to vote for a Declaration of a Climate Emergency:

What do you want to be remembered for? What will be your legacy?

Cr Harwood advised a decision in relation to this issue will be made at Council's Ordinary Meeting on 24 September.

Tina Thorburn asked Council to act upon and declare a Climate Emergency:

Is there anyone on Council who is in denial about the current climate crisis?

Cr Harwood responded the question will be answered at the Ordinary Meeting of Council on 24 September.

Ann Bullen asked what controls can Council impose on any land rezoned for the purpose of the Train Stabling Facility that protects surrounding farm zoned land?

Cr Harwood responded that as this is a State Government initiative Council can only lobby on behalf of its ratepayers. There will be further discussion on the item later in the evening.

1. ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

Source: Customer & Corporate Services – Financial Services
Director: Michael Dugina
Portfolio: Finance

Purpose

1. To approve “in principle” the audited Financial Statements and Performance Statement and authorise two Councillors to certify the statements.

Background

2. Under Section 131 of the *Local Government Act 1989* (Act), in each financial year Council must prepare an annual report that includes audited financial statements and a performance statement for the financial year. These statements must be prepared in the prescribed manner and form and be certified by the City’s external auditor. The City’s current external auditor is the Victorian Auditor General’s Office (VAGO).
3. The City’s Audit and Risk Committee have responsibility to:
 - 3.1 Review the annual financial report and performance statement and consider whether they are complete, consistent with information known to committee members and reflects appropriate accounting treatments; and
 - 3.2 Recommend the adoption of the annual financial report and performance statement to Council.
4. Under section 132 of the LGA, Council is required to approve “in principle” the statements prior to receiving final certification from the Auditor General. Council’s approval requires nominating two Councillors to certify those statements, together with Chief Executive Officer and Principal Accounting officer, and to lodge these statements with the Auditor General.

Key Matters

5. The 2018-19 Financial Statement of Accounts (**Attachment 3**) and Performance Statement (**Attachment 4**) have been prepared by the City and reviewed by the VAGO. These statements have been prepared in accordance with Australian equivalents to International Financial Reporting Standards.
6. A final closing audit report and final management letter has been received from VAGO. An issue in respect to the timing of receipt of developer contributed assets was identified during the preparation of the financial statements, and following work done by the City, a material adjustment has been made to the financial statements. VAGO has concluded that the statements are presented fairly and has, in principle, given its clearance of the statements.
7. The Audit and Risk Committee met on 21 August 2019 to consider the Annual Financial Report and the External Audit results. The Committee endorsed the 2018-19 draft Financial Statements and Performance Statement subject to resolution of any outstanding audit issues with any material changes to be notified to the Audit and Risk committee chairman.
8. The 2018-19 financial statement of accounts highlight:
 - 8.1 A satisfactory period of operation with a \$125.3m surplus, high closing cash balances of \$106m and significant asset growth to \$2.5 billion;

- 8.2 An overall spend of \$485.9m, including operating expenditure \$361.4m and capital expenditure \$124.5m. The Comprehensive Income Statement highlights a surplus for the year of \$125.3m plus \$31.m roads and footpaths revaluation increment for a total comprehensive result of \$156.3m;
 - 8.3 \$10.7m for early receipt of 50% Victorian Financial Assistance Grants funding for 2019-20; and
 - 8.4 Debt levels increased during the year from \$48.7m to \$65.8m with \$26m of new loans and \$8.8m repayment of borrowings.
9. The completion of the annual financial statements has indicated that the Council is in a sound financial position to meeting its obligations going forward.

Cr Murnane moved, Cr Murrhy seconded -

10. That Council:

- 10.1 Give approval in principle to the “2018-19 Financial Statements” (Attachment 3) and the “Performance Statement” (Attachment 4); and**
- 10.2 Authorise two Councillors, being the Mayor, Cr B Harwood and Cr P Murnane, to certify the Statements subject to any changes recommended and agreed with the Auditor General.**

Carried.

Attachment 1

Financial Implications

1. As detailed within accompanying Financial Statements – refer **Attachment 4**.

Community Engagement

2. The Financial Statement of Accounts and the Performance Statement will be available to the public as part of the published Annual report and accessible via www.geelongaustralia.com.au.
3. The prescribed indicators and measures of service performance outcome, financial performance and sustainable capacity as per section 131(3) and 131(4) of the Act will also be available on the State Government 'Know Your Council' website from November 2019.

Social Equity Considerations

4. Incomes and expenditures on the City's social equity programs are included in the Financial Statements.

Policy/Legal/Statutory Implications

5. Under Section 131 of the Act a Council must in respect of each year prepare an Annual Report, which includes audited financial statements for the financial year.
6. Under Section 131 a Council must not submit the financial statements to its auditors or the Minister unless it has passed a resolution giving approval "in Principle" to the statements.
7. Under Section 131 a Council must authorise two Councillors to certify the statements in their final form after any changes recommended, or agreed to with the auditor.
8. The actions outlined in this report are aimed at complying with the requirements of the Act.

Alignment to Council Plan

9. The financial statements and the performance statement highlight that 2018-19 City operations have been managed in a responsible manner. The results contribute to responsible and sustainable financial management as aligned in the Council Plan strategic objective 'Innovative Finances and Technology'.

Conflict of Interest

10. The City's officers preparing this report have no direct or indirect interest.

Risk Assessment

11. The statements are released as a draft and are still subject to being signed off by the Auditor General.

Environmental Implications

12. Incomes and expenditures on the City's environmental preservation and enhancement programs are included in the financial statements.

Attachment 2

The Financial Statement of Accounts 2018-19 (refer Attachment 3) record a satisfactory period of operation with a favourable operating surplus, high closing cash balances and significant asset growth.

TOTAL COMPREHENSIVE RESULT

- The \$125.3m surplus result was (\$55.4m) favourable to adopted Budget and included the following favourable and unfavourable income and expenditure items (refer Note 1.1 – Attachment 3).

Main variances are as follows:

	Budget 2019 \$'000	Actual 2019 \$'000	Variance \$'000
INCOME			
Rates and charges	238,297	230,942	(7,355)
Statutory fees and fines	13,434	14,457	(1,023)
User fees	55,005	63,934	8,929
Grants - operating	43,135	58,139	15,004
Grants - capital	21,157	20,244	(913)
Contributions - monetary	4,813	6,702	1,889
Contributions - non monetary	45,000	85,905	40,905
Share of net profits/(losses) of associates and joint ventures	0	(337)	(337)
Other income	6,610	8,476	1,866
Total Income	427,450	488,462	61,012
EXPENSES			
Employee Costs	154,817	154,592	225
Materials & Services	105,170	107,527	(2,357)
Bad & Doubtful Debts	900	2,432	(1,532)
Depreciation & Amortisation	62,893	65,951	(3,058)
Borrowing Costs	2,893	1,897	996
Net (gain)/loss on disposal of property, infrastructure, plant and equipment	3,052	2,005	1,047
Other expenses	27,873	28,774	(901)
Total Expenses	357,598	363,178	(5,580)
Surplus/(Deficit) for the year	69,852	125,284	55,432

VARIANCE EXPLANATION:

- Grants Commission 2019-20 50% received in June 2019 (\$10.7m favourable). Budget had been adjusted for payment of 50% of 2018-19 being received in 2017-18.
- Additional fees were received for Commercial waste disposal \$1.6m and subdivision design fees \$1.4m.
- Early receipt of Community Infrastructure levies for St Leonards growth area, Armstrong Creek and Ocean Grove \$2.1m.
- Increased Subdivision assets \$33.1m and recognition of open space \$7.1m.
- Other income \$1.9m favourable with additional Interest received \$0.1m, and unbudgeted program funds received for, Greenhouse reduction program, Central Geelong Activity Area Pedestrian Network and Road Trauma Public Art Memorial.

7. Bad & Doubtful debts (\$1.5m) unfavourable due to increase in provision for Infringement debtors – mainly parking infringements and provision for rectification works on the Belcher building.
8. Borrowing costs \$1.0m favourable with deferral and cancellation of loan borrowings.
9. Increased proceeds received for assets disposed of during the year.
10. Depreciation and Amortisation (\$3.1m) unfavourable due to the unbudgeted increase in non-monetary assets received from developers.

BALANCE SHEET

11. The Balance Sheet shows that Council has a very strong asset position with over \$2.5 billion worth of assets that are used to provide services to the community.
12. Current Assets are \$127m which has increased during the year due to the favourable cash balance.
13. Current liabilities are \$81.6m which is predominately leave provisions and trade payables and non-current liabilities are \$75.9 which has increased due to the drawing down of a loan in 2018-19.
14. Total loan balance has increased from \$48.7m to \$65.8m.

STATEMENT OF CASH FLOWS

15. Council's cash position at the end of the year is \$105.5m, which is a slight increase from the opening balance.
16. The cash balance will provide funds to complete Capital and Non Capital projects carried over from 2018-19 and working capital to ensure service provision continues at the same levels in 2019-20.

STATEMENT OF CAPITAL WORKS

17. Council has an extensive capital works program to renew, upgrade and provide new assets to ensure the continuation and improvement of services provided to the community. Council spent \$124.5m on capital works in 2018-19 and included the following highlights:

	Actual \$m
Road Replacement and construction	20.1
DCP - ACEP - NAC Community Complex	10.1
Drainage Replacement and Construction	8.7
Plant and Vehicles	8.7
DCP - HBP - Sparrovale Wetlands DI_LA_23	7.8
Purnell Rd CFC	7.7
Footpaths & Bikepaths	5.2
Drysdale Integrated Children and Family Centre	4.1
Highton Family Hub	3.8
Leopold Community Hub Stage 2	3.4
Rosewall Neighbourhood Centre - Detailed Design	3.1
DCP - Armstrong Creek Town Centre - Community Facilities Site	3.0
Computers & Telecommunications	2.2
DCP - ACEP - NAC Community Pavilion	2.2
Cloverdale Community Centre	2.0
Drysdale Landfill - Leachate Management	1.6
Drysdale Landfill Cell 5	1.5

	Actual \$m
Goldsworthy Reserve Track Renewal	1.3
Northern ARC Detailed Design	1.2
Building Renewal Works	1.2
DCP - HBP - Sparrovale Wetlands DI LA 22	1.1
Civic Accommodation Project	1.0
Stead Park Softball Pavilion Upgrade	1.0
Winter Reserve Changeroom Upgrade	0.9
Lara United Soccer Club Female Change Facility	0.9
Toilet Block Renewal / Replacement Program	0.8
Anakie Reserve Facility Upgrade	0.8
Drysdale Integrated Children's & Family Centre	0.7
DCP – ACWP – Acquisition Drainage Reserve	0.7
Purnell Rd CFC	0.6

PERFORMANCE STATEMENT AS AT 30 JUNE 2019

18. Council is required to prepare and include a performance statement (refer Attachment 4) within its annual report. The performance statement includes the results of the prescribed sustainable capacity, service performance and financial performance indicators and measures together with a description of the municipal district and an explanation of material variations in the results. This statement has been prepared to meet the requirements of the Act and *Local Government (Planning and Reporting) Regulations 2014*.
19. A Governance and Management checklist has been completed for 2018-19. The results in the prescribed form represent Council's assessment against the prescribed Governance and Management checklist as at 30 June 2019.
20. Where applicable the results in the performance statement have been prepared on accounting bases consistent with those reported in the Financial Statements. The other results are based on information drawn from Council information systems or from third parties (e.g. Australian Bureau of Statistics).
21. The performance statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by the Council's Strategic Resource Plan. The forecast figures included in the performance statement are those adopted by Council in its Strategic Resource Plan on 25 June 2019 and which forms part of the Council plan. The results for 2018-19 are consistent with the results from the previous year.
22. The Performance Statement results and the Service Performance Indicators prescribed under the Local Government Performance Reporting Framework will be reported on the 'Know Your Council' website (www.knowyourcouncil.vic.gov.au).
23. In accordance with the requirements of Section 132 of the Act the nominated Principal Accounting Officer of Council, two Councillors and the Chief Executive Officer are required to sign the Performance Statement. The Governance & Management checklist is required to be signed by Chief Executive Officer and The Mayor to represent the status of Council's Governance and Management arrangements.

AUDIT

24. The external audit, conducted by the Victorian Auditor General's Office (VAGO), was completed on Friday, 16 August 2019 as per the audit plan. A closing report summarising the Audit findings and a Final management letter has been reviewed by the Audit & Risk Committee.

**City of Greater Geelong
ANNUAL FINANCIAL REPORT**

For the Year Ended 30 June 2019

**City of Greater Geelong
Financial Report
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Certification of the Financial Statements

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

Michael Dugina CPA
Principal Accounting Officer

Date : 10th September 2019

Geelong

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

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

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

Cr B Harwood

Mayor

Date : 10th September 2019

Geelong

Cr P Murnane

Councillor

Date : 10th September 2019

Geelong

Martin Cutter

Chief Executive Officer

Date : 10th September 2019

Geelong

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Comprehensive Income Statement For the Year Ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
Income			
Rates and charges	3.1	230,942	218,809
Statutory fees and fines	3.2	14,457	13,881
User Fees	3.3	63,934	60,968
Grants - operating	3.4(a)	58,139	53,924
Grants - capital	3.4(b)	20,244	14,159
Contributions - monetary	3.5	6,702	7,429
Contributions - non monetary	3.5	85,905	57,687
Share of net profits (or loss) of associates and joint ventures	6.2	(337)	29
Other income	3.7	8,476	5,372
Total income		488,462	432,259
Expenses			
Employee costs	4.1	154,592	151,144
Materials and services	4.2	107,527	105,639
Depreciation and amortisation	4.3	65,951	58,638
Bad and doubtful debts	4.4	2,432	1,409
Borrowing costs	4.5	1,897	1,902
Other expenses	4.6	28,774	35,497
Net (gain)/ or loss on disposal of property, infrastructure, plant and equipment	3.6	2,005	1,990
Total expenses		363,178	356,219
Surplus/(deficit) for the year		125,284	76,040
Other comprehensive income			
Net asset revaluation increment/(decrement)	6.1	31,009	141,503
Total comprehensive result		156,293	217,543

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

Balance Sheet As at 30 June 2019

	Note	2019 \$'000	2018 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1(a)	11,883	4,945
Trade and other receivables	5.1(c)	16,823	11,532
Other financial assets	5.1(b)	93,645	97,613
Inventories	5.2(a)	1,127	1,101
Other assets	5.2(b)	3,041	2,169
Total current assets		126,519	117,360
Non-current assets			
Trade and other receivables	5.1(c)	2,933	2,394
Other financial assets	5.1(b)	230	230
Intangible assets	5.2(c)	3,500	689
Investments in associates, joint arrangements and subsidiaries	6.2	10,126	10,463
Property, infrastructure, plant and equipment	6.1	2,506,363	2,340,343
Total non-current assets		2,523,152	2,354,119
Total assets		2,649,671	2,471,479
Liabilities			
Current liabilities			
Trade and other payables	5.3(a)	34,708	34,398
Trust funds and deposits	5.3(b)	7,542	6,757
Provisions	5.5	30,063	29,720
Interest-bearing liabilities	5.4	9,264	9,868
Total current liabilities		81,577	80,743
Non-current liabilities			
Provisions	5.5	19,264	16,064
Interest-bearing liabilities	5.4	56,577	38,810
Other provisions	5.5	135	37
Total non-current liabilities		75,976	54,911
Total liabilities		157,553	135,654
Net assets		2,492,118	2,335,825
Equity			
Accumulated surplus		1,451,581	1,292,951
Reserves	9.1	1,040,537	1,042,874
Total Equity		2,492,118	2,335,825

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

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

2019	Note	Total \$'000	Accumulated Surplus \$'000	Asset Revaluation Reserve \$'000	Other Reserves \$'000
Balance at beginning of the financial year		2,335,825	1,292,951	990,545	52,329
Surplus/(deficit) for the year		125,284	125,284	-	-
Net asset revaluation increment/(decrement)	9.1(a)	31,009	-	31,009	-
Transfers to other reserves	9.1(b)	-	(29,927)	-	29,927
Transfers from other reserves	9.1(b)	-	63,273	-	(63,273)
Balance at end of the financial year		2,492,118	1,451,581	1,021,554	18,983

2018		Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
Balance at beginning of the financial year		2,118,282	1,176,284	849,042	92,956
Surplus/(deficit) for the year		76,040	76,040	-	-
Net asset revaluation increment/(decrement)	9.1(a)	141,503	-	141,503	-
Transfers to other reserves	9.1(b)	-	(54,741)	-	54,741
Transfers from other reserves	9.1(b)	-	95,368	-	(95,368)
Balance at end of the financial year		2,335,825	1,292,951	990,545	52,329

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

Statement of Cash Flows For the Year Ended 30 June 2019

	Note	2019 Inflows/ (Outflows) \$'000	2018 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		229,047	215,398
Statutory fees and fines		14,689	13,465
User fees		62,495	64,412
Grants - operating		58,291	54,012
Grants - capital		23,879	20,502
Contributions - monetary		6,801	7,466
Interest received		2,005	2,129
Trust funds and deposits taken		4,524	4,326
Net GST refund/payment		16,910	16,487
Employee costs		(142,463)	(135,851)
Materials and services		(171,315)	(158,559)
Trust funds and deposits repaid		(3,434)	(1,910)
Net cash provided by/(used in) operating activities	9.2	<u>101,429</u>	<u>101,877</u>
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	6.1	(124,470)	(113,313)
Proceeds from sale of property, infrastructure, plant and equipment		10,167	9,709
Payments for investments		(162,784)	(194,105)
Proceeds from sale of investments		167,332	185,489
Net cash provided by/(used in) investing activities		<u>(109,755)</u>	<u>(112,219)</u>
Cash flows from financing activities			
Finance costs		(1,901)	(1,902)
Proceeds from borrowings		26,000	12,100
Repayment of borrowings		(8,835)	(8,932)
Net cash provided by/(used in) financing activities		<u>15,264</u>	<u>1,266</u>
Net increase (decrease) in cash and cash equivalents		6,938	(9,076)
Cash and cash equivalents at the beginning of the financial year		4,945	14,021
Cash and cash equivalents at the end of the financial year	5.1	<u>11,883</u>	<u>4,945</u>
Financing arrangements	5.6		
Restrictions on cash assets	5.1		

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

Statement of Capital Works For the Year Ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
Property			
Land		12,351	5,227
Total land		12,351	5,227
Buildings		4,423	18,572
Total buildings		4,423	18,572
Total property		16,774	23,800
Plant and equipment			
Plant, machinery and equipment		8,664	4,416
Fixtures, fittings and furniture		-	61
Computers and telecommunications		2,214	1,545
Total plant and equipment		10,878	6,022
Infrastructure			
Roads		22,458	20,333
Footpaths and cycleways		5,187	5,071
Drainage		6,313	7,615
Recreational, leisure and community facilities		40,482	18,747
Waste management		4,199	13,674
Parks, open space and streetscapes		11,216	3,720
Other infrastructure		6,963	14,331
Total infrastructure		96,818	83,491
Total capital works expenditure		124,470	113,313
Represented by:			
New asset expenditure		76,902	72,709
Asset renewal expenditure		33,213	27,885
Asset upgrade expenditure		14,355	12,719
Total capital works expenditure		124,470	113,313

The above statement of capital works should be read in conjunction with the accompanying notes.

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

OVERVIEW

Introduction

The City of Greater Geelong was established by an Order of the Governor in Council on 18 May 1993 and is a body corporate.

The Council's main office is located at 30 Gheringhap Street Geelong.

Statement of compliance

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

Significant accounting policies

(a) Basis of accounting

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.1)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.1)
- the determination of employee provisions (refer to Note 5.5)
- the determination of landfill provisions (refer to Note 5.5)

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

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

Note 1 Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or \$8.5 million where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures detailed below are those adopted by Council on 26 June 2018. The budget was based on assumptions that were relevant at the time of adoption of the budget. Council sets guidelines and parameters for income and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

1.1 Income and expenditure

	Budget 2019 \$'000	Actual 2019 \$'000	Variance 2019 \$'000	Ref
Income				
Rates and charges	238,296	230,942	(7,354)	-3%
Statutory fees and fines	13,434	14,457	1,023	8%
User fees	55,005	63,934	8,929	16% 1
Grants - operating	43,135	58,139	15,004	35% 2
Grants - capital	21,157	20,244	(913)	-4%
Contributions - monetary	4,813	6,702	1,889	39% 3
Contributions - non monetary	45,000	85,905	40,905	91% 4
Share of net profits/(losses) of associates and joint ventures	-	(337)	(337)	0%
Other income	6,610	8,476	1,866	28% 5
Total income	427,450	488,462	61,012	14%
Expenses				
Employee costs	154,817	154,592	225	0%
Materials and services	105,170	107,527	(2,357)	-2%
Bad and doubtful debts	900	2,432	(1,532)	-170% 6
Depreciation and amortisation	62,893	65,951	(3,058)	-5%
Borrowing costs	2,893	1,897	996	34% 7
Net (gain)/loss on disposal of property, infrastructure, plant & equipment	3,052	2,005	1,047	34% 8
Other expenses	27,873	28,774	(901)	-3%
Total expenses	357,598	363,178	(5,580)	-2%
Surplus/(deficit) for the year	69,852	125,284	55,432	79%

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	User Fees	Additional fees for Commercial waste disposal \$1.6M, Subdivision design fees \$1.4m. Unbudgeted program funds received including: Greenhouse reduction program \$0.1m, Central Activity Area pedestrian network \$1.3m, Armstrong Creek drainage easement \$0.5m and Road Trauma public art memorial \$0.2m. Reimbursement of costs for diversion of waste due to SKM \$0.5m and clean up costs for two properties \$0.2m.
2	Grants - Operating	Financial Assistance Grants - early receipt of 50% of 2019-20 allocation \$10.7m. Increased grants received for Home care services \$1.9m, Domestic assistance \$0.6m, and Emergency management \$0.5m.
3	Contributions - monetary	Early receipt of Community Infrastructure levies for St Leonards Growth Area \$1.5m, Armstrong Creek \$0.4m and Ocean Grove \$0.2m, partly offset by the delayed receipt of developer infrastructure levies (\$0.3m).
4	Contributions - non monetary	Increased subdivision assets \$33.1m and recognition of open space \$7.1m.
5	Other income	Interest income \$0.1m due to increased investments. Asset revaluation impact recognised due to previous decrements being processed to profit and loss (\$1.6m)
6	Bad and doubtful debts	Increase in provision for infringement debtors, majority being parking infringements. Rectification works on Belcher's building provided 100% as doubtful.
7	Borrowing costs	Deferral of loan borrowings into 2019-20 and cancellation of loan borrowings reducing interest costs.
8	Net (gain)/loss on disposal of property, infrastructure, plant and equipment	Increased proceeds received for assets disposed of during the year and less than budgeted WDV for sold assets.

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

1.2 Capital works

	Budget 2019 \$'000	Actual 2019 \$'000	Variance 2019 \$'000		Ref
Property					
Land	14,353	12,351	(2,002)	-14%	1
Total Land	14,353	12,351	(2,002)	-14%	
Buildings	4,771	4,423	(348)	-7%	
Total Buildings	4,771	4,423	(348)	-7%	
Total Property	19,124	16,774	(2,350)	-12%	
Plant and Equipment					
Plant, machinery and equipment	8,955	8,664	(291)	-3%	
Computers and telecommunications	2,229	2,214	(15)	-1%	
Total Plant and Equipment	11,184	10,878	(306)	-3%	
Infrastructure					
Roads	23,047	22,458	(589)	-3%	
Footpaths and cycleways	4,644	5,187	543	12%	2
Drainage	6,713	6,313	(400)	-6%	
Recreational, leisure and community facilities	41,430	40,482	(948)	-2%	
Waste management	6,430	4,199	(2,231)	-35%	3
Parks, open space and streetscapes	12,851	11,216	(1,635)	-13%	4
Other infrastructure	2,747	6,963	4,216	153%	5
Total Infrastructure	97,862	96,818	(1,044)	-1%	
Total Capital Works Expenditure	128,169	124,470	(3,699)	-3%	
Represented by:					
New asset expenditure	86,103	76,902	(9,201)	-11%	
Asset renewal expenditure	32,226	33,213	987	3%	
Asset upgrade expenditure	9,840	14,355	4,515	46%	
Total Capital Works Expenditure	128,169	124,470	(3,699)	-3%	

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Land	Delay of land acquisition in Fyansford \$1.6m.
2	Footpaths and cycleways	Increased spending on pedestrian safety upgrades \$1.4m and Bellarine rail trail sealing \$0.4m, partly offset by delayed expenditure on Footpath renewal (\$0.6m)
3	Waste management	Lower spend at Drysdale landfill site \$1.9m (\$0.4m delayed) and Corio landfill site \$0.4m.
4	Parks, open space and streetscapes	Delayed expenditure relating to the Northern skate park development \$0.5m, and Grovedale, East Geelong and St Joseph's Football/Netball club changeroom upgrades \$1.4m.
5	Other infrastructure	Miscellaneous capitalised expenditure including capitalised salaries and other minor items.

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

Note 2.1 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

(a) Customer and Corporate Services

Customer and corporate services provides efficient, effective and proactive support services across council to enable the delivery of policy commitments, business improvements and financial information. The provision of these services includes finance services, digital information and technology, property and procurement, customer service, business improvement and program integration and development.

Planning, Design and Development

The planning services area includes the assessment of city development, health and local laws, planning strategy and urban growth.

Community Life

Community life provides high quality community focused programs, service delivery and communication to residents. Community life is comprised of community care, connected communities, family services, health communities, leisure and recreational services and social planning and investment.

City Services

City services is responsible for constructing new infrastructure and maintaining existing infrastructure across a very diverse range of assets that underpin the wellbeing of the community. These assets include capital works engineering services, environment and waste, city works, parks and gardens, emergency management and

Investment and Attraction

Economy, investment and attraction supports local festivals and events and advocates on behalf of the community for major events, tourism and cultural opportunities. Investment and attraction is responsible for arts and culture, economic development and events and tourism.

People and Culture

People and culture provides efficient and effective services to meet the growing needs of the community. Customer service is dedicated to the health, safety and amenity of the community.

Governance, Strategy and Performance

Governance and legal services provides effective governance oversight of the organisation. Human resource management provides support to the organisation and ensures councils customer focus includes communication and community engagement processes. Service areas include governance and legal services, strategy engagement and performance, corporate communication and marketing, enterprise risk and legal services.

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

Note 2.1 Analysis of Council results by program

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

	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2019					
Customer and Corporate Services	255,925	38,901	217,025	22,070	162,941
Planning, Design and Development	37,434	26,607	10,827	5,482	14,321
Community Life	75,401	96,694	(21,293)	34,572	504,739
City Services	113,773	151,035	(37,262)	13,673	1,849,088
Economy, Investment and Attraction	5,503	33,278	(27,775)	2,537	118,582
People and Culture & CEO	49	7,031	(6,983)	-	-
Governance, Strategy and Performance	377	9,632	(9,255)	50	-
	488,462	363,178	125,284	78,384	2,649,671

	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2018					
Customer and Corporate Services	241,524	37,670	203,854	21,429	169,051
Planning, Design and Development	35,176	25,820	9,356	4,238	14,165
Community Life	69,594	92,331	(22,737)	29,835	495,266
City Services	78,360	150,399	(72,039)	8,323	1,670,762
Economy, Investment and Attraction	7,241	31,329	(24,089)	4,258	122,235
People and Culture & CEO	(202)	9,888	(10,090)	-	-
Governance, Strategy and Performance	568	8,783	(8,215)	-	-
	432,259	356,219	76,040	68,084	2,471,479

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

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

Council uses Capital Improved Value as the basis of valuation of all properties within the municipal district. The Capital Improved Value of a property is the total market value of the land plus buildings and other improvements.

The valuation base used to calculate general rates for 2018-19 was \$64.48 billion (2017-18 \$52.21 billion).

General rates	177,493	168,443
Municipal charge	12,521	11,803
Waste management charge	35,635	30,284
Special rates and charges	2,568	4,629
Supplementary rates and rate adjustments	2,084	3,066
Interest on rates and charges	572	515
Revenue in lieu of rates	69	69
Total rates and charges	230,942	218,809

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2018, and the valuation was first applied in the rating year commencing 1 July 2018.

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

3.2 Statutory fees and fines

Infringements and costs	3,881	3,867
Court recoveries	857	857
Town planning fees	2,449	2,441
Land information certificates/registrations	3,437	3,326
Permits	3,833	3,390
Total statutory fees and fines	14,457	13,881

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

3.3 User fees

Aged and health services	2,669	2,614
Leisure centre and recreation	18,916	18,080
Child care/children's programs	7,142	8,069
Parking	10,280	9,925
Building services	4,314	3,229
Waste management services	11,270	11,059
National Wool Museum	809	760
Parks	824	771
Rental and leasing	2,484	2,425
Road works	1,080	1,481
Other fees and charges	4,146	2,555
Total user fees	63,934	60,968

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

3.4 Funding from other levels of government

Grants were received in respect of the following:

Summary of grants

Commonwealth funded grants	47,065	45,264
State funded grants	31,318	22,821
Total grants received	78,383	68,085

(a) Operating grants

Recurrent - Commonwealth Government

Financial Assistance Grants	20,931	21,233
Family services	9,425	8,031
General home care	14,383	12,447
Other	249	235

Recurrent - State Government

Aged care	2,564	2,546
School crossing supervisors	900	820
Family services	7,040	6,169
Environment	222	199
Community development	481	23
Other	1,944	2,221
Total recurrent operating grants	58,139	53,924

Total operating grants	58,139	53,924
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Notes to the Financial Report
For the Year Ended 30 June 2019

	2019	2018
	\$'000	\$'000
(b) Capital grants		
<i>Recurrent - Commonwealth Government</i>		
Roads to recovery	1,497	3,022
Total recurrent capital grants	<u>1,497</u>	<u>3,022</u>
<i>Non-recurrent - Commonwealth Government</i>		
IT	-	196
Recreation	580	100
<i>Non-recurrent - State Government</i>		
Roads	2,086	85
IT	365	2,400
Recreation	2,613	1,335
Buildings	9,434	4,747
Central Geelong revitalisation	3,009	1,642
Other	660	632
Total non-recurrent capital grants	<u>18,747</u>	<u>11,137</u>
Total capital grants	<u><u>20,244</u></u>	<u><u>14,159</u></u>
(c) Unspent grants received on condition that they be spent in a specific manner		
Balance at start of year	2,926	6,460
Received during the financial year and remained unspent at balance date	1,051	2,926
Received in prior years and spent during the financial year	(2,926)	(6,460)
Balance at year end	<u>1,051</u>	<u>2,926</u>

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

3.5 Contributions

Monetary	6,702	7,429
Non-monetary	85,905	57,687
Total contributions	<u>92,607</u>	<u>65,116</u>
<i>Contributions of non-monetary assets were received in relation to the following asset classes.</i>		
Land	12,105	11,008
Other infrastructure	73,800	46,679
Total non-monetary contributions	<u>85,905</u>	<u>57,687</u>

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

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

Proceeds of sale	10,167	9,709
Written down value of assets disposed	(12,172)	(11,699)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	<u>(2,005)</u>	<u>(1,990)</u>

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

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

	2019 \$'000	2018 \$'000
3.7 Other revenue		
Interest	2,005	2,129
Other	6,471	3,243
Total other revenue	<u>8,476</u>	<u>5,372</u>

Interest is recognised as it is earned.

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

Note 4 The cost of delivering services

4.1 Employee costs

Wages and salaries	128,831	126,442
WorkCover	2,121	2,081
Casual staff/supplementary labour	11,104	9,929
Superannuation	11,765	11,326
Fringe benefits tax	491	639
Other	280	727
Total employee costs	<u>154,592</u>	<u>151,144</u>

(a) Superannuation

Employer made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	926	961
	<u>926</u>	<u>961</u>
Employer contributions payable at reporting date.	-	-

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	4,932	6,857
Employer contributions - other funds	6,696	3,714
	<u>11,628</u>	<u>10,571</u>
Employer contributions payable at reporting date.	-	-

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

4.2 Materials and services

Materials	8,953	9,238
Contract payments	41,953	40,181
Building maintenance	5,222	4,511
Plant/equipment/vehicle costs	7,379	7,411
Utilities	11,650	9,940
Office administration	6,656	7,269
Information technology	2,624	2,653
Insurance	1,815	2,209
Levies	5,257	5,291
Geelong Regional Library Corporation Funding Agreement Contribution	9,920	9,744
Consultants	4,558	4,696
Capital works reclassified as expense	1,540	2,496
Total materials and services	<u>107,527</u>	<u>105,639</u>

4.3 Depreciation and amortisation

Property	10,985	10,033
Plant and equipment	6,239	6,470
Infrastructure	48,727	42,135
Total depreciation and amortisation	<u>65,951</u>	<u>58,638</u>

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

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

	2019 \$'000	2018 \$'000
4.4 Bad and doubtful debts		
Parking fine debtors	1,210	1,408
Other debtors	1,222	1
Total bad and doubtful debts	2,432	1,409
Movement in provisions for doubtful debts		
Balance at the beginning of the year	8,350	7,593
New provisions recognised during the year	2,416	1,380
Amounts already provided for and written off as uncollectible	(13)	(653)
Amounts provided for but recovered during the year	16	30
Balance at end of year	10,769	8,350

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

4.5 Borrowing costs

Interest - borrowings	1,897	1,902
Total borrowing costs	1,897	1,902

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

4.6 Other expenses

Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals.	96	93
Auditors' remuneration - Internal	123	180
Councillors' allowances	419	270
Contributions	5,157	5,002
Other	4,161	3,048
Waste disposal and recycling	9,685	8,934
Landfill rehabilitation costs	277	9,532
Marketing, promotion and advertising	1,909	1,985
Events and functions	1,018	989
Operating lease rentals	4,211	3,749
Security	672	683
Memberships and subscriptions	474	508
Licences, fees and permits	572	525
Total other expenses	28,774	35,497

Note 5 Our financial position

5.1 Financial assets

(a) Cash and cash equivalents

Cash on hand	119	97
Cash at bank	11,764	4,848
Total cash and cash equivalents	11,883	4,945

(b) Other financial assets

Term deposits - current	93,645	97,613
Non-current - unlisted shares at cost - Regional Kitchen Pty Ltd	230	230
Total other financial assets	93,875	97,843
Total financial assets	105,758	102,788

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

- Trust funds and deposits (Note 5.3)	7,542	6,757
- Grants received but not expended (Note 3.4)	1,051	2,926
Total restricted funds	8,593	9,683
Total unrestricted cash and cash equivalents	96,935	92,875

Intended allocations

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

- Cash held to fund carried forward capital works	23,571	47,300
- Other reserve accounts	(4,588)	5,029
Total funds subject to intended allocations (Refer 9.1 (b))	18,983	52,329

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

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

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

	2019	2018
	\$'000	\$'000
(c) Trade and other receivables		
Current		
<i>Statutory receivables</i>		
Rates debtors	3,244	2,561
Infringement debtors	10,497	9,344
Provision for doubtful debts - infringements	(8,969)	(7,759)
Other debtors including landfill, leasing and permits	13,849	7,975
Provision for doubtful debts - other debtors	(1,798)	(589)
Total current trade and other receivables	<u>16,823</u>	<u>11,532</u>
Non-current		
<i>Statutory receivables</i>		
Special rate scheme	585	537
<i>Non-statutory receivables</i>		
Loans and advances to community organisations	98	98
Long term rates	2,250	1,759
Total non-current trade and other receivables	<u>2,933</u>	<u>2,394</u>
Total trade and other receivables	<u>19,756</u>	<u>13,926</u>

Short term receivables are carried at invoice amount. A provision for doubtful debts is recognised when there is objective evidence that an impairment has occurred.

(d) Ageing of receivables

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

Current (not yet due)	4,827	2,087
Past due by up to 30 days	-	-
Past due between 31 and 180 days	3,236	1,348
Past due between 181 and 365 days	1,237	17
Past due by more than 1 year	723	-
Total trade and other receivables	<u>10,023</u>	<u>3,452</u>

(e) Ageing of individually impaired receivables

At balance date, other debtors representing financial assets with a nominal value of \$1.3m (2018: \$0.1m) were impaired. The amount of the provision raised against these debtors was \$1.3m (2018: \$0.1m). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with the Council's debt collectors or are on payment arrangements.

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

Current (not yet due)	1	-
Past due by up to 30 days	335	2
Past due between 31 and 180 days	253	25
Past due between 181 and 365 days	694	27
Past due by more than 1 year	78	55
Total trade and other receivables	<u>1,361</u>	<u>109</u>

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

5.2 Non-financial assets	2019	2018
(a) Inventories	\$'000	\$'000
Inventories held for distribution	805	788
Inventories held for sale	322	313
Total inventories	1,127	1,101

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

(b) Other assets

Prepayments	1,751	739
Accrued income	1,289	1,398
Other	1	32
Total other assets	3,041	2,169

(c) Intangible assets

Landfill air space	3,500	689
Total intangible assets	3,500	689

Landfill
\$'000

Gross carrying amount

Balance at 1 July 2018	689
Additions from internal developments	3,088
Amortisation	(277)
Balance at 1 July 2019	3,500

Net book value at 30 June 2018	689
Net book value at 30 June 2019	3,500

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

5.3 Payables	2019	2018
(a) Trade and other payables	\$'000	\$'000
Trade payables	20,459	19,917
Prepaid Income (includes rates and leisure services)	4,271	3,841
Accrued expenses	9,978	10,640
Total trade and other payables	34,708	34,398
(b) Trust funds and deposits		
Refundable deposits	6,016	4,929
Fire services levy	1,526	1,828
Total trust funds and deposits	7,542	6,757

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

Purpose and nature of items

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

Fire Service Levy - Council is the collection agent for fire services levy on behalf of the State Government. Council remits amounts received twenty-eight days after the rate instalment due date. Amounts disclosed here will be remitted to the state government in line with that process.

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

	2019 \$'000	2018 \$'000
5.4 Interest-bearing liabilities		
Current		
Borrowings - secured	9,264	9,868
	9,264	9,868
Non-current		
Borrowings - secured	56,577	38,810
	56,577	38,810
Total	65,841	48,677

Borrowings are secured against the Council Rate Base

(a) The maturity profile for the Council's borrowings is:

Not later than one year	9,264	9,868
Later than one year and not later than five years	34,409	25,373
Later than five years	22,168	13,436
	65,841	48,677

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

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

5.5 Provisions

	Employee \$ '000	Landfill restoration \$ '000	Other \$ '000	Total \$ '000
2019				
Balance at beginning of the financial year	32,159	13,625	-	45,784
Additional provisions	21,606	3,088	-	24,694
Amounts used	(21,131)	(19)	-	(21,150)
Balance at the end of the financial year	32,634	16,694	-	49,328
2018				
Balance at beginning of the financial year	31,075	8,933	1,134	41,142
Additional provisions	18,343	10,221	-	28,564
Amounts used	(17,259)	(5,529)	(1,134)	(23,923)
Balance at the end of the financial year	32,159	13,625	-	45,783

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

	2019 \$'000	2018 \$'000
(a) Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	9,459	9,160
Long service leave	2,824	2,252
Other	209	192
	12,492	11,604
Current provisions expected to be wholly settled after 12 months		
Annual leave	879	902
Long service leave	16,445	16,767
	17,324	17,669
Total current employee provisions	29,816	29,273
Non-current		
Long service leave	2,818	2,886
Total non-current employee provisions	2,818	2,886
Aggregate carrying amount of employee provisions:		
Current	29,816	29,273
Non-current	2,818	2,886
Total aggregate carrying amount of employee provisions	32,634	32,159

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

Wages and salaries and annual leave

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

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

Long service leave

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

Key assumptions:

- discount rate	0.98% - 1.04%	1.91% - 2.585%
- inflation rate	2.30%	4.86%

	2019 \$'000	2018 \$'000
(b) Landfill restoration		
Current	247	447
Non-current	16,446	13,177
	16,693	13,624

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

Key assumptions:

- discount rate	1.73% - 1.915%	2.985% - 3.085%
- estimated cost to rehabilitate	18,865	19,312

(c) Other provisions

Developer Contributions Liabilities	135	37
	135	37

5.6 Financing arrangements

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

Bank overdraft	5,000	5,000
Total facilities	5,000	5,000
Used facilities	-	-
Unused facilities	5,000	5,000

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

5.7 Commitments

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

2019	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
IT	643	-	-	-	643
Recycling	545	-	-	-	545
Facilities maintenance	3,102	906	1,322	-	5,331
Open space and parks management	2,220	716	456	-	3,392
Consultancies	2,749	261	57	-	3,067
Cleaning contracts for council buildings	2,433	946	899	-	4,278
Roads	877	440	220	-	1,537
Other	1,083	1,019	681	-	2,783
Total	13,652	4,288	3,635	-	21,575
Capital					
Buildings	12,273	313	-	-	12,585
Other	5,874	-	-	-	5,874
Total	18,147	313	-	-	18,459

2018	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Recycling	201	-	-	-	201
Facilities maintenance	137	124	239	-	500
Open space and parks management	764	975	89	-	1,828
Consultancies	2,308	2,571	1,490	178	6,547
Cleaning contracts for council buildings	2,231	1,996	191	-	4,417
Total	5,641	5,666	2,008	178	13,494
Capital					
Buildings	28,544	1,980	-	-	30,524
Other	2,080	-	-	-	2,080
Total	30,623	1,980	-	-	32,603

Operating lease commitments

At the reporting date, the Council had the following obligations under non-cancellable operating leases for the lease of equipment and land and buildings for use within Council's activities (these obligations are not recognised as liabilities):

	2019 \$'000	2018 \$'000
Not later than one year	2,870	3,067
Later than one year and not later than five years	4,380	7,467
Later than five years	5	5
Total	7,255	10,539

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

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

Note 6 Assets we manage

6.1 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	At fair value 30 June 2018	Additions	Contributions	Revaluation	Depreciation	Disposal	Write-off	Transfers	At fair value 30 June 2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	690,335	14,649	14,835	-	-	(4,673)	-	5,332	720,478
Buildings	258,820	22,688	-	-	(10,985)	(1,396)	-	19,294	288,421
Plant and equipment	26,072	11,160	-	-	(6,239)	(1,479)	-	257	29,772
Infrastructure	1,281,944	33,393	73,747	32,648	(48,727)	(4,626)	-	22,915	1,391,295
Work in progress	83,172	42,581	-	-	-	-	(1,523)	(47,834)	76,397
	2,340,343	124,471	88,582	32,648	(65,951)	(12,173)	(1,523)	(35)	2,506,363

Summary of work in progress (WIP)

	Opening WIP	Additions	Write-off	Transfers	Closing WIP
	\$'000	\$'000	\$'000	\$'000	\$'000
Buildings	26,898	15,612	(560)	(23,551)	18,398
Plant and equipment	114	751	(10)	(72)	783
Infrastructure	56,160	26,218	(952)	(24,210)	57,216
Total	83,172	42,581	(1,523)	(47,834)	76,397

Revaluation - \$31.0m recorded against the reserve and \$1.6m recorded against Profit and Loss

Contributions includes Non monetary contributions and found assets

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

(a) Property

	Land - specialised	Land - non specialised	Land under roads	Total land and land improvements	Heritage buildings	Buildings - specialised	Buildings - non specialised	Building improvements	Leasehold improvements	Total buildings	Work In progress	Total property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2018	626,581	46,788	16,966	690,335	31,494	195,204	36,157	-	2,550	265,405	26,898	982,638
Accumulated depreciation at 1 July 2018	-	-	-	-	(561)	(3,160)	(1,333)	-	(1,531)	(6,585)	-	(6,585)
	626,581	46,788	16,966	690,335	30,933	192,044	34,824	-	1,019	258,820	26,898	976,053
Movements in fair value												
Additions	14,649	-	-	14,649	215	19,973	2,162	-	337	22,688	15,612	52,949
Contributions	11,258	-	3,577	14,835	-	-	-	-	-	-	-	14,835
Revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Disposal	(2,643)	(2,030)	-	(4,673)	(1,402)	(62)	(50)	-	-	(1,513)	-	(6,186)
Write-off	-	-	-	-	-	-	-	-	-	-	(560)	(560)
Transfers	5,332	-	-	5,332	375	18,116	584	-	219	19,294	(23,551)	1,075
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-	-	-
	28,597	(2,030)	3,577	30,144	(811)	38,028	2,696	-	556	40,469	(8,500)	62,113
Movements in accumulated depreciation												
Depreciation and amortisation	-	-	-	-	(1,110)	(7,187)	(2,458)	-	(230)	(10,985)	-	(10,985)
Accumulated depreciation of disposals	-	-	-	-	102	11	5	-	-	117	-	117
Revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	(1,009)	(7,176)	(2,453)	-	(230)	(10,868)	-	(10,868)
At fair value 30 June 2019	655,178	44,758	20,543	720,479	30,683	233,232	38,853	-	3,106	305,874	18,398	1,044,751
Accumulated depreciation at 30 June 2019	-	-	-	-	(1,570)	(10,336)	(3,786)	-	(1,761)	(17,453)	-	(17,453)
	655,178	44,758	20,543	720,479	29,113	222,896	35,067	-	1,345	288,421	18,398	1,027,298

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

(b) Plant and Equipment

	Plant machinery and equipment	Fixtures fittings and furniture	Computers and telecomms	Work in progress	Total plant and equipment
	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2018	35,396	14,181	30,685	114	80,376
Accumulated depreciation at 1 July 2018	(17,249)	(11,183)	(25,758)	-	(54,190)
	18,147	2,998	4,927	114	26,186
Movements in fair value					
Additions	8,335	1,129	1,696	751	11,911
Contributions	-	-	-	-	-
Revaluation	-	-	-	-	-
Disposal	(6,982)	-	(46)	-	(7,028)
Write-off	-	-	-	(10)	(10)
Transfers	124	75	59	(72)	186
Impairment losses recognised in operating result	-	-	-	-	-
	1,476	1,204	1,709	669	5,059
Movements in accumulated depreciation					
Depreciation and amortisation	(3,584)	(579)	(2,075)	-	(6,239)
Accumulated depreciation of disposals	5,504	-	45	-	5,549
Impairment losses recognised in operating result	-	-	-	-	-
Transfers	-	-	-	-	-
	1,919	(579)	(2,030)	-	(690)
At fair value 30 June 2019	36,872	15,385	32,394	783	85,435
Accumulated depreciation at 30 June 2019	(15,330)	(11,762)	(27,788)	-	(54,880)
	21,543	3,623	4,607	783	30,556

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

(c) Infrastructure

	Road seal	Road pavement	Footpaths and cycleways	Drainage	Recreational, leisure and community	Kerb and channel	Roads other	Other infrastructure	Work in progress	Total infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2018	202,238	575,088	230,140	586,995	158,752	214,786	145,825	86,543	56,160	2,256,527
Accumulated depreciation at 1 July 2018	(96,014)	(242,682)	(117,875)	(168,439)	(57,239)	(120,566)	(62,544)	(53,064)	-	(918,423)
	106,224	332,406	112,265	418,556	101,513	94,220	83,281	33,479	56,160	1,338,104
Movements in fair value										
Additions	9,446	4,109	3,175	436	4,915	3,208	2,589	5,516	26,218	59,612
Contributions	6,854	15,294	7,325	18,942	568	4,464	17,436	279	-	71,162
Revaluation	-	-	34,979	0	-	17,037	30,031	-	-	82,047
Disposal	(5,162)	(1,375)	(3,255)	(1,085)	(1,491)	(812)	(1,218)	-	-	(14,397)
Write-off	-	-	-	-	-	-	-	-	(952)	(952)
Unrecognised assets(valued at WDV)	-	-	36	469	-	13	2,776	-	-	3,294
Transfers	408	105	2,252	7,612	3,753	795	1,458	6,533	(24,210)	(1,295)
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-
	11,546	18,132	44,512	26,375	7,745	24,706	53,071	12,328	1,056	199,471
Movements in accumulated depreciation										
Depreciation and amortisation	(7,987)	(7,226)	(5,007)	(6,256)	(6,949)	(3,758)	(5,946)	(5,598)	-	(48,727)
Accumulated depreciation of disposals	3,545	864	2,261	441	1,258	704	698	-	-	9,771
Revaluation	-	-	(24,551)	-	-	(15,397)	(9,450)	-	-	(49,397)
Depreciation adjustment contributed assets	-	-	-	(94)	-	-	-	-	-	(94)
Unrecognised assets (valued at WDV)	-	-	(15)	(105)	-	(1)	(496)	-	-	(616)
Transfers	(10)	-	1	-	50	(1)	(54)	14	-	-
	(4,453)	(6,362)	(27,312)	(6,014)	(5,640)	(18,453)	(15,247)	(5,585)	-	(89,065)
At fair value 30 June 2019	213,784	593,220	274,652	613,370	166,497	239,491	198,896	98,871	57,216	2,455,998
Accumulated depreciation at 30 June 2019	(100,467)	(249,044)	(145,187)	(174,453)	(62,879)	(139,019)	(77,791)	(58,649)	-	(1,007,488)
	113,317	344,177	129,466	438,918	103,618	100,472	121,105	40,222	57,216	1,448,510

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

Acquisition

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

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

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

Asset recognition thresholds and depreciation periods

	Depreciation Period	Threshold Limit \$'000
Land and Land Improvements		
Land		1
Buildings		
Buildings	50 - 100 years	10
Plant and Equipment		
Heavy Plant and Equipment, Commercial Vehicles	10 years	1
Personal Computers	3 years	1
Computer Equipment	4-5 years	1
Software	4-5 years	1
Light Motor Vehicles	5-7 years	1
Infrastructure		
Road Spray Seal	12 years	1
Road Asphalt Seal	25 years	1
Road Pavement	80 years	1
Drainage	40 - 100 years	1
Kerbs and Channel	60 years	1
Footpaths and Bikepaths	50 years	1
Recreation	7-80 years	1

Land under roads

Council recognises land under roads acquired after 30 June 2008 at fair value.

Depreciation and amortisation

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

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

Road earthworks are not depreciated on the basis that they are assessed as not having a limited useful life. Straight line depreciation is charged based on the residual useful life as determined each year. Depreciation periods used are listed below and are consistent with the prior year unless otherwise stated.

Repairs and maintenance

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

Leasehold improvements

Leasehold improvements are recognised at cost and are amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter. At balance date, leasehold improvements are amortised over a 10 year period.

Valuation of land and buildings

Valuation of land and buildings were undertaken by a Stephen Davey of Opteon AAPI CPV Member no 63379. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

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

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

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

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

	Level 1	Level 2	Level 3	Date of Valuation
Non Specialised Land	-	44,758	-	Jan-18
Specialised Land	-	-	655,177	Jan-18
Land under Roads	-	-	20,543	Jan-18
Heritage Buildings	-	-	29,113	Jan-18
Specialised Buildings	-	-	222,896	Jan-18
Non Specialised Buildings	-	35,067	-	Jan-18
Leasehold Improvements	-	-	1,345	Various
Total	-	79,825	929,074	

Valuation of infrastructure

Valuation of infrastructure assets has been undertaken by the asset management engineers.

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

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

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

	Level 1	Level 2	Level 3	Date of Valuation
Road Pavement	-	-	344,178	Apr-17
Road Seal	-	-	113,319	Apr-17
Road Other	-	-	121,105	Apr-19
Kerb and Channel	-	-	100,472	Apr-19
Footpaths and Cycleways	-	-	129,465	Apr-19
Drainage	-	-	438,916	Apr-18
Total	-	-	1,247,455	

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values of 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$1.00 and \$4,800 per square metre.

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs is calculated on a square metre basis and ranges from \$1,200 to \$2,650 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 2 years to 80 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets (other than recreation, leisure and open space and other infrastructure, which are measured at cost) are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 1 year to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

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

	2019	2018
	\$'000	\$'000
Reconciliation of specialised land		
Land under roads	20,543	16,966
Parks and reserves	655,177	626,581
Total specialised land	<u>675,720</u>	<u>643,547</u>

6.2 Investments in associates, joint arrangements and subsidiaries

(a) Investments in associates

Investments in associates accounted for by the equity method are:

Geelong Regional Library Corporation	10,126	10,463
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Geelong Regional Library Corporation

Background

Principal activity is to provide Library Services to member municipalities. Council holds 88.14% (2018 88.11%) of equity in the corporation. Council has four directors on the Board of seven. Council has the ability to influence rather than control its operations. Incorporated in Australia.

Fair value of Council's investment in Geelong Regional Library Corporation

<u>10,126</u>	<u>10,463</u>
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Council's share of accumulated surplus/(deficit)

Council's share of accumulated surplus/(deficit) at start of year	7,128	7,099
Reported surplus/(deficit) for year	(337)	29
Council's share of accumulated surplus/(deficit) at end of year	<u>6,791</u>	<u>7,128</u>

Movement in carrying value of specific investment

Carrying value of investment at start of year	10,463	10,434
Share of surplus/(deficit) for year	(337)	29
Carrying value of investment at end of year	<u>10,126</u>	<u>10,463</u>

Associates are all entities over which Council has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement.

For joint operations, Council recognises its direct right to, and its share of jointly held assets, liabilities, revenues and expenses of joint operations.

Interests in joint ventures are accounted for using the equity method. Under this method, the interests are initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise Council's share of the post-acquisition profits or losses and movements in other comprehensive income in profit or loss and other comprehensive income respectively.

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

	2019 No.	2018 No.
Note 7 People and relationships		
7.1 Council and key management remuneration		
(a) Related Parties		
<i>Parent entity</i>		
City of Greater Geelong		
(b) Key Management Personnel		
Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are:		
Councillors		
Cr Bruce Harwood (Mayor 14 November 2017 - 30 June 2019)		
Cr Peter Murrhij (Deputy Mayor 14 November 2017 - 30 June 2019)		
Cr Anthony Aitken (14 November 2017 - 30 June 2019)		
Cr Stephanie Asher (14 November 2017 - 30 June 2019)		
Cr Kylie Grzybek (14 November 2017 - 30 June 2019)		
Cr Eddy Kontelj (14 November 2017 - 30 June 2019)		
Cr Sarah Mansfield (14 November 2017 - 30 June 2019)		
Cr Jim Mason (14 November 2017 - 30 June 2019)		
Cr Pat Murnane (14 November 2017 - 30 June 2019)		
Cr Ron Nelson (14 November 2017 - 30 June 2019)		
Cr Trent Sullivan (14 November 2017 - 30 June 2019)		
Total Number of Councillors	11	11
Total Number of Administrators	-	3
Chief Executive Officer and other Key Management Personnel		
Martin Cutter - CEO		
Linda Quinn - Director Community Life (Resigned 24 May 2019)		
Brett Luxford - Director Economy, Investment & Attraction		
Rebecca Leonard - Director Governance, Strategy & Performance		
Andrew Keen - Executive Manager People and Culture (Resigned 7 September 2018)		
Guy Wilson-Browne - Director City Services		
Peter Anderson - Director Customer & Corporate Services (Resigned 14 January 2019)		
Gareth Smith - Director Planning, Design & Development (Commenced 1 May 2019)		
Michael Dugina - Director Customer & Corporate Services (Commenced 26 November 2018)		
Robyn Stevens - Director Community Life (Commenced 15 April 2019)		
Kaarina Phyland - Executive Manager People & Culture (Commenced 27 May 2019)		
Chief Executive Officer and other Key Management Personnel	11	13
Total Key Management Personnel	22	27

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

7.2 Related party disclosure

(a) Transactions with related parties

Contributions are paid by the City of Greater Geelong to the Geelong Regional Library Corporation. Please refer to details in Note 6.2

Ocean Grove Surf Life Saving Club received a community grant for \$75k in 2018-19. Cr Asher was the Vice President of the club during the year and resigned from the position in January 2019.

(b) Outstanding balances with related parties

There are shared services paid by the City of Greater Geelong on behalf of the library, which are subsequently reimbursed. The outstanding balance as at 30th June 2019 is \$588k receivable from the Geelong Regional Library Corporation.

(c) Loans to/from related parties

There are no loans in existence with related parties

(d) Commitments to/from related parties

There are no commitments in existence with related parties.

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

Note 8 Managing uncertainties

8.1 Contingent assets and liabilities

(a) Contingent assets

In the course of creating new subdivisions, developers construct infrastructure assets which are vested with Council when Council issues a Statement of Compliance. These assets are brought to account as revenue (Contributions - Non Monetary Assets) and capitalised

At reporting date, developers had commenced construction of assets that will eventually be transferred to Council issuing a Statement of Compliance.

Council cannot reliably measure the value of assets involved prior to completion.

Operating lease receivables

Council has entered into commercial property leases on its investment property, consisting of surplus freehold office complexes. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 80 years. All leases include a CPI based revision of the rental charge annually.

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

	2019	2018
	\$'000	\$'000
Not later than one year	1,752	1,929
Later than one year and not later than five years	4,195	3,383
Later than five years	3,593	3,389
	9,540	8,700

(b) Contingent liabilities

Superannuation

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

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

(c) Building Cladding

Council has issued one building permit to a medium risk building (office building not residential accommodation) and the exposure for Council has not been quantified at this stage.

8.2 Change in accounting standards

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

Revenue from contract with customers (AASB 15) (applies 2019/20 for LG sector)

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

Leases (AASB 16) (applies 2019/20)

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

Council has elected to adopt the modified retrospective approach to the transition to the new lease standard. This will mean that only existing operating leases for non low value assets, with remaining terms greater than 12 months, will be recognised on transition (1 July 2019). Council acknowledges that there will be an impact using the modified retrospective method but it has not been quantified.

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

Income of Not-for-Profit Entities (AASB 1058) (applies 2019-20)

This standard is expected to apply to certain transactions currently accounted for under *AASB 1004 Contributions* and establishes revenue recognition principles for transactions where the consideration to acquire an asset is significantly less than fair value to enable a not-for-profit entity to further its objectives. Council expects that there may be some revenue recognition impact but has not quantified this impact.

8.3 Financial instruments

(a) Objectives and policies

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

(b) Market risk

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

Interest rate risk

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

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

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

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

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

(c) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause Council to make a financial loss. Council has exposure to credit risk on some financial assets included in the balance sheet. To help manage this risk:

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

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

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

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

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

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

(d) Liquidity risk

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

To help reduce these risks Council:

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

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

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

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 5.4.

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

(e) Sensitivity disclosure analysis

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

- A parallel shift of + 0.5% and -0.5% in market interest rates (AUD) from year-end rates of 1.0%.

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

8.4 Fair value measurement

Fair value hierarchy

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

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

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

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

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

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

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

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

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

Revaluation

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 2 to 7 years. The valuation is performed either by experienced council officers or independent experts.

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

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

Impairment of assets

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

8.5 Events occurring after balance date

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

Note 9 Other matters

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
9.1 Reserves			
(a) Asset revaluation reserves			
2019			
Property			
Land & Buildings	603,134	-	603,134
	603,134	-	603,134
Infrastructure			
Roads	188,940	20,581	209,521
Footpaths and cycleways	22,925	10,428	33,353
Drainage	175,546	-	175,546
	387,411	31,009	418,420
Total asset revaluation reserves	990,545	31,009	1,021,554
2018			
Property			
Land & Buildings	542,937	60,197	603,134
	542,937	60,197	603,134
Infrastructure			
Roads	188,940	-	188,940
Footpaths and cycleways	22,925	-	22,925
Drainage	94,240	81,306	175,546
	306,105	81,306	387,411
Total asset revaluation reserves	849,042	141,503	990,545

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

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

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
(b) Other reserves				
2019				
Car Parking Reserve	200	-	-	200
Public Open Space Reserve	1,512	1,409	1,955	966
Main Drainage Reserve	-	212	212	-
Deferred Works Reserve	47,300	23,571	47,300	23,571
Asset Development Reserve	142	-	214	(72)
Asset Redevelopment Reserve	344	-	63	281
DCP Reserve - Jetty Road Stage 1	1,161	475	610	1,026
DCP Reserve - Armstrong Creek East Precinct	379	658	4,527	(3,490)
DCP Reserve - Armstrong Creek West Precinct	432	1,444	57	1,819
DCP Reserve - Armstrong Creek HBP	(512)	258	9,276	(9,530)
DCP Reserve - Armstrong Creek Town Centre	(4,349)	-	(2,141)	(2,208)
DCP Reserve - Armstrong Creek South Precinct	-	-	11	(11)
DCP Reserve - Ocean Grove Growth Area	1,198	197	-	1,395
DCP Reserve - Lara West	78	37	225	(110)
Armstrong Creek Public Open Space	2,356	44	957	1,443
S173 - Lonsdale Golf Club	23	34	-	57
Water Quality Levy	1,618	425	7	2,036
Jetty Road Public Open Space	447	(125)	-	322
S173 - St Leonard's Growth Area 1	-	1,177	-	1,177
S173 - Wandana Heights Estate	-	74	-	74
S173 - Clifton Springs DP023	-	37	-	37
S173 - Fyansford DP016	-	-	-	-
Total Other reserves	52,329	29,927	63,273	18,983
2018				
Car Parking Reserve	200	-	-	200
Public Open Space Reserve	485	1,744	717	1,512
Main Drainage Reserve	-	161	161	-
Deferred Works Reserve	82,350	47,300	82,350	47,300
Asset Development Reserve	176	-	34	142
Asset Redevelopment Reserve	434	-	90	344
DCP Reserve - Jetty Road Stage 1	1,322	706	867	1,161
DCP Reserve - Armstrong Creek East Precinct	4,796	1,444	5,861	379
DCP Reserve - Armstrong Creek West Precinct	1,115	242	925	432
DCP Reserve - Armstrong Creek HBP	103	300	915	(512)
DCP Reserve - Armstrong Creek Town Centre	(1,448)	-	2,901	(4,349)
DCP Reserve - Ocean Grove Growth Area	997	201	-	1,198
DCP Reserve - Lara West	2	88	12	78
Armstrong Creek Public Open Space	888	1,468	-	2,356
S173 - Lonsdale Golf Club	23	-	-	23
Water Quality Levy	1,512	640	534	1,618
Jetty Road Public Open Space	-	447	-	447
Total Other reserves	92,955	54,741	95,368	52,329

Council maintains three statutory reserves (Car Parking, Public Open Space and Main Drainage) to record funds collected from developers under the Planning and Environment Act and Local Government Act. Council identifies, as part of the budget process, capital works relevant to these reserves and records the capital expenditure as settlement of the obligations created in collecting the levies.

Council maintains a Deferred Works Reserve to record the estimated amount of Capital Expenditure that is expected to complete the capital projects that were approved in the previous year's budget, but had not been completed at year end.

Council maintains an Asset Development Reserve to record funds provided to Council for development of coastal infrastructure.

Council has an Asset Redevelopment Reserve to record funds provided to Council for the Saleyards redevelopment.

Council maintains individual reserves to record funds for each of the Approved Developer Contribution Plans (DCP).

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

	2019	2018
9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)	\$'000	\$'000
Surplus/(deficit) for the year	125,284	76,040
Depreciation/amortisation	65,951	58,638
Profit/(loss) on disposal of property, infrastructure, plant and equipment	2,005	1,990
Other Non Cash Items	(2,781)	2,496
Contributions - Non-monetary assets	(85,905)	(58,117)
Other	337	(29)
Capital	(3,275)	4,753
Finance Costs	1,901	1,902
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	(5,830)	(880)
(Increase)/decrease in prepayments	(872)	331
Increase/(decrease) in refunds and deposits		-
Increase/(decrease) in trade and other payables	310	7,679
(Decrease)/increase in other liabilities	785	2,452
(Increase)/decrease in inventories	(26)	(19)
Increase/(decrease) in provisions	3,543	4,642
Net cash provided by/(used in) operating activities	101,428	101,877

9.3 Superannuation

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

Accumulation

The Fund's accumulation categories receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2019, this was 9.5% as required under Superannuation Guarantee legislation).

Defined Benefit

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

There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB119,

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary. For the year ended 30 June 2019, this rate was 9.50% of members; salaries (9.5% in 2017/2018)

As at 30 June 2018, an interim actuarial investigation was held as the Funds provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 106%. The financial assumptions used to calculate the VBI's were:

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

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

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

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

Employer Contributions

Regular Contributions

On the basis of the results of the 2018 interim actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category rates determined by the Fund's Trustee. For the year ended 30 June 2019, this rate was 9.5% of members' salaries (9.5% in 2017-18). This rate will increase in line with any increase in SG contribution rate.

In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

Funding Calls

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

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Council) are required to make an employer contribution to cover the shortfall.

Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up.

If there is a surplus in the Fund, the surplus cannot be returned to the participating employers.

In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

The 2018 interim actuarial investigation surplus amounts

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

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

	2018	2017
	\$m	\$m
A VBI Surplus	\$131.9	\$69.8
A total service liability surplus	\$218.3	\$193.5
A discounted accrued benefits surplus	\$249.1	\$228.8

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

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

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

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

The 2019 interim actuarial investigation

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

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

9.4 Correction of a prior period error

Council has identified one prior period error. This is explained below. Council has adjusted comparative numbers for the error and restate each of the affected financial statements for the 2018 financial year, as shown in the tables below.

Recognition of non-monetary contributions

During the 2018-19 financial year, Council recognised non-monetary contributions for infrastructure assets that related to the 2017-18 financial year. This error understated non-monetary contribution income for the year ended 30 June 2018 by \$11m. The error also understated property, infrastructure, plant and equipment and accumulated surplus as at 30 June 2018 by \$11m.

Impact of correction of error on the Comprehensive Income Statement

	2019 \$'000	2018 \$'000 (restated)	2018 \$'000 as previously presented
Contributions - non-monetary	85,905	57,687	46,687
Total Income	488,462	432,259	421,259
Surplus/(deficit) for the year	125,284	76,040	65,040
Total Comprehensive result	156,293	217,543	206,543

Impact of correction of error on the Balance Sheet

	2019 \$'000	2018 \$'000 (restated)	2018 \$'000 as previously presented
Non-current assets			
Property, infrastructure, plant and equipment	2,506,363	2,340,343	2,329,343
Total non-current assets	2,523,152	2,354,119	2,343,119
Total Assets	2,649,671	2,471,479	2,460,479
Net Assets	2,492,118	2,335,825	2,324,825
Equity			
Accumulated Surplus	1,451,581	1,292,951	1,281,951
Total Equity	2,492,118	2,335,825	2,324,825

Impact of correction of error on the Statement of Changes in Equity

	2019 \$'000	2018 \$'000 (restated)	2018 \$'000 as previously presented
Balance at beginning of financial year	2,335,825	2,118,282	2,118,282
Surplus/(deficit) for the year	125,284	76,040	65,040
Net asset revaluation increment/(decrement)	31,009	141,503	141,503
Transfers to other reserves	-	-	-
Transfers from other reserves	-	-	-
Balance at end of Financial year	2,492,118	2,335,825	2,324,825

PERFORMANCE STATEMENT

The City of Greater Geelong municipality is located 75 kilometres from the Melbourne CBD. The municipality covers 1,252 square kilometres, comprising country, coastal and suburban areas. Greater Geelong is bounded by Moorabool Shire, Wyndham City, Borough of Queenscliffe, Surf Coast Shire and Golden Plains Shire.

The region is characterised by the waterfront overlooking Corio Bay, the picturesque Bellarine Peninsula, the Barwon River, You Yangs Regional Park, wetlands, beautiful parklands and wildlife sanctuaries. Geelong is also the gateway to the world-renowned coastline of south-west Victoria via the Great Ocean Road.

The municipality has a population of over 252,000 and this is expected to increase to more than 393,000 by 2041, growth of almost 56 per cent. Geelong has a diverse economy with almost 18,000 businesses and a labour force of over 126,000 people. Major industry strengths and opportunities include: health care and allied services, education and training, construction, hospitality services, advanced manufacturing, cleantech, agribusiness, tourism, specialised insurance services, creative and digital industries.

Sustainable capacity indicators

INDICATOR/MEASURE		RESULTS 2016	RESULTS 2017	RESULTS 2018	RESULTS 2019	MATERIAL VARIATIONS AND COMMENTS
Population						
C1	<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$1,368.26	\$1,394.33	\$1,455.15	\$1,439.94	
C2	<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$6,296.77	\$6,294.53	\$6,695.35	\$7,080.74	
C3	<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	104.16	107.12	110.26	111.85	
Own-source revenue						
C4	<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,172.06	\$1,053.39	\$1,221.66	\$1,258.73	

INDICATOR/MEASURE		RESULTS 2016	RESULTS 2017	RESULTS 2018	RESULTS 2019	MATERIAL VARIATIONS AND COMMENTS
Recurrent grants						
C5	Recurrent grants per head of municipal population [Recurrent grants / Municipal population]	\$185.75	\$264.72	\$232.62	\$236.45	
Disadvantage						
C6	Relative Socio-Economic Disadvantage [Index of Relative Socio-Economic Disadvantage by decile]	5	5	6	6	Greater Geelong's SEIFA Index of Disadvantage in 2011 was in the lowest 50% in Victoria and in 2016 moved to the lowest 60% in Victoria. While this shows a more favourable state-wide comparison, the Index itself has shown no significant change – only moving from 993 in 2011 to 994 in 2016.

Definitions

“adjusted underlying revenue” means total income other than:

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

“infrastructure” means non-current property, plant and equipment excluding land.

“local road” means a sealed or unsealed road for which the council is the responsible road authority under the *Road Management Act (Vic) 2004*.

“population” means the resident population estimated by council.

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

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

“SEIFA” means the Socio-Economic Indexes for Areas published by the Australian Bureau of Statistics on its website.

“Unrestricted cash” means all cash and cash equivalents other than restricted cash.

Service performance indicators

SERVICE/INDICATOR/MEASURE		RESULTS 2016	RESULTS 2017	RESULTS 2018	RESULTS 2019	MATERIAL VARIATIONS AND COMMENTS
Aquatic Facilities						
AF6	Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	8.51	8.48	8.36	8.82	Use of aquatic venues has increased. Our Learn to Swim program now operates year-round and program participation and retention has grown. Visits by schools, groups and casual users is also up on previous years.
Animal Management						
AM4	Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	12	12	21	19	The number of prosecutions presented to the Magistrates Court has increased over the past two years in proportion to the reported number of serious dog attacks. Prosecutions are influenced by: <ul style="list-style-type: none"> • the nature and scale of the attack • availability of reliable witnesses and adequate evidence • any prior history of non-compliance.
Food Safety						
FS4	Health and safety <i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	99.11%	96.48%	99.46%	99.32%	
Governance						
G5	Satisfaction <i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	56	48	53	55	This result reflects improvements in consultation and engagement, as well as a return to only elected representatives on Council.

SERVICE/INDICATOR/MEASURE		RESULTS 2016	RESULTS 2017	RESULTS 2018	RESULTS 2019	MATERIAL VARIATIONS AND COMMENTS
Home and Community Care (HACC)						
HC6	Participation <i>Participation in HACC service</i> [Number of people that received a HACC service / Municipal target population for HACC services] x100	19.45%	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	The Local Government Performance Reporting Framework ceased reporting on HACC indicators on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs.
HC7	Participation <i>Participation in HACC service by CALD people</i> [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100	16.04%	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	The Local Government Performance Reporting Framework ceased reporting on HACC indicators on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs.
Libraries						
LB4	Participation <i>Active library members</i> [Number of active library members / Municipal population] x100	19.47%	19.28%	18.17%	18.20%	
Maternal and Child Health (MCH)						
MC4	Participation <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	75.45%	73.46%	73.78%	73.17%	
MC5	Participation <i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	59.20%	73.26%	64.86%	63.39%	

SERVICE/INDICATOR/MEASURE		RESULTS 2016	RESULTS 2017	RESULTS 2018	RESULTS 2019	MATERIAL VARIATIONS AND COMMENTS
Roads						
R5	Satisfaction <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	54	47	49	54	Our Roads to Success business improvement project led to shorter turnaround times on repairs to defects reported by customers.
Statutory Planning						
SP4	Decision making <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	78.57%	61.54%	68.00%	64.00%	This result will be variable as we continue to make decisions in the best interest of the community. It excludes our mediated outcomes or consent orders. Taking this into account during 2018–19 would add a further 16 per cent of decisions that were not set aside by VCAT, or 80 per cent in total, which is an excellent result. On average only two per cent of our planning decisions are appealed at VCAT each year.
Waste Collection						
WC5	Waste diversion <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	54.65%	56.32%	54.75%	54.00%	Green waste and recycling as a ratio of all services was down. Green waste tonnage was reduced because of unseasonably dry weather affecting plant and garden growth.

Definitions

“Aboriginal child” means a child who is an Aboriginal person.

“Aboriginal person” has the same meaning as in the *Aboriginal Heritage Act (Vic) 2006*.

“active library member” means a member of a library who has borrowed a book from the library.

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

“CALD” means culturally and linguistically diverse and refers to persons born outside Australia in a country whose national language is not English.

“class 1 food premises” means food premises, within the meaning of the *Food Act (Vic) 1984*, that have been declared as class 1 food premises under section 19C of that Act.

“class 2 food premises” means food premises, within the meaning of the *Food Act (Vic) 1984*, that have been declared as class 2 food premises under section 19C of that Act.

“Community Care Common Standards” means the Community Care Common Standards for the delivery of HACC services, published from time to time by the Commonwealth.

“critical non-compliance outcome notification” means a notification received by council under section 19N(3) or (4) of the *Food Act (Vic) 1984*, or advice given to council by an authorised officer under that Act, of a deficiency that poses an immediate serious threat to public health.

“food premises” has the same meaning as in the *Food Act (Vic) 1984*.

“HACC program” means the Home and Community Care program established under the Agreement entered into for the purpose of the *Home and Community Care Act (Cth) 1985*.

“HACC service” means home help, personal care or community respite provided under the HACC program.

“local road” means a sealed or unsealed road for which the council is the responsible road authority under the *Road Management Act (Vic) 2004*.

“major non-compliance outcome notification” means a notification received by a council under section 19N(3) or (4) of the *Food Act (Vic) 1984*, or advice given to council by an authorised officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken.

“MCH” means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age.

“population” means the resident population estimated by council.

“target population” has the same meaning as in the Agreement entered into for the purposes of the *Home and Community Care Act (Cth) 1985*.

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

Financial performance indicators

DIMENSION/ INDICATOR/MEASURE		RESULTS 2016	RESULTS 2017	RESULTS 2018	RESULTS 2019	FORECASTS				MATERIAL VARIATIONS AND COMMENTS
						2020	2021	2022	2023	
Efficiency										
E1	Revenue level <i>Average residential rate per residential property assessment</i> [Residential rate revenue / Number of residential property assessments]	\$1,424.66	\$1,487.58	\$1,525.79	\$1,585.94	\$1,641.56	\$1,671.69	\$1,705.46	\$1,753.66	
E2	Expenditure level <i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$2,654.78	\$2,804.67	\$2,974.29	\$2,952.67	\$3,075.77	\$3,101.05	\$3,138.24	\$3,220.04	
E3	Workforce turnover <i>Resignations and terminations compared to average staff</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	8.29%	8.82%	10.90%	8.76%	9.48%	9.49%	9.47%	9.50%	Our resignations and terminations have returned to normal after a slight increase in 2017–18.
Liquidity										
L1	Working capital <i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	126.20%	147.35%	145.35%	155.09%	167.10%	136.98%	157.12%	136.20%	Increased cash balance in current year with stable liability balance. Forecast includes increased loan liability to fund Civic Accommodation project.
L2	Unrestricted cash <i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	102.92%	122.64%	115.02%	118.83%	147.59%	122.54%	140.10%	119.50%	Forecast years are impacted by increased cash balances against a stable current liability balance.

DIMENSION/ INDICATOR/MEASURE		RESULTS 2016	RESULTS 2017	RESULTS 2018	RESULTS 2019	FORECASTS				MATERIAL VARIATIONS AND COMMENTS
						2020	2021	2022	2023	
Obligations										
O1	Asset renewal <i>Asset renewal compared to depreciation</i> [Asset renewal expense / Asset depreciation] x100]	62.12%	52.03%	47.55%	50.36%	50.51%	48.88%	48.38%	50.11%	Capital spend on asset renewal projects increasing in line with depreciation increases.
O2	Loans and borrowings <i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x100	28.23%	22.28%	22.73%	28.83%	36.87%	67.56%	91.66%	86.65%	Loan for \$26 million was drawn down in June 2019. Loan funding for Civic Accommodation to be drawn down over the next three years.
O3	<i>Loans and borrowings repayments compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	6.49%	5.70%	5.06%	4.70%	5.03%	7.49%	18.80%	13.08%	Increased loan borrowings related to construction of Civic Accommodation over the next three years.
O4	Indebtedness <i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	17.76%	15.22%	18.36%	23.93%	28.70%	43.60%	63.26%	59.27%	Loan for \$26 million was drawn down in June 2019. Loan funding for Civic Accommodation to be drawn down over the next three years.
Operating Position										
OP1	Adjusted underlying result <i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100	0.32%	-3.54%	1.99%	5.38%	2.41%	1.40%	5.15%	3.50%	Current year impacted due to increase in non-monetary contributions from developers in the growth areas. Non-monetary contributions forecast to decrease in future years.
Stability										
S1	Rates concentration <i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	62.08%	64.45%	58.93%	59.50%	62.70%	62.58%	60.81%	62.06%	

DIMENSION/ INDICATOR/MEASURE		RESULTS 2016	RESULTS 2017	RESULTS 2018	RESULTS 2019	FORECASTS				MATERIAL VARIATIONS AND COMMENTS
						2020	2021	2022	2023	
S2	Rates effort <i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.40%	0.40%	0.41%	0.36%	0.34%	0.34%	0.34%	0.35%	Annual valuation process reduces the volatility of property prices – prior year had significant increase in market value of properties.

Definitions

“adjusted underlying revenue” means total income other than:

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

“adjusted underlying surplus (or deficit)” means adjusted underlying revenue less total expenditure.

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

“current assets” has the same meaning as in the AAS.

“current liabilities” has the same meaning as in the AAS.

“non-current assets” means all assets other than current assets.

“non-current liabilities” means all liabilities other than current liabilities.

“non-recurrent grant” means a grant obtained on the condition that it be expended in a specified manner and is not expected to be received again during the period covered by a council's Strategic Resource Plan.

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

“population” means the resident population estimated by council.

“rate revenue” means revenue from general rates, municipal charges, service rates and service charges.

“recurrent grant” means a grant other than a non-recurrent grant.

“residential rates” means revenue from general rates, municipal charges, service rates and service charges levied on residential properties.

“restricted cash” means cash and cash equivalents, within the meaning of the AAS, that are not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year.

“unrestricted cash” means all cash and cash equivalents other than restricted cash.

Other Information

As at 30 June 2019

Basis for preparation

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

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

The performance statement presents the actual results for the current year and, for the prescribed financial performance indicators and measures, the results forecast by the council's strategic resource plan. The Local Government (Planning and Reporting) Regulations 2014 require explanation of any material variations in the results contained in the performance statement.

The forecast figures included in the performance statement are those adopted by council in its strategic resource plan on 26 June 2018 and which form part of the council plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption, and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The strategic resource plan can be obtained by contacting us.

COUNCIL APPROVAL OF THE PERFORMANCE STATEMENT

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

Michael Dugina CPA
Principal Accounting Officer
Dated: 27 August 2019

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

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

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

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

Cr Bruce Harwood
Mayor
Dated: 10 September 2019

Cr Pat Murnane
Councillor
Dated: 10 September 2019

Martin Cutter
Chief Executive Officer
Dated: 10 September 2019



Victorian Auditor-General's Office

Greater Geelong City Council

Closing Report

For the year ended 30 June 2019

Presented to the Audit and Risk Committee on 21 August 2019

Background

I enclose for your information the closing report for the year ended 30 June 2019. The closing report provides a summary of results of our audit. This report was discussed at the Audit and Risk Committee meeting on 21 August 2019.

Acknowledgement

I also take this opportunity to thank your executive team and staff for the time they made available to us during our audit.



Yours sincerely

Jonathan Kyvelidis

Sector Director, Local Government

Melbourne

16 August 2019

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Introduction

Purpose of the closing report

- Key document to summarise the results of our audit and communicate any significant audit findings to those charged with governance.
- This document should be read in conjunction with our audit strategy memorandum previously issued.

Scope and purpose of the audit

- The *Audit Act 1994* requires the Auditor-General to form an opinion on your entity's financial report and performance statement and provide a copy of the independent auditor's reports to you.
- Copies of the independent auditor's reports are provided also to the minister responsible for your entity and to the Assistant Treasurer.

The Auditor-General

The Auditor-General is:

- an independent officer of the Victorian Parliament
- appointed under legislation to examine, on behalf of Parliament and taxpayers, the management of resources within the public sector
- not subject to the control or direction by either Parliament or the government.



Audit completion status update

We have substantially completed our audit of the financial report and performance statement. We performed our audit in accordance with the *Audit Act 1994* and the terms of our engagement letter to provide reasonable assurance that the financial report and performance statement presented fairly in accordance with the *Local Government Act 1989*.

<h2>Expected audit opinion</h2>	<p>Based on our audit, we expect to conclude that the financial report is presented fairly. We also expect to conclude that the performance statement is presented fairly.</p> <p>We consequently expect to issue unmodified audit opinions.</p>
<h2>Outstanding audit matters</h2>	<p>Our expected audit opinions is subject to us finalising our audit process. Key aspects still outstanding include:</p> <ul style="list-style-type: none"> → bank confirmation for ME Bank and AMP → three KMP declarations → final review of the financial report and performance statement → receipt of signed management representation letter → performing our subsequent events review. <p>Appendix A provides a detailed list of all outstanding audit matters.</p>

Areas of audit focus

As advised in our audit strategy, our audit focused on those financial report balances, disclosures and areas where we assessed there to be a higher risk of material misstatement to your financial report and performance statement. We designed and performed procedures to be able to conclude with reasonable assurance whether or not the identified risks resulted in a material misstatement. The outcome of our procedures is summarised in this section.

#	Risk of material misstatement	Our audit response	Results of our key procedures
1	<p>Valuation of property, plant and equipment</p> <p>Property, infrastructure, plant and equipment represents a significant part of the Council's total assets (\$2.3 billion in the 2017–18 financial year), with the majority of these assets carried at fair value.</p> <p>Determining the fair value of these assets is a highly complex process that relies on numerous assumptions underpinning the valuation methodology, the engagement of valuation experts and management judgement.</p> <p>Roads, Footpaths and Kerb & Channel Infrastructure assets are scheduled for revaluation in 2018–19.</p> <p>The financial report may include a material misstatement if the valuation is not performed in line with a suitable methodology or is based on inappropriate assumptions or judgements.</p> <p>Valuations may be inaccurate due to the judgement and complexities associated with applying AASB 13 <i>Fair Value Measurement</i>. Disclosures may be incorrect or insufficient.</p>	<p>We have:</p> <ul style="list-style-type: none"> → reviewed the nature and extent of management's oversight and review of the fair value measurement by the valuation team → reviewed the valuation report to evaluate the appropriateness of the methodology, assumptions and estimates adopted and the overall reasonableness of the valuation → assessed the valuation team's competence, skills and experience to conduct an appropriate valuation → reviewed the journals posted by management to support the figures within the financial report. 	<p>Our audit assurance procedures addressing the risks relating to property, plant and equipment concluded that the balances disclosed in the financial statements at 30 June 2019 are not materially misstated.</p> <p>Refer to Appendix D and our final management letter for further details of our findings identified relating to property, plant and equipment arising from our final visit and an update of findings reported as part of our interim management letter in May 2019.</p>
2	<p>Application of AASB 1052 Disaggregated Disclosures</p> <p>This standard requires disaggregated disclosure of assets, income and expenses of the Council according to broad functions or activities. The information disclosed shall be reconciled to the related information in Council's financial statements.</p>	<p>We have:</p> <ul style="list-style-type: none"> → gained an understanding of the Council's process to obtain and disclose the disaggregated information by broad functions or activities and review the disclosure for reasonableness → reviewed 'shell' accounts and the financial report against the Local Government Model Financial Report and the 	<p>Satisfactory.</p> <p>Our audit assurance procedures in respect to the presentation of Note 2.1 <i>Analysis of Council results by program</i> did not identify any significant issues.</p>

#	Risk of material misstatement	Our audit response	Results of our key procedures
	<p>Potential risk of error in this financial report disclosure (Note 2.1) due to first time application of this accounting standard.</p> <p>Risk that disclosure may not accord with requirements of AASB 1052 <i>Disaggregated Disclosures</i>, or the Local Government Model Financial Report.</p>	<p>requirements of the Australian accounting standards and the <i>Local Government (Planning and Reporting) Regulations 2014</i>.</p>	
3	<p>Recognition of developer contributed assets</p> <p>Greater Geelong City Council recorded developer contributed assets totalling \$46.7 million in its 2017–18 financial report. In accordance with AASB 1004 <i>Contributions</i>, Council should recognise developer contributions as income when Council obtains control over the assets. There have been historical concerns raised regarding the timeliness of the recognition of developer contributed assets.</p> <p>Developer contributed assets may be reported in the incorrect accounting period, resulting in a material misstatement.</p>	<p>We have:</p> <ul style="list-style-type: none"> → reviewed the Council's process for capturing and disclosing developer contributed assets → performed testing over a sample of developer contributions to verify compliance with AASB 1004 <i>Contributions</i> → reviewed Council's accounting treatment complies with the Local Government Victoria guidance. 	<p>Our review of developer contributed assets identified a potential material misstatement as a result of Council recognising non-monetary contributions in the incorrect reporting period.</p> <p>We have reviewed management's assessment of the misstatement, which identified a prior year error of \$11.0 million.</p> <p>We have reviewed, tested and conducted our analysis over this figure and are comfortable it is materially correct for contributed road and drainage assets recognised on 1 July 2018 and 1 July 2019, that management's assessment relates to.</p> <p>Refer to Appendix B for further details on audit adjusted differences.</p> <p>We have further identified an estimated error of approximately \$17.9 million of non-monetary contributions recognised in 2018-19 relating to prior years for land and other infrastructure assets not related to 1 July 2018 and 1 July 2019, which has not been corrected by management. This is because management was unable to fully quantify the timing and impacts of these assets. This \$17.9 million error is an estimate only and below our specific materiality.</p> <p>Refer to Appendix C for unadjusted audit differences.</p> <p>Refer to Appendix D and our final management letter for further details of our findings identified relating to developer contributed assets arising from our final visit.</p>

#	Risk of material misstatement	Our audit response	Results of our key procedures
4	<p>Accounting for the landfill provision</p> <p>The landfill restoration provision is a complex calculation that requires management or expert judgement on the following:</p> <ul style="list-style-type: none"> → useful life of the landfill → Environmental Protection Authority Victoria landfill restoration requirement costs → inflation and discount factors, to bring the value to present value. <p>This increases the risk of potential misstatement of the landfill restoration provision.</p>	<p>We have:</p> <ul style="list-style-type: none"> → reviewed the landfill provision calculation model → reviewed inflation, discount and other management estimates used in the landfill provision model → ensured the provision incorporates all requirements as at 30 June per the Environmental Protection Authority Victoria. 	<p>Satisfactory.</p> <p>Our audit assurance procedures in respect to the landfill provision at 30 June 2019 did not identify any significant issues.</p>
5	<p>The performance statement may not be prepared in accordance with applicable legislative requirements</p> <p>There is a potential risk that:</p> <ul style="list-style-type: none"> → systems in place at the Council may not accurately capture the data required to support service performance outcomes → incomplete and/or inaccurate data due to inadequate systems may result in material misstatement of the performance statement → a lack of quality assurance over the preparation of performance statement may also result in significant errors or omissions. 	<p>We have:</p> <ul style="list-style-type: none"> → reviewed the systems in place to capture the financial and non-financial data → determined the reliability and soundness of the available records for compiling that indicator → checked the calculations of reported figures → assessed the reasonableness of explanations included in the report of significant variations → confirmed that the performance statement complies with legislative requirements. 	<p>Our audit assurance procedures in respect to the performance statement concluded that the performance statement is presented fairly for the year ended 30 June 2019.</p> <p>Refer to Appendix D and our final management letter for further details of our findings identified relating to the performance statement arising from our final visit.</p> <p>Refer to Appendix B for further details on audit adjusted differences.</p>

Audit findings—financial report

<p>Materiality assessment</p> <p>A - Overall materiality - for the financial report. In our view, uncorrected errors above the amount stated, either individually or in aggregate, would mislead the users of the financial report</p> <p>B - Specific materiality - for your entity, a specific materiality threshold has been set for balances, transactions and disclosures other than property and infrastructure asset balances in which misstatements of lesser amounts than overall materiality could reasonably be expected to mislead the users of the financial report.</p>	<p>A misstatement is considered material if its omission or misstatement could, individually or collectively, influence the economic decisions of users of the financial report. Users could be influenced by either the amount (quantity) or the nature of the matter (quality).</p> <p>Our final materiality levels have been reassessed and updated since we communicated our planning materiality levels to you in our audit strategy memorandum.</p> <p>Final materiality for the financial report has been set at:</p> <p>Overall materiality – 5% of total assets \$125.3 million</p> <p>Specific materiality – 5% of total expenditure \$18.1 million</p>
<p>Adjusted audit differences</p>	<p>In total, the effect on the financial report of identified and adjusted differences has resulted in a decrease in the net result of \$11.0 million at 30 June 2019 and an increase in opening accumulated surplus of \$11.0 million at 1 July 2018.</p> <p>A detailed breakdown of adjusted audit differences is included in Appendix B.</p>
<p>Unadjusted immaterial differences</p>	<p>In total, the effect on the financial report of unadjusted differences is that the net result is overstated by \$17.9 million and net assets is overstated by \$21.6 million.</p> <p>We also identified immaterial differences in the disclosures supporting the financial report which were not adjusted by management.</p> <p>A detailed breakdown of unadjusted immaterial differences is included in Appendix C.</p>
<p>Control environment</p>	<p>In accordance with ASA 265 <i>Communicating Deficiencies in Internal Control to Those Charged with Governance and Management</i>, we are required to communicate in writing, significant deficiencies in internal control identified during the audit to those charged with governance on a timely basis.</p> <p>We have considered the effectiveness of your internal control framework as part of our audit process. However, our audit was not designed to assess, nor do we provide an opinion on, the effectiveness of your internal control. If we have identified any significant weaknesses in internal control during our audit, we communicate these to you via our management letters.</p> <p>Appendix D contains a draft summary of our final management letter (to be issued on audit completion).</p>

Audit findings—performance statement

<p>Materiality assessment</p>	<p>A misstatement is considered material if its omission or misstatement could, individually or collectively, influence the decisions of users of the performance statement. Users could be influenced by either the amount (quantity) or the nature of the matter (quality).</p> <p>For performance statements, we set materiality for each individual indicator reported after considering qualitative and quantitative factors influencing that particular indicator. The nature of performance statement means that an overall materiality level for the statement cannot be communicated.</p>
<p>Adjusted differences</p>	<p>We identified a number of audit differences in the performance statement and brought them to the attention of management who subsequently adjusted them.</p> <p>A detailed breakdown of these differences is included in Appendix B.</p>
<p>Unadjusted immaterial differences</p>	<p>Our audit procedures did not identify any unadjusted immaterial difference.</p>
<p>Control environment</p>	<p>We have considered the effectiveness of your internal control framework as part of our audit process. However, our audit was not designed to assess, nor do we provide an opinion on, the effectiveness of your internal control.</p> <p>If we have identified any significant weaknesses in internal control during our audit, we communicate these to you via our management letters.</p> <p>Appendix D contains a draft summary of our final management letter (to be issued on audit completion).</p>

Other audit findings

<p>Fraud, irregularities or regulatory non-compliance</p>	<p>We are not responsible for preventing or detecting fraud at the entity. However, we are required to consider the risk of material misstatement in the financial report and performance statement that may be due to fraud when performing our risk assessments and in conducting our audit procedures.</p> <p>Our audit procedures did not identify any material instances of fraud or areas of material regulatory non-compliance.</p>
<p>Waste, probity & financial prudence</p>	<p>When performing our audits, we are required to have due regard for waste, probity and financial prudence matters.</p> <p>Our audit procedures did not identify any material issues concerning waste, probity or a lack of financial prudence.</p>
<p>Accounting policies</p>	<p>We are not aware of any accounting policies adopted, or any material transactions and events that occurred during the financial year that relate to areas where there is a lack of authoritative guidance in the accounting standards.</p>

Reports to Parliament

Results of 2018–19 Audits: Local Government

Greater Geelong City Council will be included in the *Results of 2018–19 Audits: Local Government*, scheduled for tabling in November 2019. This report will provide an analysis of the financial sustainability, performance and position of the local government sector. Additionally, it will inform Parliament about the strengths and weaknesses in the control environment at entities within the sector and make recommendations to improve these as appropriate.

We may make comment on Greater Geelong City Council in the body of our report. If this is the case, and where appropriate, we will provide you with relevant extracts of the report for your submission/comments, as required by section 58(2) of the *Audit Act 1994*.

New and emerging developments



Audit Act Amendment

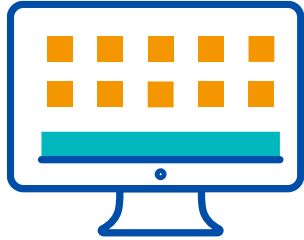
The *Audit Amendment Bill (2018)* was passed in Parliament on 28 May 2019. The Bill contains changes designed to resolve legacy issues in the *Audit Act 1994* and strengthen VAGO's capacity to examine the performance and effectiveness of the public sector.

There are no significant changes relating to financial audits. In summary, the Bill introduces the following key changes:

- Restructure and modernise the *Audit Act 1994* and better align how VAGO currently interacts with public sector agencies in Victoria
- Provide a new power to conduct assurance reviews in targeted and low risk contexts with a requirement to report findings to Parliament
- Strengthen and modernise VAGO's information and disclosure powers
- Clarify our existing reporting obligations and powers

For further information, please visit <https://www.audit.vic.gov.au/>

Key VAGO links and resources



VAGO's website

VAGO's role

Annual work plan

Strategic plan

Our reports

Audits in progress

Privacy policy

VAGO's accountability

Appendix A. Outstanding audit matters

The following items relating to the completion of our audit procedures are outstanding at the date of this report and need to be resolved before we issue our auditor's reports.

Item	Action required	Responsibility
Bank confirmation	Bank confirmation for ME Bank and AMP	Management
KMP declarations	Three KMP declarations (Linda Quinn, Andrew Keen and Dr Geoff Russell)	Management
Subsequent events update	Provide details of significant transactions and events up to date of signing. Audit will assess for any impact on the financial report	Management and audit
Financial report / performance statement certification	To be signed on adoption of the accounts by the Board	Management
Management representation letter	To be signed on same date as the certification	Management

After the issue of our auditor's reports we are required to undertake the following procedures related to your annual report. Any issues identified from these procedures will be reported to your accountable officer for appropriate remedial action.

Item	Action required	Responsibility
Annual report	Management to provide contents of annual report. Audit will review its contents to confirm that the correct versions of the signed financial report and auditor's reports are included.	Management and audit
Website publication of annual report	Review your annual report as published on your website to ensure the inclusion of the signed financial report and auditor's reports.	Management and audit

Appendix B. Adjusted audit differences

Adjusted dollar differences*

Financial report components affected	Amount adjusted \$ DR/(CR)	Underlying cause of difference
Contributions - non monetary Accumulated surplus (opening balance)	DR \$11.0 million CR (\$11.0 million)	Management correction to account for developer contributed assets recognised and recorded on 1 July 2018 and 1 July 2019 which related to different reporting periods.

Adjusted performance statement indicator differences*

Nature of financial report disclosure / performance statement indicator affected	Nature of adjustment	Underlying cause of difference
SP4 Council planning decisions upheld at VCAT → Numerator: Number of VCAT decisions that did not set aside council's decision in relation to a planning application → Denominator: Number of VCAT decisions in relation to planning applications	Decrease in both the numerator and denominator by two	Supporting workpaper contained a filter which incorrectly included two planning decisions which had a consent order attached. In accordance with the Local Government Performance Reporting Framework (LGPRF), where a consent order is attached the planning decision should be excluded from the indicator.
AM4 Number of successful animal management prosecutions	Decrease in indicator by 11	Supporting workpaper recognised duplicate groups of charges brought against individuals. In accordance with the LGPRF, a group of charges brought against an individual should be counted as one successful animal management prosecution.
WC5 Kerbside collection waste diverted from landfill → Numerator: Weight of recyclables and green organics collected from kerbside bins → Denominator: Weight of garbage, recyclables and green organics collected from kerbside bins	Increase in numerator by 1 810 Increase in denominator by 3 176	Supporting workpaper contained formula errors and a data integrity issue with waste tonnage information provided by third party service provider Cleanaway.
E3 Resignations and terminations compared to average staff → Numerator: Number of permanent staff resignations and terminations → Denominator: Average number of permanent staff for the financial year	Decrease in denominator by three	The average number of permanent staff for the financial year was not calculated in accordance with the LGPRF, resulting in a minor variance.

*Refer to **Appendix D** for further details on these adjusted audit differences.

Appendix C. Unadjusted audit differences

Unadjusted dollar differences*

Financial report components affected	Amount adjusted \$ DR/(CR)	Underlying cause of difference
Estimated and extrapolated error		
Contributions - non monetary	DR \$17.9 million	Estimated error of approximately \$17.9 million of non-monetary contributions recognised in 2018-19 relating to prior years for land and other infrastructure assets, not related to the 1 July 2018 and 1 July 2019 error already corrected by management (\$11.0 million).
Accumulated surplus (opening balance)	CR (\$17.9 million)	
Asset revaluation reserve	DR \$21.6 million	Extrapolated error arising from the inclusion of a ten per cent flat rate increment in the replacement cost unit rate (relating to project design and management costs) for road other, footpaths and cycleways, and kerb and channel, which could not be substantiated by management.
Property, infrastructure, plant and equipment	CR (\$21.6 million)	
Property, infrastructure, plant and equipment	DR \$12.7 million	WIP projects completed at 30 June 2019 which were not capitalised to property, infrastructure, plant and equipment.
Work in progress (WIP)	CR (\$12.7 million)	

*Refer to **Appendix D** for further details on these unadjusted audit differences.

Unadjusted financial report disclosure differences

Nature of financial report disclosure / performance statement indicator affected	Nature of adjustment	Underlying cause of difference
Capital commitments	\$1.4 million	Difference identified between capital commitment agreements and the commitments register, which resulted in an overstatement disclosed in the financial statement.

Appendix D. Final management letter

On issuance of our independent auditor's report, we will issue our final management letter containing any matters we identified in the final phase of our audit. We have summarised our findings to date in the table below.

Finding	Rating	Recommendation	Management comments
<p>Recognition of developer contributed assets (updated from our 30 June 2019 interim management letter)</p> <p>Our detailed testing of non-monetary developer contributed assets at 30 June 2019 identified:</p> <ul style="list-style-type: none"> → \$2.8 million in non-monetary contributions which were recognised in the incorrect reporting period, consisting of: <ul style="list-style-type: none"> ○ Land: \$1.3 million ○ Infrastructure assets: \$1.5 million → \$1.3 million of the \$1.5 million error identified for infrastructure assets above, (88 per cent) had a recognition date of 1 July 2018. <p>Further, we noted there was a total of \$25.7 million of non-monetary contributions relating to infrastructure assets which were recognised by Council on 1 July 2018. Given the results of our testing, it is highly likely that Council obtained ownership or control of more assets than we tested, in prior years and has incorrectly recognised these in the 2018–19 financial year. We previously reported this finding as part of our 30 June 2019 interim management letter, and prior management letters.</p> <p>At 30 June 2019, management have assessed the impact of non-monetary contributions for drainages and road assets recognised on 1 July 2018 and 1 July 2019. An adjustment of \$11.0 million has been recognised in the draft financial statement by management.</p> <p>Refer to Appendix B for further details on audit adjusted differences.</p> <p>We have further identified an estimated error of approximately \$17.9 million of non-monetary contributions recognised in 2018-19 relating to prior years for land and other infrastructure assets, not related to 1 July 2018 and 1 July 2019, which has not been corrected by management. This \$17.9 million error is an estimate only and below our specific materiality.</p> <p>Refer to Appendix C for unadjusted audit differences.</p>	<p>High <i>(upgraded from a Low rating)</i></p>	<p>We recommend management perform a review of all contributed assets with an acquisition date in the first week of July of each financial reporting period to assess the value of contributions which may relate to a difference reporting period.</p>	<p>Management agree and will implement a process to assess the contributed assets on a quarterly basis.</p> <p>The Asset Management Transformation project plan has multiple actions which include reviewing processes and procedures to improve the timeliness of recording the data. It will review resource levels to deliver the outcomes.</p>

Finding	Rating	Recommendation	Management comments
<p>Asset revaluation process</p> <p>Council performed a full revaluation of the following infrastructure asset classes at 30 June 2019:</p> <ul style="list-style-type: none"> → Roads other → Kerb and channel → Footpaths and cycleways. <p>Our review of the revaluation process identified the following:</p> <ul style="list-style-type: none"> → Management included a ten per cent flat rate increment in the replacement cost unit rate to account for project design and management costs, which could not be substantiated with sufficient supporting evidence. Our extrapolated error arising from the inclusion of these costs totalled \$21.6 million. Refer to Appendix C for details of our unadjusted audit differences. → Where a replacement cost unit rate could not be internally sourced, management have indexed the pre-valuation unit rate by the 30 June 2019 cumulative CPI, rather than utilising a more appropriate and reflective source (i.e. the Rawlinsons Australian Construction Handbook). This is considered to be a fair proxy for unit rate replacement cost, and does not appear to have a material impact on the financial statements. → Management have extended the useful life of assets with a written down value (WDV) of zero based on the professional judgement of internal engineers. This judgement was applied without the engineers conducting a condition assessment of the majority of assets. The application of this judgement was also without a documented policy, methodology or any other key metric to support the adjustments processed. As the impact of this professional judgement is prospective only (i.e. it is considered a change in accounting estimates) it has no impact on the financial statements for the year ended 30 June 2019. It is raised here as a management letter point for consideration by Council as part of the asset transformation project. <p>This practice extends to all building and infrastructure asset classes measured at fair value.</p> <ul style="list-style-type: none"> → For assets with have been subject to a condition assessment, management have also used the professional judgement of internal 	High	<p>We recommend management:</p> <ul style="list-style-type: none"> → adequately substantiate and document the inclusion of the ten per cent flat rate increment in the replacement cost unit rate and review the appropriateness of this rate applied to each asset classes and associated components → assess and document if there is a more appropriate source in determining replacement cost unit rates, in the absence of readily available internal data (i.e. the Rawlinsons Australian Construction Handbook) → update and develop where necessary, formal revaluation documents, methodologies and policies which: <ul style="list-style-type: none"> ○ provides instruction and guidance in determining an asset's useful life and the appropriate accounting treatment in line with Australian Accounting Standards ○ outlines the regularity required for condition assessments to be conducted over all asset classes ○ ensures there are key metrics to link the condition rating assigned for assets which have been condition assessed and how it translates in determining the asset's updated useful life ○ outlines the appropriateness of utilising a professional judgement assumption in determining asset useful life, the circumstances in which this would be appropriate, and required documentation 	<p>Management agree and will be reviewing policies, procedures, roles and responsibilities for these tasks as part of the Asset Management transformation project plan.</p> <p>Business process documentation is being developed and the Asset Accounting policy will be reviewed and updated.</p> <p>These initiatives will be completed by June 2020.</p>

Finding	Rating	Recommendation	Management comments
<p>engineers to adjust their total useful life and remaining useful life. Again, there is no documented policy, methodology or key metric which requires management to link the assessed condition rating to the updated total useful life or remaining useful life. As the impact of this professional judgement is prospective only (i.e. it is considered a change in accounting estimates) it has no impact on the financial statements for the year ended 30 June 2019. It is raised here as a management letter point for consideration by Council as part of the asset transformation project.</p> <p>Further, condition assessments were last conducted by Council in 2011 (for footpath and cycleways) and 2012 (for road seal and road pavement assets).</p> <p>→ Where assets have had their useful life updated, management have adjusted the WDV (and associated accumulated depreciation) retrospectively. AASB 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> paragraph 38 requires a change in the estimated useful life of an asset to be accounted for in the current period as income or expense. Our recalculation of the WDV of revalued assets which had their useful life updated did not conclude a material misstatement.</p> <p>→ The following infrastructure asset classes have historically been measured at cost, however given their long useful lives, there is potential for the fair value of these assets to be materially different from their carrying value.</p> <ul style="list-style-type: none"> ○ Recreational leisure and community facilities ○ Other infrastructure <p>Whilst management have not conducted a fair value assessment and quantified any potential adjustment over these asset classes, we note that the assets at risk of a material difference in their carrying amount and fair value would likely to be approximately \$92.7 million (i.e. assets older than four years and with a total useful life of more than ten years). Therefore, any potential adjustment to comply with Local Government Victoria fair value requirements would likely be not material.</p> <p>→ We identified one road pavement asset in the fixed asset register which was assigned a useful life of 8 000 years.</p>		<p>→ account for assets which have had their useful life updated in accordance with AASB 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> paragraph 38</p> <p>→ implement a quality review control program over the financial reporting and asset revaluation process, to ensure all revaluation methodology documents, policies and worksheets are subject to review</p> <p>→ assess the difference between the fair value and carrying value of infrastructure asset classes measured at cost and determine if these assets should be measured at fair value</p> <p>→ document in relevant accounting policies and disclose in the financial statements the useful life for Road other assets components.</p>	

Finding	Rating	Recommendation	Management comments
<p>→ We note there is no useful life disclosed in the financial statements or documented in any accounting policies for "Road other asset components".</p>			
<p>Timing of asset capitalisation (updated from our 30 June 2019 interim management letter)</p> <p>Our review of the work in progress (WIP) balance at 30 June 2019 identified:</p> <p>→ nine individual projects which were complete as at 30 June 2019 but not capitalised by management, totalling \$12.7 million. Refer to Appendix C for details of our unadjusted audit differences.</p> <p>→ one individual project representing capitalised salaries of \$181k which was not allocated to any specific work in progress project (below our clearly trivial threshold)</p> <p>→ minor projects totalling \$12k which were incorrectly included in the WIP balance at 30 June 2019 rather than expensed (below our clearly trivial threshold).</p> <p>Our review of buildings and infrastructure asset additions at 30 June 2019 identified seven out of 20 additions where there was more than a one-month delay in capitalisation from when it was complete and available for use. The impact of the delay in the capitalisation of these assets did not materially impact the 2018–19 depreciation expense, however this ongoing issue may result in a material misstatement for future periods.</p> <p>Refer to Appendix C for details of our unadjusted audit differences.</p>	<p>Moderate <i>(upgraded from a Low rating)</i></p>	<p>We recommend management capitalise all assets in a timely manner.</p>	<p>Management agree and will be reviewing policies, procedures, roles and responsibilities for these tasks as part of the Asset Management transformation project plan.</p> <p>Business process documentation is being developed and the Asset Accounting policy will be reviewed and updated.</p> <p>These initiatives will be completed by June 2020.</p>
<p>Performance statement quality control review (updated from our 30 June 2019 interim management letter)</p> <p>Our review of the performance statement preparation process identified no quality control checks are performed by an independent officer over the performance statement data provided by each relevant department to verify compliance with the Local Government Performance Reporting Framework (LGPRF) or to ensure the correct figures were inserted into the performance statement template.</p> <p>As a result, there were a significant amount of rework and number of draft performance statements prepared requiring our review.</p> <p>Refer to Appendix B for details of our adjusted audit differences.</p>	<p>Moderate</p>	<p>We recommend management ensure:</p> <p>→ a quality control review is regularly performed (potentially every quarter) by a member of Council's Performance & Research team over non-financial performance statement indicator data to verify the processes, procedures and classification of reported data is in compliance with the LGPRF</p> <p>→ records of these quality control reviews are documented and appropriate feedback is provided to relevant indicator owners</p>	<p>The City will work toward actioning a quality review process of the non-financial performance statement indicator data during the year.</p>

Finding	Rating	Recommendation	Management comments
		→ the draft performance statement is subject to appropriate review and quality control checks prior to being providing to VAGO for audit.	
<p>Annual impairment assessment</p> <p>AASB 136 <i>Impairment of assets</i> requires an entity to undertake an annual impairment review of its non-current assets.</p> <p>Management did not provide a formalised and documented annual impairment assessment.</p>	Low	We recommend management appropriately conduct and document an annual formal impairment assessment for their non-current assets.	<p>Management currently obtain this information via completion of a Management Disclosure Questionnaire at year end.</p> <p>This information will be utilised to complete a formal review and document for audit purposes.</p>
<p>Employee termination report</p> <p>Our review of the employee termination report at 30 June 2019 identified:</p> <p>→ one employee terminated in 2018–19 who did not appear in the termination report provided at 30 June 2019. A subsequent termination report was provided however employees recorded differed from the original termination listing due to:</p> <ul style="list-style-type: none"> ○ five instances of duplicate entries ○ six instances where Geelong Regional Library Corporation staff where incorrectly included ○ two instances of employees terminated in the period but not captured in the report. 	Low	We recommend management ensure any reports provided to VAGO for audit have been appropriately reviewed to ensure completeness and accuracy.	Noted and care will be taken to ensure reports provided to VAGO are accurate and complete.
<p>Lack of assurances over outsourced service arrangements with Tenix (updated from our 30 June 2019 interim management letter)</p> <p>Council is responsible for maintaining an effective internal control environment over its transactions, and this responsibility extends to the control environment of an external provider who is providing services to the organization.</p> <p>Council currently outsources the issuance of parking infringements process as well as administrative support through the lifecycle of an infringement notice to Tenix Solutions Pty Ltd. As a result, Council should obtain appropriate independent verification that Tenix Solutions Pty Ltd has implemented adequate controls over its IT environment and vendors' reported performance and financial information is accurate.</p>	Low	We recommend management obtain assurance reports over any outsourced IT control environment. The reports should clearly comply with the applicable standard agreed upon with the organization.	<p>Management have not previously requested this information for outsourced service arrangements.</p> <p>This has now been requested from Tenix and will be included as an annual request for year end purposes.</p>

Finding	Rating	Recommendation	Management comments
<p>For the year ending 30 June 2019, Council has not received any assurance (for example, an ASAE3402) over the controls operating within the outsourced environments.</p> <p>Further, management have identified that some parking infringement appeals have been determined outside the terms of the <i>Infringements Act (Vic) 2006</i>. Council may be required to issue refunds to recipients of parking infringements appeals. The value of any refunds due to be paid by Council is not likely to be material to the financial statements, and still subject to legal advice.</p>			
<p>Other Debtors balance listing</p> <p>A complete listing of the Other Debtors balance which reconciled to the trial balance at 30 June 2019 could not be obtained from the subsidiary system (Pathway).</p>	Low	We recommend management ensure a complete and reconciled listing is prepared for all key balances in the financial statements at 30 June 2019.	This report will be scheduled as standard year-end report for future financial years.

Business improvement opportunities

- Fines Victoria are responsible for collecting long outstanding parking infringements issued by Council. On a periodic basis Fines Victoria provide reports to Council of long outstanding fines which have been collected and remitted. Management does not currently reconcile amounts collected on behalf of Fines Victoria to their infringement debtor receipting system (NOVAPark) at an individual infringement level. We recommend management reconcile these amounts at an individual infringement level to track collection of long outstanding debts and enable accurate calculation of the doubtful debts provision.
- Approximately 34 manual pay-runs were processed during the 2018–19 financial year due to the late receipt of manual time-sheets for Council employees in the early childhood and leisure services business units. We recommend management review existing procedures to ensure all manual time-sheets are received by the payroll team and processed as part of Council's standard fortnightly payrun to reduce the number of manual payrun's conducted during the financial year.
- Council operates six aquatic facilities for which a significant amount of revenue is received as user fees (leisure centre and recreation revenue). Leisure centre and recreation revenue is recorded in the subsidiary system Centaman, which is unable to generate reports with sufficient details regarding individual sales data for audit review. We recommend management review the reporting capabilities for the Centaman system to enable a complete and accurate audit trail.
- Management have historically depreciated heritage buildings based on external valuations assigning heritage assets with a useful life. Heritage assets held by not-for-profit public sector entities are not commonly depreciated and subject to an impairment assessment. We recommend management perform a review of all heritage assets to determine whether these should be subject to an impairment assessment rather than assigned a useful life and depreciated.

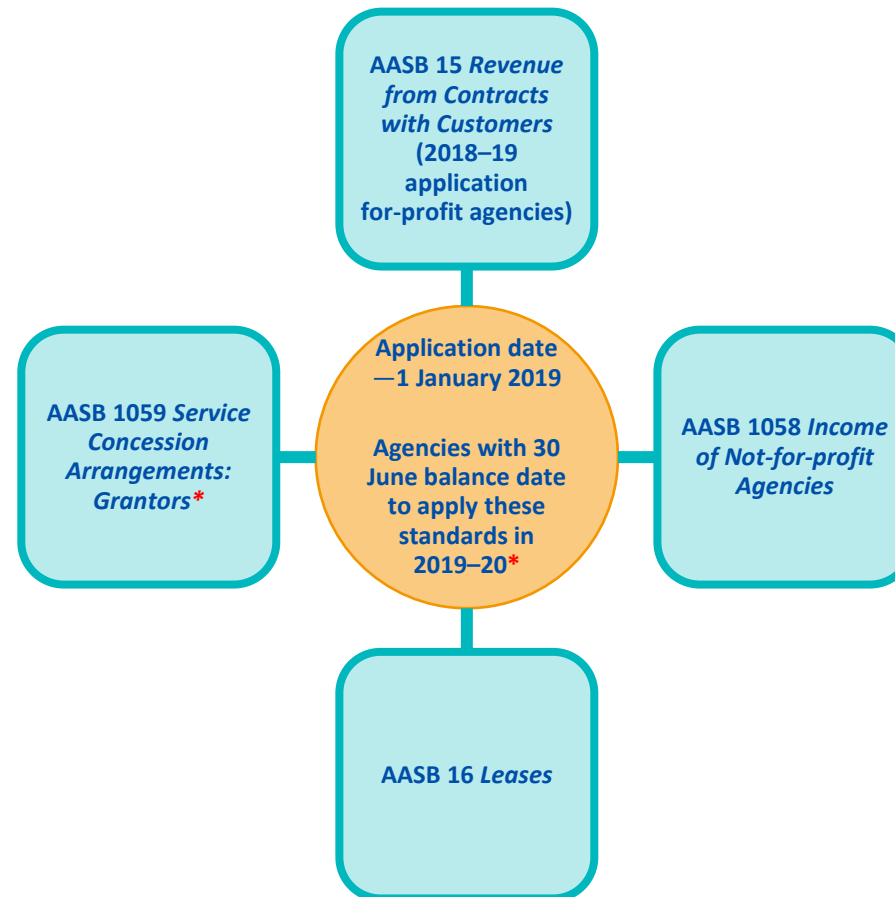
Appendix E. Draft management representation letter

As part of our audit evidence gathering, we plan to obtain formal management representations in respect of a number of matters related to the preparation and presentation of the financial report and performance statement. We do not rely solely on these representations, except where they are the only evidence reasonably available. A draft version of this letter has been provided to management.

There were no representations made by management on which we found it solely necessary to rely for the purpose of forming our audit opinions.

Appendix F. New Accounting Standards

The illustration below shows significant changes to accounting standards that will come into effect in the public sector during 2019–20. Agencies, if not already, need to plan for these changes. Given the variety of sources and the complexity of the new standards, agencies should not underestimate the effort required to prepare. It may result in changes to systems, processes, accounting policies and in some instances, contracts.



*AASB has deferred the effective date of AASB 1059 *Service Concession Arrangements: Grantors* to annual periods beginning on or after 1 January 2020, However, DTF has proposed to early adopt this standard for 2019–20.

Cr Sullivan declared a Conflict of Interest by a close association in Agenda Item 2 Amendment GC104 – Proposed Train Stabling and Maintenance Facility at 255 Reservoir Road, Wauran Ponds, in that his partner's family owns an adjoining property and left the meeting room prior to discussion at 7.45pm.

2. AMENDMENT GC104 - PROPOSED TRAIN STABLING AND MAINTENANCE FACILITY AT 255 RESERVOIR ROAD, WAURN PONDS

Source: Planning, Design & Development – Strategic Implementation
Director: Gareth Smith
Portfolio: Planning

Purpose

1. To seek Council support for a submission to be made to the State Government's Amendment GC104 for a Train Stabling and Maintenance Facility at Wauran Ponds.

Background

2. Rail Projects Victoria (RPV) has lodged a request with the Minister for Planning to change the Greater Geelong Planning Scheme to facilitate the Wauran Ponds Train Maintenance and Stabling Facility (the project).
3. The Minister has decided to become the Planning Authority for the amendment (GC104) which requires changes to both the Greater Geelong and Surf Coast planning schemes.
4. The site is located at the edge of the Greater Geelong municipality and just west of the Boral quarry land on Reservoir Road (see map in **Attachment 2**).
5. The main aspect of GC104 is a Public Acquisition Overlay (PAO) to be applied to privately owned farming land at 255 Reservoir Road, Wauran Ponds. This would allow compulsory acquisition of the land so it can be developed for the facility (see PAO map in **Attachment 3**).
6. The land proposed for acquisition is in the order of 60 hectares and divides the farm in two with the house, sheds and other facilities being split from the main sheep farm paddocks.
7. The Minister for Planning has referred the proposal to the Government Land Standing Advisory Committee for consideration and to provide recommendations on the suitability of the proposed planning scheme changes.
8. GC104 is on public exhibition until 16 September 2019 and an Advisory Committee hearing is scheduled in October 2019.

Key Matters

9. A submission has been drafted (**Attachment 4**), with key comments including:
 - 9.1 Recognition and support of the need for a train stabling and maintenance facility west of the Waurm Ponds Railway Station. This will provide the ability for the State Government to improve train services on the Geelong line to meet the growing population needs.
 - 9.2 A request for an assessment of all potential site options to be made publicly available as part of the amendment process.
 - 9.3 The impact on the private farm and the family that own and operate the farm at 255 Reservoir Road, Waurm Ponds is significant.
 - 9.4 The proposed acquisition, development and use of the facility (24 hours, 7 days a week) will affect the amenity and ongoing operation of the affected farm.
 - 9.5 Request for RPV to take all efforts to minimise the impact on the local community including potential off-site acoustic, light spill and visual amenity impacts.
 - 9.6 The visual impact of Stage 2 has been underestimated, with the southern edge of the Stage 2 land 'platform' sitting up to a height of eight metres above existing ground level. This will change the topography of the area and potentially have a significant visual impact.
10. Comments are also provided on planning matters and specialist transport impact, ecological, noise and stormwater management reports.
11. Subject to Council endorsement, the submission will be lodged and the City will present the issues to the Advisory Committee hearing in October.

Cr Nelson moved, Cr Mason seconded -

12. **That Council endorse a submission to Amendment GC104 - Waurm Ponds Train Maintenance and Stabling Facility being made by the City generally as outlined in Attachment 4, and request the following:**
 - 12.1 **Expansion of the Advisory Committee Terms of Reference to review all available site options for the facility;**
 - 12.2 **Further public notification and exhibition of a report on alternative site options and extend the period for public submissions; and**
 - 12.3 **Deferral of the Advisory Committee Hearing scheduled for October 2019 to allow the above to occur.**

Carried.

Attachment 1

Financial Implications

1. There are no financial implications to Council as a result of this report.

Community Engagement

2. This is a State Government project and is currently going through a public exhibition process.

Social Equity Considerations

3. The proposal will have social impacts but is not considered to relate to any particular social equity considerations.

Policy/Legal/Statutory Implications

4. Planning policy has been outlined in the planning report prepared by government appointed consultants. In general, the proposal is considered to be policy neutral.

Alignment to Council Plan

5. This is a State Government project and aligns to Council Plan Priority 7- Integrated Transport Connections including “advocating to improve rail, road and sea connections for our region”.

Conflict of Interest

6. No City officers involved in the preparation of this report have any direct or indirect interest in the matter to which this report relates.

Risk Assessment

7. The draft submission in **Attachment 4** highlights the potential risks associated with the amendment and the consequences of acquiring the land and constructing the facility.

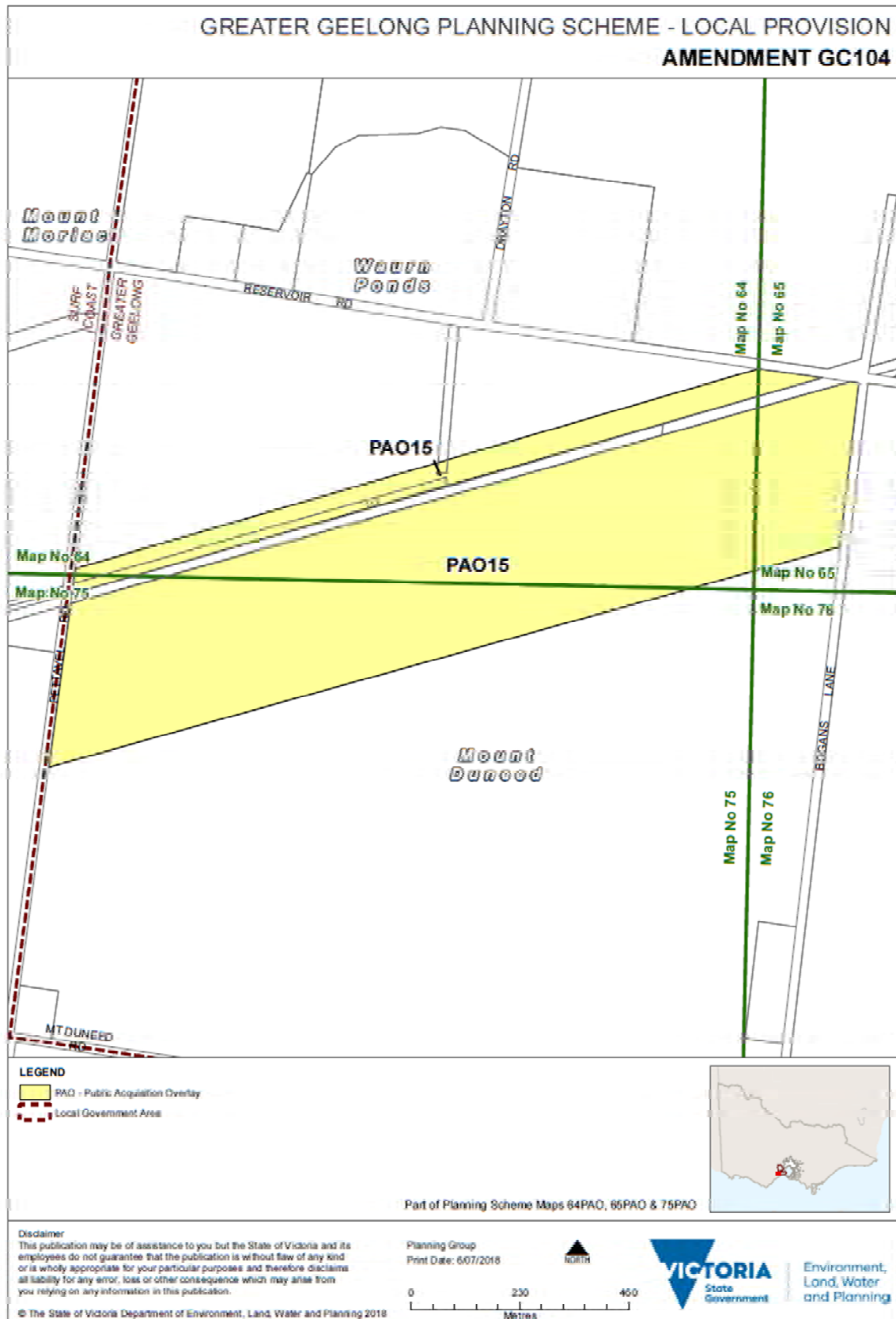
Environmental Implications

8. Environmental impacts have been assessed in a specialist report. Comments on environmental matters are provided in the draft submission in **Attachment 4**.

Attachment 2 – Site location map from State Government website



Attachment 3 – Proposed Public Acquisition Overlay



Attachment 4 – Draft Content of Council Submission to Amendment GC104

City of Greater Geelong Submission to Amendment GC104

Waurm Ponds Train Stabling and Maintenance Facility

To: Government Land Standing Advisory Committee

Dear Sir/Madam,

The City of Greater Geelong provides the following submission to Amendment GC104. This submission was endorsed by Council at its meeting of 10 September 2019.

Overall comments

The City recognises and supports the need for a train stabling and maintenance facility west of the Waurm Ponds Railway Station. As outlined in the documentation supporting the amendment this will provide the ability for the State Government to improve train services on the Geelong line. Such improvements are needed to meet the growing population of the Geelong region.

The City requests that an assessment of all potential site options is made publicly available as part of the amendment process. This would provide transparency and stakeholders would be able to see the pros and cons of various sites and how they perform against the selection criteria.

The impact on the private farm and the family that own and operate the farm at 255 Reservoir Road is significant. While the impacts of Stage 1 (11 ha and stabling of 6 trains) may be acceptable and manageable the large area and operation of Stage 2 (an additional 50 ha and more than 20 trains stabled) needs to be carefully considered.

The proposed Public Acquisition Overlay (PAO15) will allow the compulsory acquisition of a very large area of land which would split the private farm in two. The total PAO area is approximately 61ha. This includes a strip of land 50m north of the rail corridor for the full width of the property, and the area to the south of the rail corridor, which is 350m south and at a length of approximately 1,720m.

The City considers the proposed acquisition, development and use of the facility (24 hours, 7 days a week) will affect the amenity and ongoing operation of the farm given that it separates the farm house, sheds and other buildings from the main sheep paddocks.

The City encourages Rail Projects Victoria to take all efforts to minimise the impact on the local community including potential off-site acoustic, light spill and visual amenity impacts.

The City believes the visual impact of Stage 2 has been underestimated. Stage 2 requires a large amount of cut and fill and terracing over a 350m wide by 1720m long area. The

documentation in support of the proposal refers to the southern edge of the Stage 2 land 'platform' sitting up to a height of eight metres above existing ground level. This will change the topography of the area and potentially have a significant visual impact.

From a planning perspective it is noted that the proposal is not specifically mentioned in State or Local policy in the Greater Geelong Planning Scheme.

Indirectly if the project is to improve train services this will assist servicing the growth of Geelong which has support in various state, regional and local policies. The City's current position on growth across Greater Geelong is outlined in the Settlement Strategy (Oct 2018) which currently being implemented into the scheme via Amendment C395ggee.

The City's strategic planning approach is to manage growth within defined areas and minimise impacts on rural land where possible. Local policies such as Clause 22.64 (Discretionary Uses in Rural Areas) discourage non rural uses in rural areas particularly where they impact on agriculture. Hence, a negative aspect of this proposed site for the train stabling facility is that it's an operating farm and outside the urbanised part of the municipality. The proposal will impact on the rural setting and amenity and all effort needs to be taken to carefully analyse and minimise the impact.

The City has had limited time to properly review the planning report and specialist investigations. Some initial comments are provided below and may be expanded upon at the Advisory Committee Hearing in October.

Comments on specialist investigations

The following specialist investigations have been undertaken over several years to inform the Project:

- Agricultural Impact Assessment
- Bushfire Assessment and Development Report
- Cultural and Historic Heritage
- Ecological Assessment - Biodiversity Assessment and Ecological Assessment - Growling Grass Frog Study
- Geotechnical Investigations
- Landscape and Visual Impact Assessment
- Lighting Design Requirements and Recommendations
- Noise Assessment
- Social Impact Assessment

- Stormwater Management Plan
- Transport Impact Assessment

In 2016 at the request of Public Transport Victoria (PTV), the City provided input into the potential scope of the technical/specialist reports. However, it is not until now, 3 years later that the City has had the opportunity to review any technical information.

Unfortunately there is a very tight timeframe for officers to prepare a report on this proposal and get it to a Council meeting before the closing date for submissions. As a result only a brief review of the reports has been undertaken. Further assessment is proposed between now and the Advisory Committee meeting in October.

The following technical comments are provided on a limited number of specialist investigations that were exhibited with Amendment GC104.

Traffic Impact Assessment (Onemilegrid 12 June 2019)

The Transport Impact Assessment (TIA) has a chapter on 'recommended road upgrades' (Chapter 9). It states that it is considered appropriate to upgrade (seal) Bogans Lane from Reservoir Rd to at least 50 m to the south of the proposed access road to the rail stabling site.

This construction of Bogans Lane must be a requirement, and must be upgraded to include full depth asphalt and a width of 6.0 m prior to all construction works occurring on-site.

No mention is made of upgrade works to Reservoir Rd. Reservoir Rd consists of a basic spray seal west of the asphalt seal at Gate 4 (Boral). There is an approximate length of 240 m and the road is 5.5 m wide.

It must be a requirement that Reservoir Rd between Gate 4 and Bogans Lane is upgraded to include full depth asphalt and a width of 6.0 m. This work could be completed immediately after on-site construction works are completed and before the use begins.

There are numerous other sections of Reservoir Rd up to Anglesea Rd that are in poor condition. These are a council responsibility, however we would believe the proponent should contribute to the repair/upgrade of the road.

The section of Anglesea Rd from Reservoir Rd (including the Reservoir Rd intersection) to approximately 420 m north is in poor condition. This is a VicRoads responsibility, however the question is whether the proponent could contribute to the repair/upgrade of the road (i.e. if repair work is not completed by the time Stage 1 is in operation).

A streetlight with a minimum 150 W High Pressure Sodium (or LED equivalent) is required at the Reservoir Rd/Bogans Lane intersections and at the Bogans Lane/access road intersection.

The Reservoir Rd/Bogans Lane and Bogans Lane/access road intersections will have to be designed to accommodate a B double trucks.

The operator of the stabling yard will have to apply to the National Heavy Vehicle Regulator (NHVR) to use Bogans Lane for B double use up to the access road.

No construction access will be permitted from Pettavel Rd for Stage 1. For Stage 2, this will need to be reviewed at the time.

No construction traffic will be permitted to use Bogans Lane between the site access and Mt Duneed Rd.

If, at some point in the future Reservoir Rd is truncated by Boral to begin extraction works on the southern side, Bogans Lane will have to be constructed to Mt Duneed Rd.

An appropriate haul road will have to be constructed on-site with the Bogans Lane access road as the sole access point.

If an access to Pettavel Rd is permitted, then the proposed 'alternative route' must be amended to use Pettavel Rd to Mt Duneed Rd, and Mt Duneed Rd to Anglesea Rd. The route to the Princes Hwy will not be permitted.

Traffic Impacts

The road construction works at the Reservoir Rd/Bogans Lane intersection will need to consider where westbound traffic must stop when the boom gates are down. At present, one to two stopped vehicles block the intersection. 'Keep Clear' linemarking will have to be considered.

The low traffic volumes on Reservoir Rd and the additional frequency of the boom gates in operation is not seen as having much impact on the road at all, however the 60 second operation time of the boom gates for a departing trains seems quite long.

The TIA does not provide an assessment of the impact to the at grade rail crossing in Ghazeepore Rd. Traffic volumes at the level crossing in Ghazeepore Rd are running up to 7000 veh/day. At present this crossing is in operation eight times per day Monday to Friday, and six times per day Saturday and Sunday. An assessment must be completed to show the impacts to Ghazeepore Rd during Stage 1 of the stabling yard operation, and for Stage 2, and to allow for traffic growth.

The traffic impacts at the Anglesea Rd/Reservoir Rd intersection may be impacted by the ever increasing volumes on Anglesea Rd. The traffic generated by the stabling yards will be small; Boral is generating less traffic than it used to so the added volumes will only approach the volumes seen in the past.

VicRoads had some intentions of duplicating Anglesea Rd between the ring road works and Mt Duneed Rd. These plans appear to have been put on the backburner and may not occur for many years.

Environment related comments on traffic report

The only item of concern in this traffic assessment is the proposal to potentially use Pettavel Road as alternate access/egress during the construction period. To prevent any potential impacts to vegetation on this road, construction access along this road should be avoided. Construction access would require significant pruning/lopping of the existing tree canopy.

Ecological Assessment (AECOM June 2019)

The City considers the assessment is a good overall review of ecological values within the project area, but acknowledges limitations within the report (the subject land within 255 Reservoir Road was not accessible, and the report relies on desktop assessment and modelling) and recommends additional work is done prior to the project moving forward. In the absence of detailed designs for the stabling facility, AECOM have assumed that all native vegetation will be impacted in the footprint of the proposal, this means that impacts are likely to be less than what is highlighted. The report recommends the following:

- Consideration should be given to the 'avoid and minimise' principles as detailed in the Guidelines (DELWP, 2017a).
- A Native Vegetation Removal report should be prepared by DELWP following the finalisation of the extent of necessary removals.
- Preparation of the following documents and management plans to minimise impacts to the environment:
 - A CEMP: ecological and environmental impacts during the construction of the project can be controlled and minimised through the preparation of a CEMP. The CEMP should include provision for a qualified zoologist to be available during vegetation clearance to salvage and translocate fauna species impacted by clearance activities (in line with the requirements of the Wildlife Act), measures to protect water quality, management measures in relation to listed weeds and pests (in line with the requirements of the CaLP act), and measures to protect native vegetation and fauna habitat to be retained (such as the installation of fencing around the designated No Go areas).
 - Offset strategy: An offset strategy to be developed to address applicable offset requirements under the P and E Act.
 - There is the potential for the works to encroach into the tree protection zones of trees located on neighbouring properties. Potential impacts to these trees

should be assessed by a suitably qualified arboricultural consultant following detailed design. If required, a tree management plan will be prepared for the project land.

- Areas of private land not previously assessed by AECOM or EHP should be subject to a detailed vegetation assessment during the ideal Summer/Spring survey period to validate the modelled vegetation quality and extent.

Council officer agrees with these recommendations, but recommends that the following should also be included:

- A weed management plan for the project land which provides for ongoing weed management in addition to what is prescribed in the CEMP. The AECOM report identified a number of listed and high threat weeds which need to be controlled.
- A targeted survey for the Western Burrowing Crayfish (*Engageus merosetosus*), an endangered species with a moderate likelihood of being found onsite. This work could be done at the same time as the detailed vegetation assessment of the private land not previously assessed.
- The stage 2/emergency access point nominated on Pettavel Road should be informed by the presence of Native Vegetation, and should be located in an area that does not contain native vegetation. This may result in avoiding a trigger under VPO1.

Noise Assessment (AJM June 2019)

The Noise Assessment considers noise impacts for four operational scenarios. The Noise Assessment predicts exceedances to the Recommended Maximum Noise Levels for Scenarios 2, 3 and 4 due to start-up operations during the early hours of the morning when it is expected that nearby residents would be inside their dwellings.

The noise assessment includes a range of mitigation options. The mitigation measure it considered most appropriate is offsite architectural treatment to nearby residences.

The City recommends that advice be sought from the EPA on noise impacts. It is also recommended that all effort be undertaken to minimise noise from the site rather than only relying on offsite treatments at nearby dwellings.

An independent peer review of the noise assessment should be undertaken.

Stormwater Management Plan (AECOM June 2019)

The Stormwater Management Plan is limited to demonstrating 1% AEP flows can be appropriately conveyed through the footprint of the stabling facility. It is proposed to achieve

this by capturing flows at the railway formation and piping through the facility footprint. This is generally an acceptable outcome and should provide comfort to the landowners that existing inflows to farm dams can be maintained at near existing conditions.

The City believes the following further information is required:

- Sensitivity testing to confirm pipe sizing by modelling using methodologies outlined in Australian Rainfall and Runoff 2019
- Details of how water quality impacts are to be managed. Runoff from the facility must be treated to achieve current best practice pollutant reduction targets. Fuel and chemical storage areas shall be bunded or otherwise appropriately managed to prevent spills to adjoining property.

Cr Sullivan re-entered the meeting room at 7.56pm.

3. AMENDMENT C401 – COMMUNITY CARE ACCOMMODATION, 120 RUSSELLS ROAD MT DUNEED – RESOLUTION TO EXHIBIT

Source: Planning, Design & Development – Strategic Implementation
Director: Gareth Smith
Portfolio: Sustainable Development

Purpose

1. To seek a Council resolution to prepare and exhibit Amendment C401 subject to authorisation by the Minister for Planning.

Background

2. On 13 May 2019, St Quentin Consulting on behalf of Foundation 61 Inc. lodged a planning scheme amendment that seeks to allow a Community Care Accommodation facility at 120 Russells Road, Mount Duneed.
3. The amendment proposes to use an Incorporated Document and Planning Scheme Clause 51.01 Specific Sites and Exclusion. The incorporated document will allow the facility to be constructed and used on site as well as the removal of native vegetation and would be in lieu of a planning permit.
4. The proposal is for a single storey building which could accommodate up to 8 residents and associated support staff.
5. The site at 120 Russells Road, Mount Duneed is an 8,094m² parcel of land situated within the Farming Zone with the surrounding land to the east, west and south being the Mount Duneed Recreational Reserve.
6. The amendment is required as the proposed use of the land for a Community Care Accommodation Facility is currently prohibited within the Farming Zone. The most appropriate Land Use Term to describe the proposal within the Victorian Planning Provision is Community Care Accommodation.

Key Matters

7. The City had been reviewing a planning permit application for the proposal for several months. However, the State Government's Amendment VC152 (26 October 2018) introduced a new Planning Scheme Land Use Term for "Community Care Accommodation".
8. This means Community Care Accommodation is now prohibited in the Farming Zone and a planning scheme amendment is required.
9. Foundation 61 is a not for profit organisation that runs a men's rehabilitation centre at Williams Rd, Mount Duneed in Surf Coast Shire.
10. Some residents and user groups of the Mt Duneed Recreation Reserve have expressed concern at the proposal. The City held a meeting with the residents and Foundation 61 to share information on the proposal and the concerns.

11. The City believes the proposal warrants support to proceed to public exhibition due to the net social and health benefits that the facility can offer vulnerable members of the community.

Cr Murnane moved, Cr Nelson seconded -

12. **That Council support the preparation and exhibition of Amendment C401 to the Greater Geelong Planning Scheme to:**
 - 12.1 **Include 120 Russells Road Mount Duneed into Column 1 of the Schedule to Clause 51.01 Specific Sites and Exclusions;**
 - 12.2 **Include the name of the incorporated document being 'Community Care Accommodation at 120 Russells Road Mount Duneed, August 2019' into Column 2 of the Schedule to Clause 51.01 Specific Sites and Exclusions;**
 - 12.3 **Include the name of the Incorporated Document being the 'Community Care Accommodation at 120 Russells Road Mount Duneed, August 2019' into Column 1 of the Schedule to Clause 72.04 Documents Incorporated in this Planning Scheme;**
 - 12.4 **Implement a Specific Controls Overlay – Schedule 1; and**
 - 12.5 **Request the Minister for Planning to authorise the preparation and exhibition of Amendment C401.**

Carried.

Attachment 1

Financial Implications

1. There are no significant financial implications to Council.

Community Engagement

2. If Council resolves to support the exhibition, nearby landowners and occupiers, prescribed Ministers and other relevant agencies will be directly notified during the statutory exhibition period. The broader community will be notified through notices in local newspapers and the City's website.

Social Equity Considerations

3. The amendment addresses social equity by providing opportunities for vulnerable members of the community to seek treatment for drug and alcohol related issues.

Policy/Legal/Statutory Implications

Planning Scheme Policy

4. The amendment is consistent with the following clauses of the Greater Geelong Planning Scheme
5. **12.01-2S - Native Vegetation Management** –Whilst the objective seeks to ensure there is no net loss to biodiversity because of the removal, destruction or lopping of native vegetation, given the constraints of the site the removal of vegetation proposed is appropriate. The proposal seeks to remove 0.223 hectares of native vegetation in addition to an area of planted vegetation which has been granted approval by Council to be removed as the planted vegetation has occurred due to the lack of definitive fencing along the eastern title boundary of the site.
6. **12.05-2S – Landscapes** – The existing vegetation within the reserve as well as the amount of vegetation within the road reserve contributes to the landscape character and identity of the area and the proposed development of the site can meet this objective. As previously mentioned, some vegetation will be required to be removed to facilitate the proposal however vegetation that is removed is proposed to be offset. The proposed built form of the building, its materials and siting together with the proposed landscaping on the site is not considered to have an impact upon the significant landscape.
7. **Clause 13.02-1 Bushfire Planning** - Whilst the subject site is not situated within a Bushfire Management Overlay, the site is within a bushfire prone area and therefore the Incorporated Document nominates a BAL12.5 to the construction of the Community Care Accommodation building to address the Bushfire Planning Provision at Clause 13.02-1 of the Greater Geelong Planning Scheme to satisfy the Country Fire Authority.
8. **Clause 15.01-2S Building Design** – The proposed built form will positively contribute to the local context and enhance the public realm through a single storey design which has suitable articulation, appropriate setbacks from the boundaries of the site and contemporary materials.
9. **Clause 15.01-6S Design for Rural Areas** – The siting and design of the proposed building is considered to respect the existing characteristics of the rural properties to the north of the site. The proposal is not considered to impact the existing recreational reserve land to the east, west and south of the site.

10. **Clause 15.03-1S Heritage Conservation** – The proposal is considered to appropriately conserve a place of heritage significance as Heritage Victoria have included the Mount Duneed Wesleyan Methodist Church as an inventory item H7721-0534 on the Heritage Victoria Database. Because of the requirement to conserve this historical area of the site, the construction of the building, driveway and carpark area is outside the site extent of the previous church, no approvals are needed from Heritage Victoria.
11. **Clause 15.03-2S Aboriginal Cultural Heritage** – A voluntary Cultural Heritage Management Plan has been prepared and approved by the registered Aboriginal Party for the proposed development on the site.
12. **Clause 16.01-6S Community Care Accommodation** – This clause includes an objective which seeks the location of community care accommodation being kept confidential. This location of the subject site towards the end of a road within a semi-rural setting will assist in meeting this objective.
13. **Clause 22.05 Agriculture, Rural Dwellings and Subdivision** – Whilst the subject site is situated within the Farming Zone it is constrained and not conducive to farming activities due to the former church building, its size and proximity to the adjoining recreational reserve. The proposed use on the subject site is unlikely to impact the existing farming activities to the north given the setback of the proposed building and its intended use.
14. **Clause 22.64 Discretionary Uses in Rural Areas** – The proposed use of the land for a Community Care Accommodation Facility is appropriate for this subject site despite the policy discouraging discretionary non-agricultural uses in rural areas that could be reasonably located in an urban zone. The proposed use of the site is appropriate in a semi-rural environment and the rural landscape character of the area is compromised by three boundaries of the site bordering the Mount Duneed Recreational Reserve.

Alignment to Council Plan

15. The Amendment supports strategic priority of improved health and safety of our community in the *Council Plan 2018-2022*.

Conflict of Interest

16. No City officers involved in the preparation of this report have any direct or indirect interest in this matter.

Risk Assessment

17. There are no notable risks associated with implementing the recommendations contained in this report.

Environmental Implications

18. The Arborist Report for the site states that vegetation on the site is dominated by large, Monterey Pines (*Pinus radiata*) which have little or no retention value and don't require a permit for removal.
19. Dense thickets of Kangaroo Thorn (*Acacia paradoxa*) are present and appear to be a haven for rabbits, of which the removal of the thickets would facilitate control or eradication of rabbits.

20. Despite the recommendation for the retention and protection of two trees the useful life expectancy of the Drooping She-oaks (*Allocasuarina verticillata*) is 5-10 years and 10-20 years, therefore the removal of these trees is acceptable where an appropriate landscape plan is provided.

Attachment 2

Background

1. The Amendment applies to a vacant parcel of land at 120 Russells Road Mount Duneed (**Attachment 3**).
2. The former land use of the subject site was the Mount Duneed Wesleyan Methodist Church which is believed to have been destroyed by fire and the remains of this building are situated in the north-west part of the site.
3. A voluntary Cultural Heritage Management Plan was prepared, and no Aboriginal cultural heritage was identified in the activity area during the preparation of the CHMP.
4. The subject site is within a Bushfire Prone Area and not a Bushfire Management Overlay. The Bushfire Hazard Assessment identified that the closest classifiable vegetation type is grassland with the remainder of the assessment area (<150m) being modified vegetation and low-threat vegetation. A BAL12.5 defendable space and construction is to be followed which should be considered suitable by the Country Fire Authority.
5. The subject site is situated within the Farming Zone (Refer to **Attachment 4**) and covered by an Environmental Significant Overlay – Schedule 1, with the surrounding land to the east, west and south being the Mount Duneed Recreational Reserve zoned Public Park and Recreation Zone. Russells Road also contains a Vegetation Protection Overlay – Schedule 1 (Refer to **Attachment 5**).
6. The Amendment is required to allow the proposed Community Care Accommodation to be constructed and used on this Farming Zone lot as the current Farming Zone prohibits Community Care Accommodation.
7. The Land Use Term for Community Care Accommodation pursuant to Clause 73.03 is *'Land used to provide accommodation and care services. It includes permanent, temporary and emergency accommodation. It may include supervisory staff and support services for residents and visitors.'*
8. Apart from the use of the land being prohibited in the Farming Zone, this amendment has been brought before Council because of changes to the Greater Geelong Planning Scheme under VC152 (26 October 2018).
9. The incorporated document provides for the use and development of a Community Care Accommodation without requiring the rezoning of the land to facilitate the outcome.
10. The proposed facility is to be run by Foundation 61 (a not for profit organisation) as a women's alcohol and drug rehabilitation facility separate from the current men's facility run by the organisation in Williams Road Mt Duneed further south of the subject site within the Surf Coast Shire.
11. There is an unmet demand and need for a women's only residential alcohol and drug rehabilitation facility in the Greater Geelong region as outlined in the *Demand and Service Model* prepared by Thomson Goodall Associates Pty Ltd contained within the supporting documentation.
12. The semi-rural setting of subject site may provide for increased success rates for residents of the Community Care Accommodation Facility as opposed to an urban environment. The semi-rural setting of the site provides an advantage of being remote from distractions and psychological separation from their area they have been using alcohol and drugs but also having relatively convenient access to urban facilities.

13. In addition to the use of the land for a Community Care Accommodation the proposal will include buildings and works and the removal of native vegetation.
14. The proposed works to occur on the site will consist of the construction of a new vehicle crossover along the eastern front boundary of the subject which leads to a 4-metre-wide driveway. There is a small vehicle passing area and a 6 x 8 metre shed associated with a proposed produce garden. The driveway leads to 12-metre-wide car parking and vehicle turning area at the rear of the site.
15. The main building consists of a single storey skillion roofed building which contains several bedrooms, offices, main lounge areas a courtyard and a gym, arts and craft room and a meeting / classroom. The building will be setback a suitable distance from each of the boundaries of the site particularly from the front boundary abutting Russells Road.
16. The proposed building is considered to provide a suitable buffer from the recreational reserve and the design and landscaping of the site is separate from the activities occurring within the reserve. A copy of the proposed plans for the building are in **Attachment 6**.
17. As per the information from the applicant, residents are not permitted to leave the site unless under supervision.
18. The application was referred to internal City departments and external government agencies for comment. Comments received have been considered in this report and will inform conditions to be placed on the proposed Incorporated Document. This document will act in a similar fashion to a planning permit.

Discussion

Key Issues

19. Some of the potential key issues as part of the proposal include:

The suitability of the proposed use adjacent to a recreational reserve.

20. The proposed use of the land will be separate from the recreational reserve and the activities associated on the subject site will be contained within the subject site itself.
21. The location of the proposed facility within a semi-rural setting is considered to provide for positive social outcomes and empowering people who need assistance. The residents attend the facility voluntarily and there is no court ordered mandate forcing residents to the facility.
22. The proposed number of residents at the site is no more than 8 with approximately 3 support staff. This is not considered to be an excessive number that would impact upon the amenity of the area.

The suitability of the proposed use in the Farming Zone.

23. The mechanism for using a Site-Specific Exclusion for the proposal is the most appropriate given the land has not been used for agricultural activities for its existence and the size and location of the land are not considered to be suitable for agricultural activities to occur. This technique will mean the land stays in the Farming Zone but the proposal is permitted subject to an Incorporated Document.

24. Whilst the subject site is situated within the Farming Zone and the land to the north of the site is also situated within the Farming Zone the proposed use of the land is not considered to have an impact upon any existing farming operations occurring on land to the north.
25. The semi-rural nature of the land is considered to benefit the residents of the Community Care Accommodation Facility as opposed to the location of a Drug and Alcohol Rehabilitation Facility that is located within an urban area. This formed part of a VCAT decision to refuse to grant a planning permit for a similar type facility as outlined within *Better Living and Education v Yarra Ranges SC [2015] VCAT 86 (5 February 2015)*.
26. In *Association for Better Living and Education v Yarra Ranges SC [2015] VCAT 86 (5 February 2015)* the tribunal affirmed the decision of the Responsible Authority to refuse a rehabilitation centre to cater for 80 patients.
27. A 2.72-hectare parcel of land zoned Low-Density Residential Zone situated approximately 750 metres from the Warburton CBD with much of the Tribunal's decision focused on the site's location within an established residential.
28. Support for the proposed use of land for drug and alcohol rehabilitation facilities within semi-rural areas has been identified within two VCAT decisions being *Australian Community Support Organisation Ltd v Moira SC (No.2) [2017] VCAT 1133 (28 July 2017)* and *Odyssey House Victoria v Benalla Rural CC & Ors [2003] VCAT 15 (9 January 2003)*.
29. In *Australian Community Support Organisation Ltd v Moira SC (No.2) [2017] VCAT 1133 (28 July 2017)* the Tribunal set aside the Responsible Authority's decision and issued a permit for residential rehabilitation. The proposal sought buildings and works as well as the use of land for a residential alcohol and drug rehabilitation centre in the Farming Zone.
30. In *Odyssey House Victoria v Benalla Rural CC & Ors [2003] VCAT 15 (9 January 2003)* the Tribunal set aside the Responsible Authority's decision and issued a permit for a Drug and Alcohol Residential Rehabilitation centre.
31. Part of the reason for the Tribunal supporting the proposed use was that (para 58) *a facility such as this needs to exude a degree of detachment and would not be suited to a downtown location in either Melbourne or Benalla. It seems to us therefore that a location 12 minutes' drive from town and in a not entirely isolated but yet pleasant rural setting such as Moylullah is entirely appropriate.*

The removal of vegetation from the site.

32. The applicant has applied for the removal of some vegetation on the site to facilitate the proposed development. The removal of vegetation required to be removed from the site is acceptable in this instance subject to appropriate conditions for the offset of this removal.

Fencing around the site.

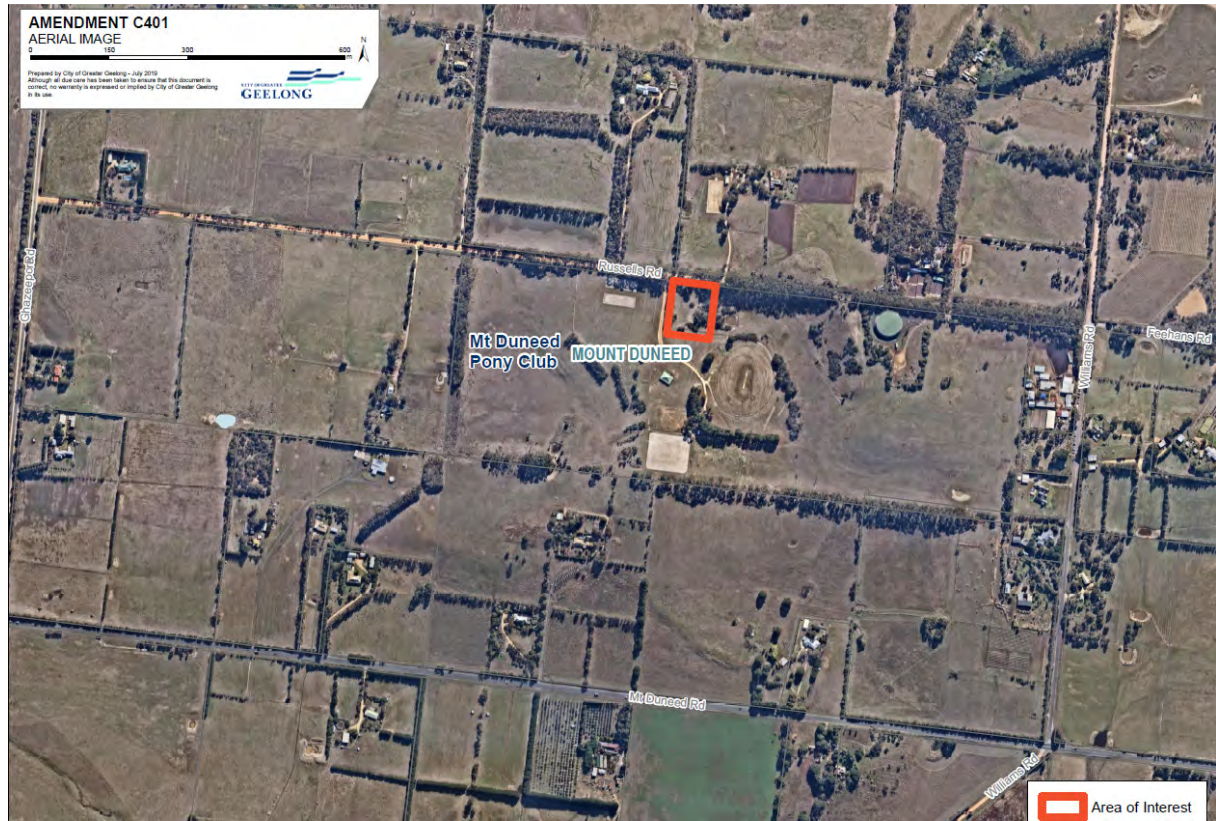
33. A revised landscape plan will detail the fencing and landscaping of the boundaries of the subject site. Fencing is required to be in consideration of the referral from Council's Recreation and Open Space Department that any fencing be rural in nature.

Traffic Movements / Conflict between vehicles and horses.

34. The amount of traffic proposed as part of the development is acceptable given the low vehicle numbers associated with the site. Russells Road is a public road and whilst most of the traffic along this section of the road is associated with the use of the recreational reserve, the increase in traffic because of the proposed facility is acceptable.

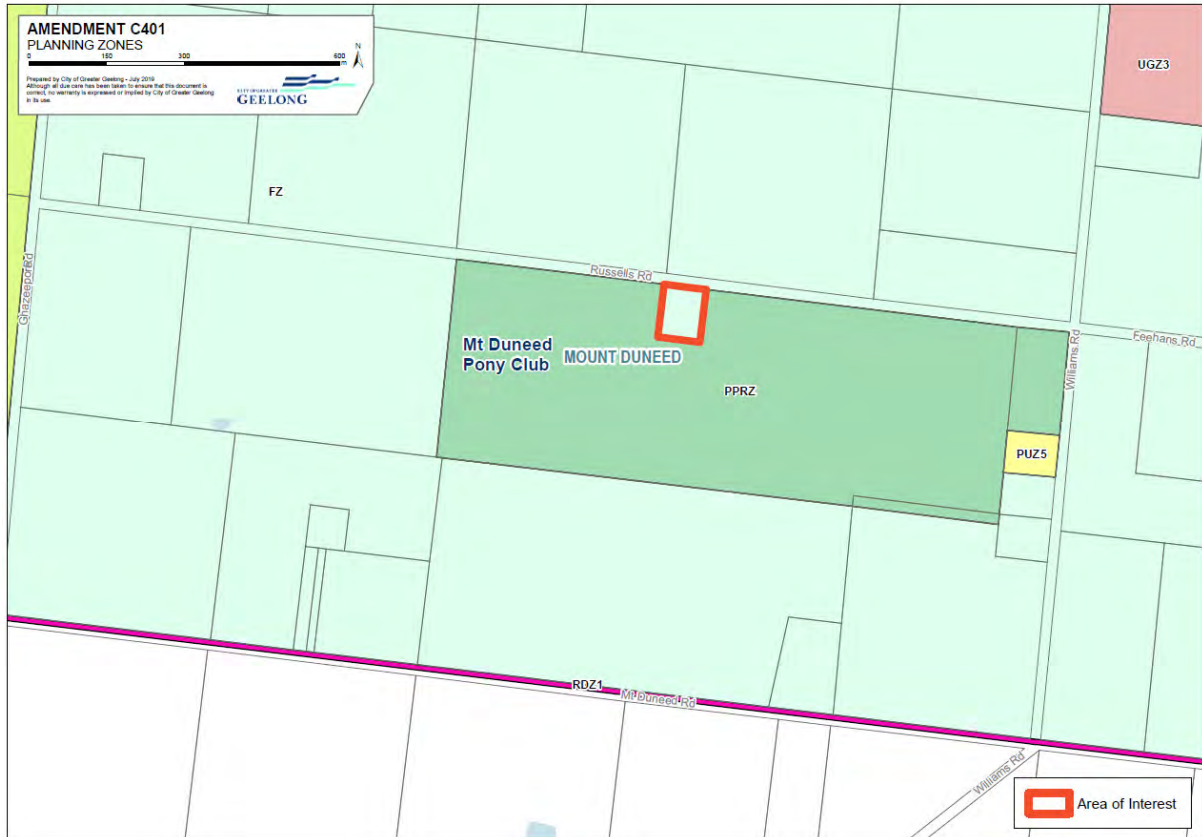
Attachment 3

Aerial Image



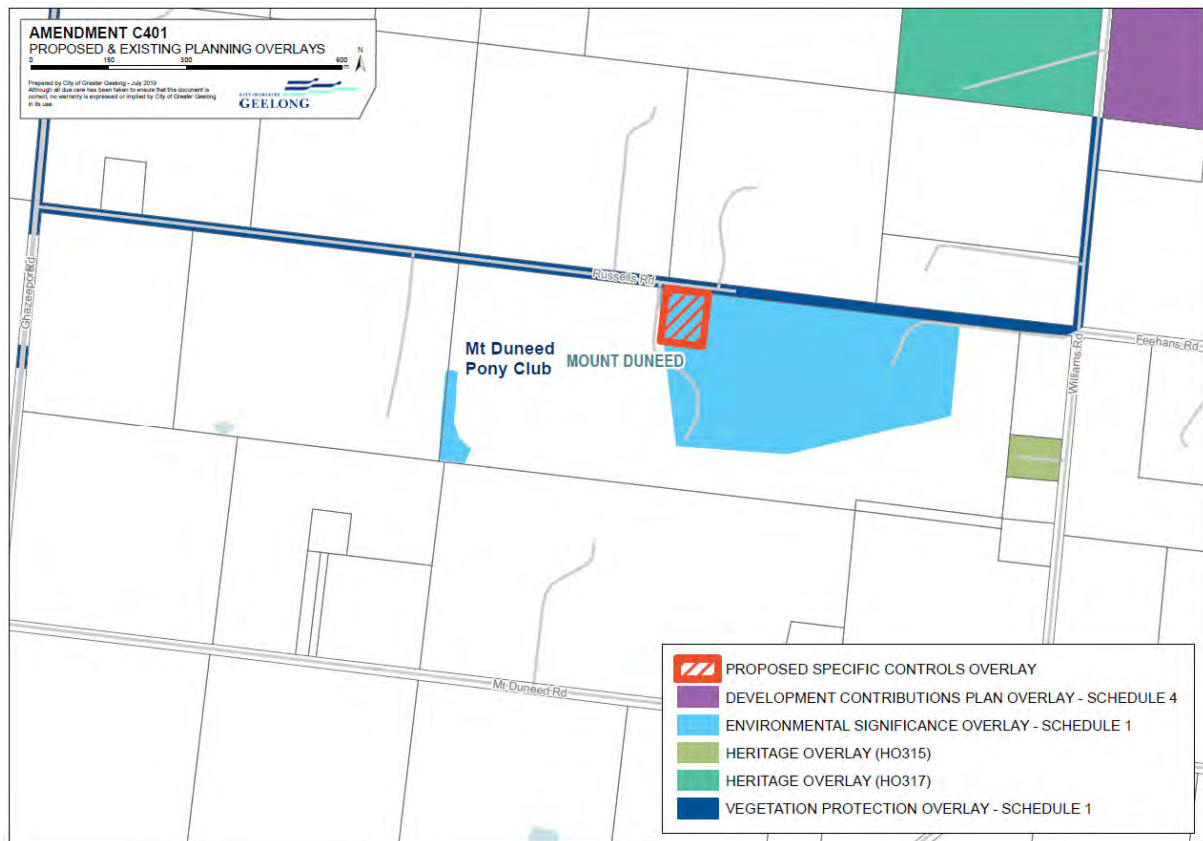
Attachment 4

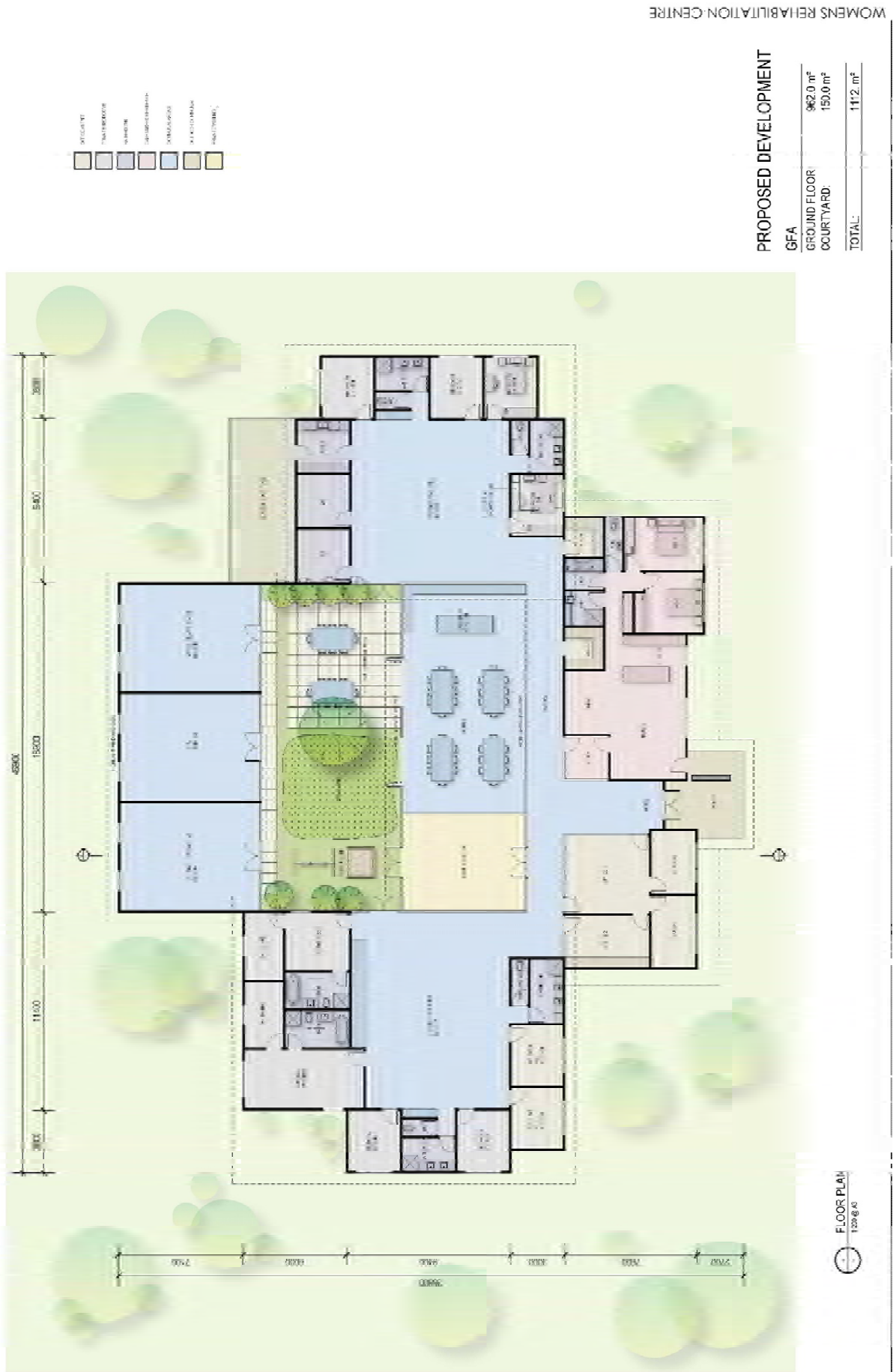
Zone Map



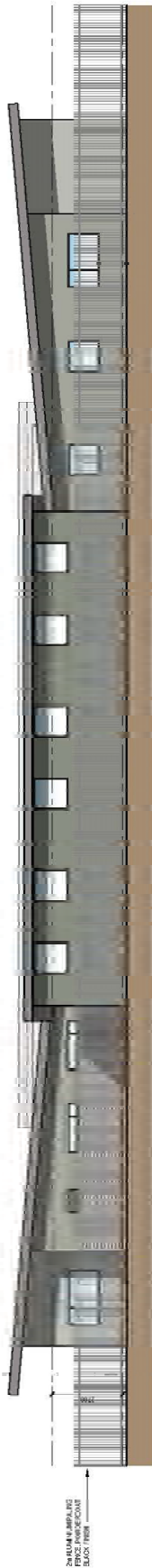
Attachment 5

Overlay Map





WOMENS REHABILITATION CENTRE



NORTH ELEVATION
1:200 @ 40'



EAST ELEVATION
1:200 @ 40'

4. PROPOSED BARWON COAST COMMITTEE OF MANAGEMENT DOG ORDERS

Source: Planning, Design & Development – Health & Local Laws
Director: Gareth Smith
Portfolio: Community Health and Safety

Purpose

1. To approve the commencement of a community engagement process regarding a proposal presented to Council by the Barwon Coast Committee of Management Inc. (BCCM) to revise the existing dog control orders applicable to the land under their responsibility.

Background

2. Council adopted dog control orders applicable to BCCM land for the first time in 2008 as part of the development of its first Domestic Animal Management Plan. The land in question extends from marker 42W in Breamlea to marker 7W in Collendina. The current dog control orders shown in **(Attachment 3)**.
3. The BCCM foreshore is a place of regional importance and conducting such a review enables consideration of numerous issues including the flora and fauna values, community expectations, public safety, environmental protection and creating safe shared spaces for all users of the foreshore.
4. Between January 2018 to July 2019, the BCCM commissioned Federation University to undertake an independent social research project (“Share Our Shores: Beach Usage Research Project”) to identify the challenges faced by all beach users between Breamlea and Collendina.
5. A report of findings from the BCCM preliminary community engagement has informed the BCCM proposed changes to the existing dog control orders for Council to consider.
6. A total of 1,715 people completed surveys disseminated by BCCM regarding beach usage, 72.9% of whom were dog owners.

Key Matters

7. BCCM’s general rationale behind these proposed changes includes:
 - 7.1 Access and Equity for all – especially those with limited mobility or fear of dogs;
 - 7.2 Simplified Compliance;
 - 7.3 Clear Simplified Signage;
 - 7.4 Personal Safety;
 - 7.5 Environmental Impacts.
8. BCCM have recommended 4 key changes to the dog control orders currently in place along the Barwon Coast **(Attachments 4 & 5)**.
 - 8.1 Establishing a number of longer “seasonal” zones (16W-20W, 21W-24W, 24W-27W and 34W-36W) allowing dogs on leash at certain times of the day during certain periods of the year rather than the existing prohibitions;

- 8.2 The Ocean Grove main beach between 13W – 16W is to change from a “conditional off-leash” area to a “dogs prohibited” area, with an off beach ‘walk-through’ pathway;
 - 8.3 The beach between 36W – 40W is proposed to be a “Horse Zone” where dogs are required “on leash at all times”;
 - 8.4 The number of dog control orders would be reduced from 5 to 3, making it easier for the community to understand and comply.
9. Unwanted attention by dogs off-leash was the most commonly cited answer regarding compromised beach enjoyment by both permanent residents and visitors.
 10. The City needs to engage the community to establish if these proposed changes are in line with community expectations prior to being adopted, gazetted and enforced.

Cr Grzybek moved, Cr Mason seconded -

11. That Council:

- 11.1 Acknowledge the Barwon Coast Committee of Management community engagement process and proposal to amend existing dog control orders; and**
- 11.2 Authorise the implementation of City-lead community engagement processes for a 6-week period.**

Carried.

Attachment 1

Financial Implications

1. The City's existing resources will be used to facilitate the community engagement process.
2. A dog control signage audit of the municipality was completed between March and May 2019, covering 371 reserves and trails throughout Greater Geelong municipality, including the BCCM land. The upgrading of signage would be complimented by educational and awareness messages.

Community Engagement

3. The community engagement process is proposed for a period of 6 weeks, from 14 October 2019 – 22 November 2019, and will be advertised in local newspapers, through social media, and also through posters displayed on some key beach access points along the Barwon Coast.
4. The community engagement will consist of an online survey, with hard copy versions also available at customer service centres. Four drop in sessions are also proposed for venues in both Barwon Heads and Ocean Grove

Social Equity Considerations

5. The proposed community engagement activities aim to maximise equity and accessibility for all by offering multiple options (on line, written, face to face) and times to participate in providing feedback. Community forum venues will consider disability access.
6. In adopting dog control orders, the City will implement controls that aim to provide safe and accessible public spaces for all to enjoy. The City predicts that through clear signage and simplified dog zones, there is a likelihood of improved compliance outcomes with respect to the safe and shared use of a public space.

Policy/Legal/Statutory Implications

7. Under Section 26 of the *Domestic Animals Act 1994*, Council may by resolution make an order which sets out conditions with respect to dogs in public places. This order must be published in the Government Gazette and in a newspaper circulating in the municipal district of the Council making the order.

Alignment to Council Plan

8. Improved health and safety of our community:
 - 8.1 Providing safer public places;
 - 8.2 Encouraging responsible pet ownership;
 - 8.3 Promoting active living.
9. Informed social infrastructure and planning:
 - 9.1 Provide more quality spaces that support active lifestyles.
10. More inclusive and diverse community:
 - 10.1 Supporting activities that improve social connections in our community;

10.2 Further developing programs that support older people and young people in our community.

Conflict of Interest

11. No City officers or contractors who have provided advice in relation to this report have declared a conflict of interest regarding the matter under consideration.

Risk Assessment

12. Risks can be minimised by applying practical, fair and reasonable dog control orders in public places to ensure the safety of all users. The orders provide a platform for community education, against which compliance activities and preventative measures can be undertaken.

Environmental Implications

13. There is recognition of the existence of several environmentally sensitive areas within this coastline that are protected by the current Dog Control Orders and are proposed to remain in effect.

Attachment 2

Discussion

1. Any dog rules that may be applied to open spaces within the municipality on land managed by other land managers may be done so through a separate process in which Council can choose to enter into a formal agreement pursuant to Section 26 (2) of the *Domestic Animals Act 1994*.
2. The BCCM and the City have previously undertaken this process in 2008 and reached an agreement regarding dog control orders on BCCM land (**Attachment 3**). Ten years on, the BCCM have recognised the need for a review to occur, which considers the contemporary issues relevant to the effective management of their land.
3. The City will work with the BCCM to ensure that these proposed changes are aligned to community expectations through a formal community engagement process.
4. Over a six month period, between 1 January 2019 and 1 July 2019, the BCCM have reported 164 incidences of non-compliance, with 134 of those being dogs off leash in an on leash zone. Twenty seven of these resulted in dog attacks. These figures are only those that were reported to BCCM.
5. During the 2017-18 financial year, the following dog-related incidents (150) were reported to BCCM:
 - 5.1 57 offences in prohibited zone;
 - 5.2 48 general non-compliance across the reserve;
 - 5.3 19 harassing causing nuisance;
 - 5.4 8 wildlife harassment; and
 - 5.5 18 wildlife attacks.
6. During this same period (2017-18), the City received 63 complaints about dog related incidents (10 dog attacks, 23 menacing dogs and 30 dogs at large/off leash in on leash areas) on BCCM land.

BCCM Consultation

7. In conjunction with Federation University, the BCCM produced a report titled "Barwon Coast Coastal Management and Beach Usage Report", and a large portion of this report focuses on "Dogs on Beaches".
8. A 28 question online survey was completed by 1,715 people between December 2017 and April 2018 regarding current dog control orders and beach usage, and this information has formed the basis of the proposed dog control order amendments submitted by BCCM.
9. The Federation University study identified the following trends:
 - 9.1 Dog management and dog access to beach areas was the major management challenge identified - 72.6% from dog owners – 20.9% non-dog owners;
 - 9.2 Dogs off-leash was the predominant issue for those reporting a compromised capacity to enjoy the beach; from both locals and visitors and dog owners and non-dog owners;
 - 9.3 44.5% indicated they had been negatively impacted on their enjoyment.

10. Major themes arising from the Federation University study and associated community feedback were:
 - 10.1 Provide more timed access to beaches currently off limits to dogs over the peak period – allowing dogs on leash before 8am and after 8pm;
 - 10.2 Make the current regulations easier to understand – reduced number of control zones from 5 to 3;
 - 10.3 Provide an area as a safe swimming beach where dogs are prohibited all year round.
11. The Federation University study also identified the following recommendations from respondents:
 - 11.1 Separate areas for different beach users;
 - 11.2 Ability to walk dogs on beaches before 8am and after 6pm during summer;
 - 11.3 No dogs on beaches during summer months;
 - 11.4 Less complicated regulations supported by 39.2% dog owners and 49.1% non-dog owners;
 - 11.5 Increase level of compliance;
 - 11.6 57.8% wanting clearer distinction between the start and end of different dog regulation.
12. Some additional notable statistics from the survey include:
 - 12.1 79% of respondents were full time residents in the region;
 - 12.2 The beach was used for dog-walking by 76% of respondents;
 - 12.3 Dogs off-leash was the greatest issue compromising beach enjoyment in both local and visiting populations;
 - 12.4 Regardless of dog ownership status, ~30% of all survey respondents reported that they are negatively impacted by the presence of dogs, mostly due to lack of compliance and control by the dog owner (22.8%), negative dog – dog, or human-dog interactions including bites, nuisance and menacing (27.0%), dog fouling (22.3%) and safety concerns (18.1%);
 - 12.5 The presence of dog friendly beaches was a major motivator for many individuals to move to the region;
 - 12.6 Positive aspects of dogs on beaches were reported to be mental and physical health benefits, dog socialisation and community building amongst dog owners;
 - 12.7 The attitudes of dog-owners towards dog management issues was more favourable to dogs being on beaches and facing less restrictions versus non-dog owners.

City Consultation

13. It is proposed to deliver a comprehensive community consultation process, which will involve the release of a 12-question online survey. It is proposed that the survey will be open for 6 weeks, running from 14 October to 22 November 2019.

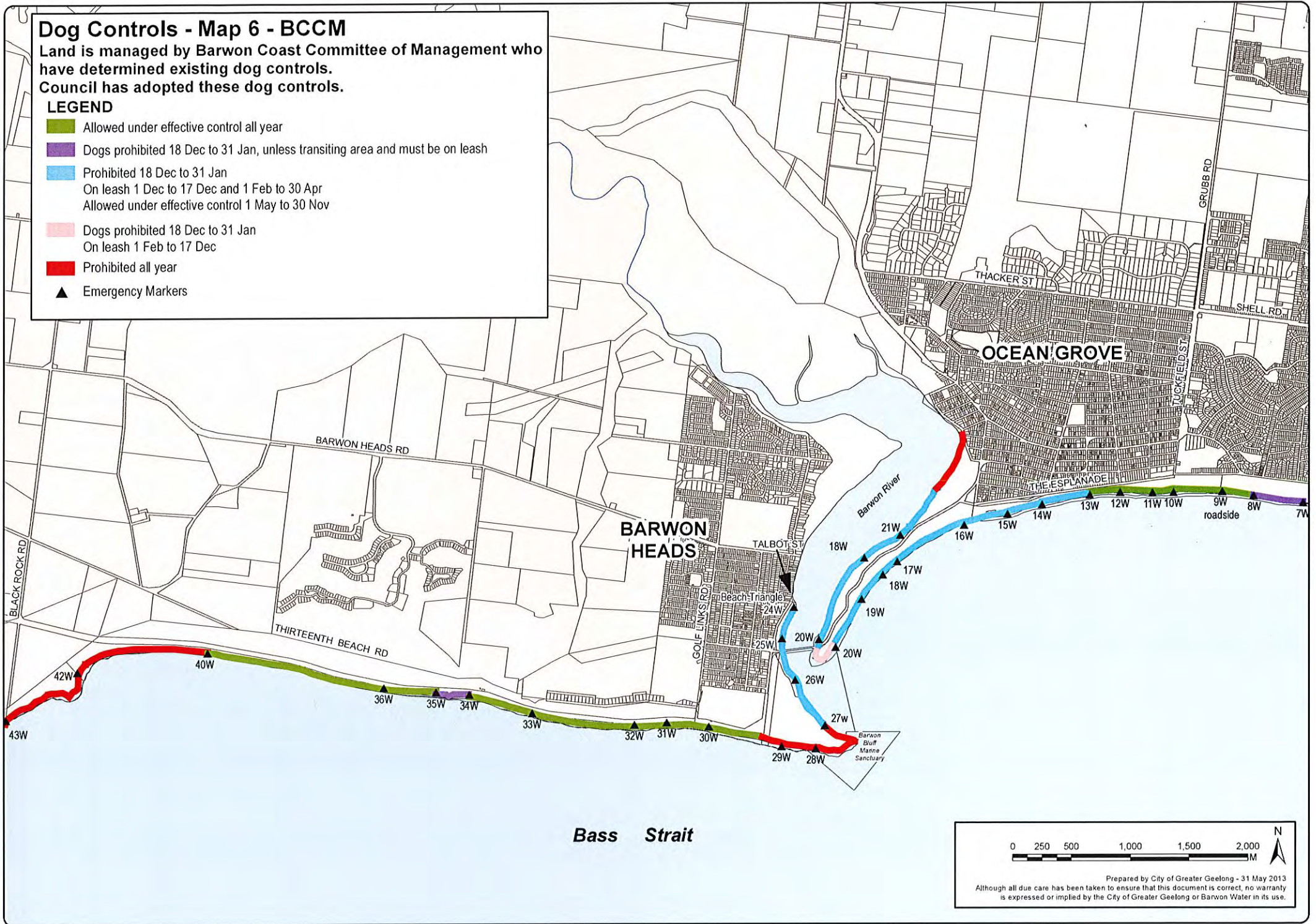
14. Additionally, there will be 4 drop in community consultation sessions where members of the community can come and speak freely with staff from both BCCM and the City. These consultations will occur in both Barwon Heads and Ocean Grove. The times for each session will be varied so as to enable a broad cross section of our community to attend.
15. During this 6 week period, the City will promote the engagement sessions by:
 - 15.1 Placing a story in the Community Update;
 - 15.2 Sending media releases to local newspapers;
 - 15.3 Posting information about the survey and face-to-face sessions on the City's social media channels.
 - 15.4 Utilising lead newsletters and forums.
16. Persons responding to the survey or providing feedback at an engagement session will be responded to on submission of their information.
17. There would appear to be wide acknowledgment of the importance of dog ownership with respect to improving health wellbeing outcomes. Adopting easy to understand and fair dog control orders that do not compromise this outcome as well as providing safe and shared public spaces for all users is the desired outcome for the City. Safety and environmental protection are the key considerations, with no specific group having greater entitlement to these spaces over any other group in the interest of preserving these considerations.

Dog Controls - Map 6 - BCCM

Land is managed by Barwon Coast Committee of Management who have determined existing dog controls. Council has adopted these dog controls.

LEGEND

- Allowed under effective control all year
- Dogs prohibited 18 Dec to 31 Jan, unless transiting area and must be on leash
- Prohibited 18 Dec to 31 Jan
On leash 1 Dec to 17 Dec and 1 Feb to 30 Apr
Allowed under effective control 1 May to 30 Nov
- Dogs prohibited 18 Dec to 31 Jan
On leash 1 Feb to 17 Dec
- Prohibited all year
- Emergency Markers

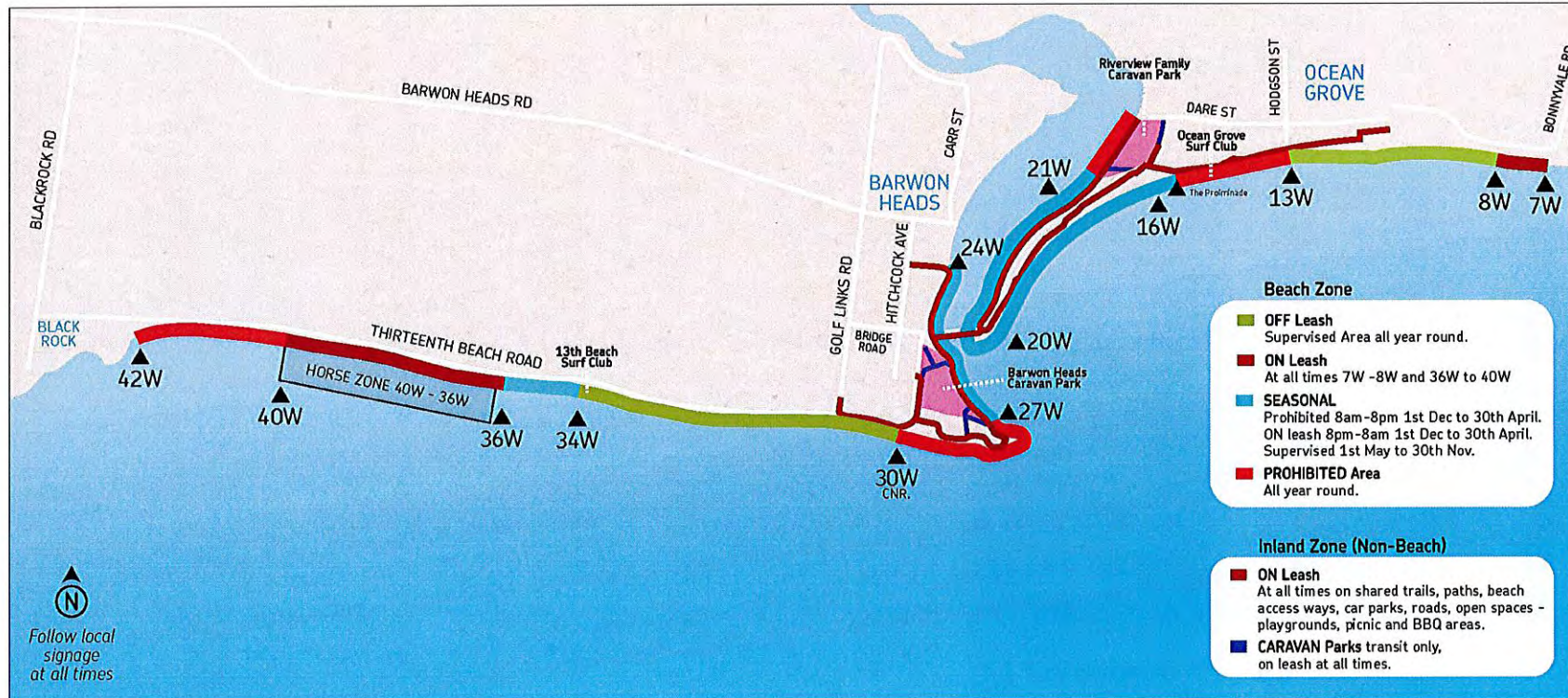


Bass Strait

0 250 500 1,000 1,500 2,000 M

Prepared by City of Greater Geelong - 31 May 2013
Although all due care has been taken to ensure that this document is correct, no warranty is expressed or implied by the City of Greater Geelong or Barwon Water in its use.

Dog Access Control Zones: Proposed 2019



Summary of Proposed Dog Orders on Lands Managed by the Barwon Coast Committee of Management

Section of Coast	Existing Dog Orders	Proposed Dog Orders	Impact Comments	Changes from Existing Orders
7W-8W	Prohibited between 18 Dec-31 Jan unless transiting area and must be on leash	On leash at all times	No prohibition periods Opportunity for dogs all year round but to be on leash, on leash	Reduction in prohibition controls subject to being on leash
8W-13W	Off leash supervised	Off leash supervised	No change but more understanding needed about 'supervised'	No change
13W-16W (Main Beach)	Prohibited at any time 18 Dec – 31 Jan On leash 1 Dec – 17 Dec and 1 Feb – 30 Apr Off leash supervised 1 May – 30 Nov	Prohibited at all times	Prohibition at the main beach location Walking path to re-route walkers with dogs to other permitted zones	Increased prohibition controls due to no of incidents, high season population and importance of main beach to tourism
16W-20W	Prohibited at any time 18 Dec – 31 Jan On leash 1 Dec – 17 Dec and 1 Feb – 30 Apr Off leash supervised 1 May – 30 Nov	Prohibited between 8.00am-8.00pm (1 Dec – 30 Apr) On leash between 8.00pm-8.00am (1 Dec – 30 Apr) Off leash supervised 1 May – 30 Nov	Conditional prohibition for certain hours during the high season (1Dec – 30 Apr). Options for dogs on leash early (pre 8.00am) and late (post 8.00pm) in the day during the high season (1Dec – 30Apr) Off leash supervised 1 May – 30 Nov Removal of confusion about orders at the start, middle and later part of the high season (1Dec- 30 Apr)	Reduction in prohibited controls at certain times Continued provision of off leash areas at certain times Consistent and less confusing orders
'The Spit'	Prohibited at any time 18 Dec- 31 Jan On leash 1 Feb- 17Dec	Prohibited between 8.00am-8.00pm (1 Dec – 30 Apr) On leash between 8.00pm-8.00am (1 Dec – 30 Apr) Off leash supervised 1 May – 30 Nov	Conditional prohibition for certain hours during the high season (1Dec – 30 Apr). Options for dogs on leash early (pre 8.00am) and late (post 8.00pm) in the day during the high season (1Dec – 30Apr) Off leash supervised 1 May – 30 Nov	Reduction in prohibited controls at certain times Continued provision of off leash areas at certain times Consistent and less confusing orders
Barwon River Estuary (OG side) 20W-21W	Prohibited at any time 18 Dec – 31 Jan On leash 1 Dec – 17 Dec and 1 Feb – 30 Apr Off leash supervised 1 May – 30 Nov	Prohibited between 8.00am-8.00pm (1 Dec – 30 Apr) On leash between 8.00pm-8.00am (1 Dec – 30 Apr) Off leash supervised 1 May – 30 Nov	Conditional prohibition for certain hours during the high season (1Dec – 30 Apr). Options for dogs on leash early (pre 8.00am) and late (post 8.00pm) in the day during the high season (1Dec – 30Apr) Off leash supervised 1 May – 30 Nov Removal of confusion about orders at the start, middle and later part of the high season (1Dec- 30 Apr)	Reduction in prohibited controls at certain times Continued provision of off leash areas at certain times Consistent and less confusing orders
24W-27W	Prohibited at any time 18 Dec – 31 Jan On leash 1 Dec – 17 Dec and 1 Feb – 30 Apr Off leash supervised 1 May – 30 Nov	Prohibited between 8.00am-8.00pm (1 Dec – 30 Apr) On leash between 8.00pm-8.00am (1 Dec – 30 Apr) Off leash supervised 1 May – 30 Nov	Conditional prohibition for certain hours during the high season (1Dec – 30 Apr). Options for dogs on leash early (pre 8.00am) and late (post 8.00pm) in the day during the high season (1Dec – 30Apr) Off leash supervised 1 May – 30 Nov Removal of confusion about orders at the start, middle and later part of the high season (1Dec- 30 Apr)	Reduction in prohibited controls at certain times Continued provision of off leash areas at certain times Consistent and less confusing orders
27W – 29/30W	Prohibited all year	Prohibited all year up to 30W	No change other than extension to 30W due to previous location marker inaccuracies	No change
30W – 34W	Off leash and supervised	Off leash and supervised	No change	No change
34W – 35W (13 th Beach Main Beach)	Prohibited between 18 Dec-31 Jan unless transiting area and must be on leash	Prohibited between 8.00am-8.00pm (1 Dec – 30 Apr) On leash between 8.00pm-8.00am (1 Dec – 30 Apr) Off leash supervised 1 May – 30 Nov * (34W-36W)	Conditional prohibition for certain hours during the high season (1Dec – 30 Apr). Options for dogs on leash early (pre 8.00am) and late (post 8.00pm) in the day during the high season (1Dec – 30Apr) Off leash supervised 1 May – 30 Nov Removal of confusion about orders at the start, middle and later part of the high season (1Dec- 30 Apr)	Reduction in prohibited controls at certain times Continued provision of off leash areas at certain times Consistent and less confusing orders
35W – 40W	Off leash and supervised	On leash at all times – also a horse beach **(36W-40W)	On leash at all times Area of high complaint Barwon Coast have dedicated this location for dogs and horses to use	Increase access for horse riders; dogs to be on leash at all times
40W – 42W	Prohibited all year	Prohibited all year	No change	No change

5. ELECTION PERIOD POLICY - REVIEW AND AMENDMENT

Source: Governance, Strategy & Performance - Governance
Director: Rebecca Leonard
Portfolio: Leadership and Governance

Purpose

1. To review and amend the Election Period Policy in preparation for the 2020 General Council Election.

Background

2. Amendments to the *Local Government Act 1989* (Act) in November 2015, included the establishment of section 93B which required all Councils to adopt an election period policy. Council adopted its current policy in August 2017 in preparation for the 2017 Council election.
3. The policy regulates decision-making, use of resources, public consultation, council events and access to council information during the election period for a general council election.
4. The Act requires that Council review and, if required, amend the policy not later than 12 months before the commencement of the election period of each subsequent general council election.

Key Matters

5. The next general council election is in October 2020. Its election period commences on 22 September 2020. Therefore, the current policy must be reviewed and amended by 22 September 2019.
6. The City benchmarked the current policy against legislative obligations and better practice guidance material recommended for consideration by sector agencies. It was also compared with the election period policies of a number of like-sized metropolitan and larger regional councils.
7. The amended policy (**Attachment 2**) incorporates improvement opportunities from the benchmarking exercise and includes stakeholder contributions, including input from Councillors, such as equitable candidate access to hiring City facilities and clarification of City staff protocols.
8. These changes clarify the expression of current provisions. They also expand on the minimum requirements in ways that assist meeting the objective of avoiding actions and decisions which could be perceived as influencing voters or limiting the policy choices of the incoming council. In addition, they improve equitable treatment of candidates and allow City staff to be involved in public life provided they avoid any actual, potential or perceived conflict of interest with their City employment.

Cr Murnane moved, Cr Nelson seconded -

9. That Council adopt the amended Election Period Policy (Attachment 2).

Carried.

Attachment 1

Financial Implications

1. There are no financial implications arising from the subject of this report.

Community Engagement

2. The policy has been subject to stakeholder review and benchmarking with legislation, better practice guidance material recommended for consideration by sector agencies and election period policies of a number of like-sized metropolitan and larger regional councils.

Social Equity Considerations

3. The policy provides for the equitable treatment of council election candidates.

Policy/Legal/Statutory Implications

4. Council is obliged by section 93B of the Act to maintain the Election Period Policy through reviewing, and if necessary amending, the policy before each general council election.
5. Amendments to the policy include:
 - 5.1 Alignment of terms and definitions with related legislation and policies to ensure consistent and clear use.
 - 5.2 Addition of new provisions from:
 - (a) Councillor requests related to hiring City facilities and clarifying City staff rules;
 - (b) Improvement opportunities based on better practice guidance and benchmarking findings;
 - (c) Council's electoral sign provisions under the Amenity protection Local Law that apply at all times; and
 - (d) The introduction of Community Focus Council meetings through an April 2018 Council resolution.
6. The *Charter of Human Rights and Responsibilities Act 2006* gives City employees the right to participate in public life, which includes the right to vote and to be able to participate in local government elections. The policy provision covering City staff has been expanded to provide for the involvement of City staff in democratic and political activities provided they avoid any actual, potential or perceived conflict of interest with their City employment.

Alignment to Council Plan

7. The amended policy will help deliver the organisational leadership, strategy and governance strategic priority by strengthening governance and integrity arrangements. It enhances transparency, equity and human rights policy settings for the general council election.

Conflict of Interest

8. No City officers or contractors who have provided advice in relation to this report have declared a conflict of interest regarding the matter under consideration.

Risk Assessment

9. The policy reduces the likelihood of candidate and election complaints by helping achieve the objective of avoiding actions and decisions which could be perceived as influencing voters or limiting the policy choices of the incoming council.

Environmental Implications

10. There are no environmental implications arising from the subject of this report.

THE CITY OF
GREATER GEELONG

ELECTION PERIOD POLICY

VERSION: 5

Approval Date: Draft

Approved by: Council

Review Date: 24 September 2023

**Responsible Officer: Director Governance, Strategy
& Performance**

Authorising Officer: Chief Executive Officer

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Introduction

PURPOSE

The purpose of the policy is to provide the community with an understanding of the procedures that will apply during the election period to ensure the fairness of the election, appropriate use of City resources and to prevent inappropriate decision-making. It includes:

- Procedures intended to ensure that Council, a special Committee or a person acting under a delegation given by the Council from making Major Policy Decisions during the election period for a general election
- Procedures intended to prevent the Council and the City from making inappropriate decisions or using resources inappropriately during the election period before a general election;
- Limits on public consultation and the scheduling of Council events;
- Procedures to ensure that City documents published during the Election period do not contain electoral matter;
- Procedures to ensure that access to information held by the City is made equally available and accessible to candidates during the election.

SCOPE

This policy applies to Councillors, candidates, Special Committee members and City staff.

The provisions in this policy apply throughout the Election Period unless otherwise stated.

CHANGES

Please note the following changes:

1. Application of the new City policy template, writing standard and style guide to improve presentation, organisation and readability.
2. Alignment of terms and definitions with related legislation and policies to ensure consistent and clear use.
3. Addition of new provisions, which are highlighted in yellow, from:
 - a. Councillor requests related to hiring City facilities and clarifying City staff rules
 - b. Improvement opportunities based on better practice guidance and benchmarking findings.
 - c. Council's electoral sign provisions that already apply at all times and which all candidates need to know

Definitions

This section defines the key terms used in this policy.

ACT

The *Local Government Act 1989*.

CEO

The Chief Executive Officer of the City.

CERTIFY

Certify means the CEO attesting in writing, during the Election Period, that no electoral matter is contained in City material for publication and thereby signifying approval of that material for publication.

CITY

The City of Greater Geelong organisation, led by the CEO.

COUNCIL

The City of Greater Geelong Council comprised of elected councillors and led by the Mayor.

COUNCIL EVENTS

Gatherings of internal and external stakeholders organised and run by the City to discuss, review, acknowledge, communicate, celebrate or promote a program, strategy or issue, which is of relevance to the Council and its community including those which may take the form of conferences, workshops, forums, launches, promotional activities, social occasions such as dinners, receptions and balls.

COUNCIL LAND

Council Land means any land vested in, or under the control or management of the Council excluding a Road, but including a Municipal Reserve or other reservation, watercourse, foreshore reserve, jetty, pontoon or boat ramp, and includes any structures, artworks, public decorations or other public displays erected upon or situated at these places including any waterway.

COUNCILLOR DUTIES

Councillor Duties are defined by section 75(2) of the Act which provides that duties as a councillor means duties performed by a councillor that are necessary or appropriate for the purpose of achieving the objectives of a Council having regard to any relevant Act, regulations, Ministerial guidelines or Council policies.

Councillor Duties include Official Council Duties as set out in Council's Councillors' Expenses and Facilities Policy including a councillor attending:

- a. Ordinary and Special Council Meetings or Committees of Council;
- b. Formal briefing sessions and planning forums;
- c. Civic or ceremonial functions convened by the Council or presided over by the Mayor;
- d. Meetings scheduled by the Council or Mayor;
- e. A meeting, function or other official role as a representative of the Council or Mayor;

- f. Attendance at site inspections in relation to a Council approval process or Council project;
- g. Meetings of community groups, organisations and statutory authorities to which the Councillor has been appointed Council delegate / representative; and
- h. Conferences, study tours, official visits (domestic and overseas), seminars and training sessions as a councillor where attendance has been approved by Council or in accordance with the Councillors' Expenses and Facilities Policy.

DOCUMENT

As defined in section 38 of the *Interpretation of Legislation Act 1984*, document includes, in addition to a document in writing:

- a. any book, map, plan, graph or drawing;
- b. any photograph;
- c. any label, marking or other writing which identifies or describes anything of which it forms part, or to which it is attached by any means whatsoever;
- d. any disc, tape, sound track or other device in which sounds or other data (not being visual images) are embodied so as to be capable (with or without the aid of some other equipment) of being reproduced therefrom;
- e. any film (including microfilm), negative, tape or other device in which one or more visual images are embodied so as to be capable (with or without the aid of some other equipment) of being reproduced therefrom; and
- f. anything whatsoever on which is marked any words, figures, letters or symbols which are capable of carrying a definite meaning to persons conversant with them.

ELECTIONEERING

Any action, statement and or publication that contains material directly related to, or likely to influence, a Councillor's re-election or a candidate's election.

ELECTION DAY

Sections 3(1) and 31 of the Act define the election day for a general council election as the fourth Saturday in October in the fourth year after the last general election of Councillors for all Councils.

ELECTION PERIOD

Section 3(1) of the Act defines the election period for a general election. It is the period that:

- a. starts on the last day on which nominations for that election can be received; and
- b. ends at 6 p.m. on election day.

Clause 3(2) of Schedule 2 of the Act defines the last day on which nominations for a general election can be received. Nominations cannot be received after 12 noon on the 32nd day before the Election Day.

ELECTORAL SIGN

A device advertising a political candidate or candidates, or a purported political candidate or candidates, a registered political party, or a campaign for a Commonwealth, State or Local Government election.

EXTRAORDINARY CIRCUMSTANCES

Where a decision:

- a. is urgent;
- b. cannot reasonably be deferred without major consequence to the City of Greater Geelong; and/or

- c. relates to the completion of projects or initiatives that have already been endorsed by the Council, including but not limited to projects or initiatives made pursuant to the Budget, City Plan or Business Plan.

INAPPROPRIATE DECISION

Section 93B(5) of the Act defines inappropriate decisions as decisions made by a Council during an election period that are:

- a. decisions that would affect voting in an election; or
- b. decisions that could reasonably be made after the election.

Decisions that would affect voting in an election are those that could potentially influence voters' intentions.

MAJOR POLICY DECISION

Any decision:

- a. relating to the employment or remuneration of a Chief Executive Officer (CEO) under section 94 of the Act, other than a decision to appoint an acting CEO;
- b. to terminate the appointment of a CEO under section 94 of the Act;
- c. to enter into a contract the total value of which exceeds whichever is the greater of:
 - i. \$150,000 if it is a goods and services contract (or \$200,000 if it is a works contract); or
 - ii. 1% of the council's revenue from rates and charges levied under section 158 of the Act in the preceding financial year;
- d. to exercise any power under section 193 of the Act if the sum assessed under section 193(5A) of the Act in respect of the proposal exceeds whichever is the greater of \$100,000 or 1% of the City's revenue from rates and charges levied under section 158 of the Act in the preceding financial year, as defined in section 93A(6) of the Act.

MUNICIPAL BUILDING

Municipal Building means any building and its grounds that is owned, occupied, controlled or managed by the Council, which has some or all areas designated for public or community access but may also have some or all areas designated for employee or staff only access, including a recreation centre.

MUNICIPAL RESERVE

Municipal Reserve means any land, water, waterway or water course either owned or vested in, or under the control and management of the Council, and used or set aside as a reserve, whether for outdoor cultural, environmental, recreational or other purposes, including any artworks, public decorations, other public displays and any structures other than a building, erected upon or situated at these places including any waterway, but excludes a Road.

PUBLIC CONSULTATION

Means any process conducted by Council or by the City seeking submissions on matters, including issues, proposed actions or proposed policies, from the public, including from individuals, groups, organisations or the community in general.

PUBLIC QUESTION AND SUBMISSION TIME

Has the same meaning as Council's Public Question and Submission Time Policy which defines Public Question and Submission Time as a section of the agenda of a Council meeting that is open to the public during which Council takes questions and information submitted by the public relevant to Council actions and decisions.

PUBLISH

Publish means publishing by any means, whether in hard copy or electronically, including publication on the internet.

ROAD

Road has the meaning ascribed to it by section 3 of the Act, as amended from time to time and includes a public highway. Road includes:

- a. a street; and
- b. a right of way; and
- c. any land reserved or proclaimed as a street or road under the *Crown Land (Reserves) Act 1978* or the *Land Act 1958*; and
- d. a public road under the *Road Management Act 2004*; and
- e. a passage; and
- f. a cul de sac; and
- g. a by-pass; and
- h. a bridge or ford; and
- i. a footpath, bicycle path or nature strip; and
- j. any culvert or kerbing or other land; and
- k. works forming part of the Road.

SPECIAL COMMITTEE

A Special Committee is a committee of Council established under section 86 of the Act.

VEC

VEC means the Victorian Electoral Commission.

Policy

ELECTION PERIOD

The Election Period commences on Tuesday 22 September 2020 and concludes at 6pm on Saturday 24 October 2020.

COUNCILLOR TO FULFIL DUTIES DURING ELECTION PERIOD

Councillors:

- a. will continue to fulfil their Councillor Duties (unless they are granted leave of absence);
- b. will continue to engage, and communicate with, the community in their Councillor role;
- c. must comply with the Act and the Councillor Code of Conduct; and
- d. must not use their position to influence City officers, or access City resources or information, in support of any election campaign or candidacy.

COUNCIL DECISIONS AND MEETINGS

Council will not consider or make any decisions that could, or could be perceived to:

- a. Affect voting in the election; or
- b. Unfairly commit the incoming council to a major course of action; or
- c. Have reasonably been made after the election.

Major policy decisions

Council, a special committee or a person acting under a delegation given by Council must not make a Major Policy Decision unless:

- a. Council considers that there are Extraordinary Circumstances which require the Major Policy Decision; and
- b. Council has applied in writing to the Minister for an exemption from the application of section 93A of the Act to the Major Policy Decision; and
- c. The Minister has granted an exemption from the application of section 93A of the Act to the Major Policy Decision subject to any conditions or limitations that the Minister considers appropriate.

The CEO will endeavour to ensure that Major Policy Decisions are:

- a. Scheduled for consideration before the Election Period; or
- b. Scheduled for consideration after the Election Period; or
- c. Scheduled for consideration during the Election Period if required by Extraordinary Circumstances and subject to Council approval and approval by the Minister of an exemption application made under section 93A of the Act.

Inappropriate decisions

Council will take all reasonable steps to prevent Inappropriate Decisions being made.

Business at Council and Special Committee meetings

Council and special committee meeting papers will be reviewed by the City to ensure that no agenda item is included that could potentially influence voters' intentions at the forthcoming election or could encourage councillor candidates to use the item as part of their Electioneering.

Matters which may be considered at Council or Special Committee meetings include:

- a. Annual Report; and
- b. Procedural items to complete the Council's term of office, such as assemblies of Council.

Councillors will refrain from moving motions or raising matters at a council or special committee meeting that could affect voting in the election, or could unfairly commit the incoming council to a major course of action or could have reasonably been made after the election, including notices of motion, urgent items, petitions, rescission motions, reports by councillor delegates and advisory committee reports.

The types of decisions that will not be considered include, but not limited to:

- a. allocating community grants;
- b. allocating direct funding to community organisations;
- c. major planning scheme amendments; and
- d. changes to strategic objectives and strategies in the council plan.

Public question time

There will be no Public Question and Submission Time.

Election period statement in council reports

Reports submitted to Council or to a Special Committee will contain an "Election Period Statement" at the start of the report in the form of one of the following statements (as applicable):

- "The recommended decision is not a major policy decision or inappropriate decision, as defined in section 93A and 93B of the *Local Government Act, 1989*."

or

- "The recommended decision is to seek an exemption from the Minister because the matter requires a major policy decision as defined in section 93A of the *Local Government Act, 1989*."

or

- "The recommended decision is a major policy decision, as defined in section 93A of the *Local Government Act, 1989* and an Extraordinary Circumstances exemption was granted by the Minister for Local Government on (insert date)."

Implementing decisions

Decisions made prior to the election period by Council or by a committee or an officer under delegation can be implemented during the election period provided that those decisions do not involve Public Consultation or a Council Event that is likely to run into, or occur during, the Election Period.

Special committees

Council has the following five Special Committees that operate with delegated powers:

- Central Geelong Marketing Committee
- Geelong Major Events Committee

- Planning Committee
- Bellarine Multi Arts Facility (Potato Shed) Committee of Management
- CEO Employment Matters Committee

The following provisions relate to whether these Special Committees can operate and if so, what matters they cannot deal with.

a. Central Geelong Marketing Committee

The role of the Central Geelong Marketing Committee is to market and promote Central Geelong in a coordinated and integrated manner to enhance its economic and social viability and its general amenity. This includes the key function of administering Council's Central Geelong special rate scheme under delegation. As decisions about the scheme may affect voting at the election, this committee will not meet during the election period.

b. Geelong Major Events Committee

The Geelong Major Events Committee aims to support the development of a broad range of major events in the Greater Geelong region. In doing so, it has been delegated decision making authority in relation to events strategy, events submissions evaluation and events funding allocations. As these decisions may affect voting at the election, this committee will not meet during the election period.

c. Planning Committee

The Planning Committee is authorised to consider planning matters in accordance with the relevant delegation instrument, terms of reference and policies adopted by Council. Consequently, the committee can continue to meet and make decisions during the election period.

d. Bellarine Multi Arts Facility (Potato Shed) Committee of Management

The Bellarine Multi Arts Facility (Potato Shed) Committee of Management implements the strategic plan and capital works approved by Council that are necessary for the Committee to perform its duties under the Bellarine Multi Arts Facility Development and Joint Use Agreement. This committee can continue to meet and make decisions during the election period, if required.

e. CEO Employment Matters Committee

The CEO Employment Matters Committee has Council delegation to deal with all matters related to the employment of the CEO. The prohibition on making major council decisions extends to those relating to the employment or remuneration or termination of a CEO under section 94 of the Act, other than a decision to appoint an acting CEO. Consequently, the committee is only permitted to meet to deal with the appointment of an acting CEO.

USE OF CITY RESOURCES

City resources must not be used for Electioneering, other than City facilities that are normally available for hire by the public.

Using City facilities

City facilities that are normally available for public hire will be able to be hired by candidates (including councillor candidates) at the normal hire rate, terms and conditions of hire set for the facility.

No promotional material related to an election event, apart from simple directional signage, is able to be displayed in the common public areas of a City facility being hired.

Electoral signs on Council land and property

The following provisions that govern the placement of Electoral Signs apply equally to all candidates and their associated election campaigns at all times, including during the Election Period. They are consistent with Council's Neighbourhood Amenity Local Law 2014 (clauses 46, 70 and 92), the *Environment Protection Act 1970* (Litter Section), the Greater Geelong Planning Scheme and the General Signage (including Electoral Advertising) On Council Road Reserves and Land Policy.

Electoral Signs are not permitted on Roads, Municipal Buildings, Municipal Reserves or Council Land, including any structures such as bus shelters or light poles within road reserves. In general terms, this means that no Electoral Signs are permitted on roads, parkland or Council property.

The following conditions apply to the placing of Electoral Signs.

- a. No Electoral Signs can be placed or erected on any council Road or Municipal Reserve (including parks) this also includes any VicRoads, roads or reserves;
- b. Mobile billboards, (trailer types and signs that are placed in or on a vehicle) are not to be left standing or stationary as in paragraph (a) above. This type of signage has to be mobile at all times;
- c. Vehicles, other than trailers, that are permanently sign-written may display an Electoral Sign, provided that they meet parking legislation requirements including time limits etc.;
- d. The *Environment Protection Act 1970* (Litter section) prohibits the placing of any form of advertising on the windscreens of vehicles anywhere (public or private land); and
- e. Banners and flags are also prohibited as in paragraph (a) above and are not to be attached to any fixtures located on any of the roads or reserves as in paragraph (a).

Councillor resources & expenses

Councillors will continue to have access to the resources necessary to fulfil their Councillor Duties, in accordance with existing Council policy and the Councillor Code of Conduct.

Reimbursement claims for expenses that support or that could be perceived as supporting, or being connected with, a Councillor's election campaign will not be processed by the City.

Councillors may continue to use their councillor title.

City resources

City resources, including offices, administrative staff, meeting facilities not normally available for public hire, hospitality, electronic equipment, vehicles, email addresses and social media handles, databases, mailing lists, photocopying and stationery will be used exclusively for normal City operational business during the Election Period and are not to be utilised for or connected to any election activities.

City logos, letterheads, photographs and images or associated City insignias and designs are not to be used, or linked in any way to a candidate's election campaign.

City staff

It is critical that the City maintains the confidence of the Council, councillors and the wider community at all times. This requirement is even more important in the period leading up to an election.

For the vast majority of City employees, work will continue as normal during the Election Period. However, some may find themselves in situations where the Election Period could have a bearing on their actions.

It is important for City employees who are engaged in political activities related to the election, to avoid any actual, potential or perceived conflict of interest with their City employment. How they do this will depend on the nature of their employment and the nature of their political activities or associations.

City staff must:

- a. Not use their City role and position to influence the outcome of the election;
- b. Not engage in Electioneering during work time;
- c. Not use City resources for Electioneering;
- d. Not use any official information obtained through their City employment for Electioneering;
- e. Not make any public statement on Council or City activity that they are involved in or connected with as a City employee;
- f. Make it clear when making comments related to the election that they are expressing their own views and not making an official comment;

- g. Take leave from their City employment if nominating as a candidate for the election in order to be able to qualify as a candidate for that election; and
- h. If they are a candidate in the general Council election, resign from City employment immediately upon being declared elected in the general Council election in order to become or continue to be a Councillor of the Council.

PUBLIC CONSULTATION

Conducting public consultation

The City will not commence or continue Public Consultation except where there is a legal obligation to do so or the CEO determines that Extraordinary Circumstances exist which warrant the Public Consultation continuing. If this is the case, the Council must, by resolution, justify to the community the Extraordinary Circumstances making it necessary and how the risks of influencing the election will be mitigated or prevented.

Public Consultation will not be commissioned or approved if such consultation is likely to run into the Election Period.

Consultative mechanisms

Advisory committee meetings, information sharing forums, other community reference group meetings or similar consultative processes are not permitted.

EVENTS

Conducting or promoting events

The City will not conduct or promote Council Events except where there is a legal obligation to do so or the CEO determines that Extraordinary Circumstances exist which warrant a Council Event occurring. If this is the case, the Council must, by resolution, justify to the community the Extraordinary Circumstances making it necessary and how the risks of influencing the election will be mitigated or prevented.

Ordinary Council meetings and Council Events may be held if they are part of delivering normal services or operational activities of Council and the City e.g. scheduled ordinary council meetings and citizenship ceremonies.

Community Focus Council meetings are suspended. These meetings occur at venues throughout the municipality, in each ward in turn. At these meetings, Council is required to allow and encourage the community to attend, submit information and ask questions on issues that arise at those meetings or raise general issues or questions.

Consequently, there is a significant risk that matters could be raised at the meetings that could influence the election or amount to Electioneering.

Councillor attendance

Councillors may attend events as required by their Councillor Duties, but are not permitted to use these appearances for Electioneering.

Councillors must not speak as an official Council spokesperson at events they attend in relation to their Councillor Duties unless authorised to do so by the CEO.

Speeches prepared for councillors attending events related to their Councillor Duties must be written by City staff and approved by the CEO.

City resources will not be used to prepare speeches, or provide support, for councillors in respect of their attendance at an event that is not required by their Councillor Duties.

PUBLISHED INFORMATION

Publications

The City must not print, Publish or distribute or cause, permit or authorise to be printed, Published or distributed, any advertisement, handbill, pamphlet or notice unless the advertisement, handbill, pamphlet or notice has been Certified in writing on or affixed to the copy of the publication and retained in a register maintained by the CEO.

The CEO must not intentionally or recklessly Certify an electoral advertisement, handbill, pamphlet or notice unless it only contains information about the election process.

Media releases, statements & publicity

The CEO will be the primary spokesperson for the Council.

City media releases and statements will be Certified and issued in the name of the CEO.

No City-issued media releases will quote or feature councillors.

Councillors in respect of their Councillor Duties must not make or Publish any public statement that could be interpreted as influencing the election.

City staff must not make or Publish any public statement that could be interpreted as influencing the election.

City communication and marketing activities, other than for the sole purpose of conducting the election process, will be prevented wherever possible.

Delivery of existing City services will continue on a business-as-usual basis, however, there is a prohibition on implementing and promoting new City services.

Where a City communications and marketing activity is considered essential for a City service or function, it must be Certified before publication.

Where a City communications or marketing activity is Certified, that activity must be limited to promoting existing City services.

No communications or media advice or assistance will be provided by the City in relation to Electioneering or election campaign matters.

Publishing councillor information

Councillor information published in documents and on websites will be restricted to:

- a. Names;
- b. Photographs;
- c. contact details;
- d. titles; and
- e. membership of special committees and other bodies to which they have been appointed by the Council.

Councillor correspondence

Councillor correspondence regarding election matters will not receive responses until after the end of the election period.

Councillor correspondence relating to significant, sensitive or controversial matters will be referred to the CEO for action.

City Website and Social Media

At the start of the Election Period a message will be posted on the City's social media channels and website stating that these channels will have no new content added until after the Election Period unless it relates to existing City services.

No electoral material may be placed on the City's website or social media during the Election Period.

Council meeting agendas and minutes will continue to be published on Council's website.

INFORMATION ACCESS

Information access

Councillors will continue to have access to the information resources necessary to fulfil their Councillor Duties, in accordance with existing Council policy and the Councillor Code of Conduct.

The City will aim to ensure that all candidates have equal access to council information.

Candidate information requests

Candidates must provide requests for council information to the CEO in writing.

Responses to candidate information requests must be authorised by a director or the CEO.

Council information supplied in response to candidate requests will only consist of publically available and factual information about current City services.

Council information supplied in response to candidate requests will not relate to policy development, new projects or matters that are the subject of public or election debate or that might be perceived to be connected to a candidate's election campaign.

Candidate requests for council information that require significant City resources to be devoted to a response may be refused at the sole discretion of the CEO.

The CEO will maintain an Information Request Register, which will:

- List all candidate requests for information received by the City;
- Summarise the information provided by the City to the candidates in response to requests, including links to requested public documents;
- Record reasons for refusal of candidate council information requests; and
- Be published on the City's website

All enquiries from candidates about the election process are to be made directly to the VEC Returning Officer or, where the matter is outside the responsibilities of the Returning Officer, to the CEO.

Implementation of this Policy

MONITORING AND REPORTING

The City must have adequate processes in place to monitor this policy and associated procedures to ensure they are accurate, consistent and operating as intended.

ADVICE AND ASSISTANCE

The Responsible Officer for this policy manages the provision of advice to the organisation regarding this policy.

A person who is uncertain how to comply with this policy should seek advice from this person or delegate.

The City will ensure that all councillors, candidates and staff involved in applying this policy receive training and support in the operation of this policy. This will include:

- publishing the policy on the Geelong Australia website
- distributing the policy to councillors
- including the policy in candidate information packs
- information about the purpose and requirements of this policy;
- practical guidance on how to comply with this policy, such as procedures that set out the process to be followed;
- provision of tools and templates to be used.

RECORDS

The City must retain records associated with this policy and its implementation for at least the period shown below.

Record	Retention / Disposal Authority	Retention Period	Location
Certified copies of records	Retention and Disposal Authority for Records of Local Government Functions PROS 09/05 VAR 1	Various. Retention period varies according to the type of public record.	Document Management System
Information request responses	Retention and Disposal Authority for Records of Common Administrative Functions PROS 07/01 VAR 4	Temporary Destroy 2 years after action completed.	Document Management System

REVIEW

Section 93B(2)(b) of the Act requires Council to review and, if required, amend the policy not later than 12 months before the commencement of the next general election period. The next general election will be held on 26 October 2024 and the election period for the next general election commences on 24 September 2024. Consequently, this policy must be reviewed and, if required, amended not later than 24 September 2023.

References

Environment Protection Act 1970

Interpretation of Legislation Act 1984

Local Government Act 1989

Greater Geelong City Council 2014 Neighbourhood Amenity Local Law 2014

Greater Geelong City Council 2016 General Signage (including Electoral Advertising) On Council Road Reserves and Land Policy

Greater Geelong City Council 2017 Councillors' Expenses and Facilities Policy

Greater Geelong City Council 2019 Policies and Procedures Management Policy

Greater Geelong Planning Scheme

Local Government Inspectorate 2016 Election Period Policy Review

Local Government Victoria 2015 Reforms arising from the *Local Government Amendment (Improved Governance) Act 2015* - A guide for councils

Public Records Office Victoria 2017 Retention and Disposal Authority for Records of Common Administrative Functions

Public Records Office Victoria 2015 Retention and Disposal Authority for Records of Local Government Functions

DRAFT

6. REVOCATION OF FLOOD-PRONE AREA DESIGNATION OF NEW LOTS AT ANCHORIDGE ESTATE, STAGES 1, 2 AND 3

Source: City Services – Engineering Services
Director: Guy Wilson-Browne
Portfolio: Social and Infrastructure Planning

Purpose

1. To revoke Council's designation of 12 December 2006 of flood affected land at Anchoridge Estate, Stages 1, 2 and 3 inclusive as liable to flooding pursuant to regulation 153 of the *Building Regulations 2018*.

Background

2. Council has a statutory obligation under the *Building Regulations 2018* to designate land as liable to flooding where it reasonably knows it to be prone to flooding. Conversely, there is an obligation to remove the encumbrance of designation from land that is no longer considered to be flood-prone.
3. The current designated flood mapping (**Attachment 2**) was designated by Council at its meeting of 12 December 2006.
4. This revocation will result in another stage of new lots in Anchoridge Estate fronting 892 – 958 Barwon Heads Road, Armstrong Creek being free of their flood prone status, paving the way for owners to build homes on their land.

Key Matters

5. The flood mapping is subject to a revision due to the subdivision and development at 892 – 958 Barwon Heads Road, Anchoridge Estate. Prior to subdivision the parent lot was considered to be liable to flooding. This development site, which is also known as Anchoridge Estate, Stages 1, 2 and 3 inclusive, achieves flood immunity for newly created lots for flood events up to and including the 100 year Average Recurrence Interval (**ARI**) event due to approved internal earthworks.
6. The decision by Council engineers that the flood prone status can be removed includes assessment of internal drainage, road construction and earthworks to contain potential floodwaters from the 100 year ARI event within road and drainage reserves (**Attachment 3**).
7. It should be noted that designation is separate to the creation of flood overlays within the Planning Scheme, which generally follows designation. In the case of this development, the planning scheme amendment to create post-development flood zones or overlays is proposed after the design of the proposed precincts.

Cr Murnane moved, Cr Nelson seconded -

8. **That Council revoke the Council designation of 12 December 2006 of flood affected land at Anchoridge Estate, Stages 1,2 and 3 inclusive as liable to flooding pursuant to regulation 153 of the *Building Regulations 2018*.**

Carried.

Attachment 1

Financial Implications

1. There are no financial implications arising from the subject of this report.

Community Engagement

2. A revocation of designation does not warrant public consultation as it constitutes the removal of an encumbrance on land.
3. Relevant City databases and flood maps will be revised and updates sent to the Corangamite Catchment Management Authority and Building Control Commission.

Social Equity Considerations

4. Council have a responsibility to the community to provide the best possible information on areas that are flood prone. The removal of flood prone designation allows owners to build on their land without a special permit from the City, and without raising the floor level of their home. It also reduces the cost of property insurance.

Policy/Legal/Statutory Implications

5. The City has various statutory responsibilities for drainage management and flood management (prevention, response and recovery) as set out in the *Local Government Act 1989*, *Local Government Regulations 1990*, *Planning and Environment Act 1987*, *Building Regulations 2018*, *Water Act 1989*, *Subdivision Act 1988* and *Emergency Management Act 1986*.
6. The works have resulted in the lots being protected from flooding during a major storm event that has a one per cent probability of occurring in any one year, and occurs on average once in 100 years. This is the required standard for new subdivisions.

Alignment to Council Plan

7. The recommendations of this report are consistent with the Council Plan, in relation to planned sustainable development.

Conflict of Interest

8. No City officers or contractors who have provided advice in relation to this report have declared a conflict of interest regarding the matter under consideration.

Risk Assessment

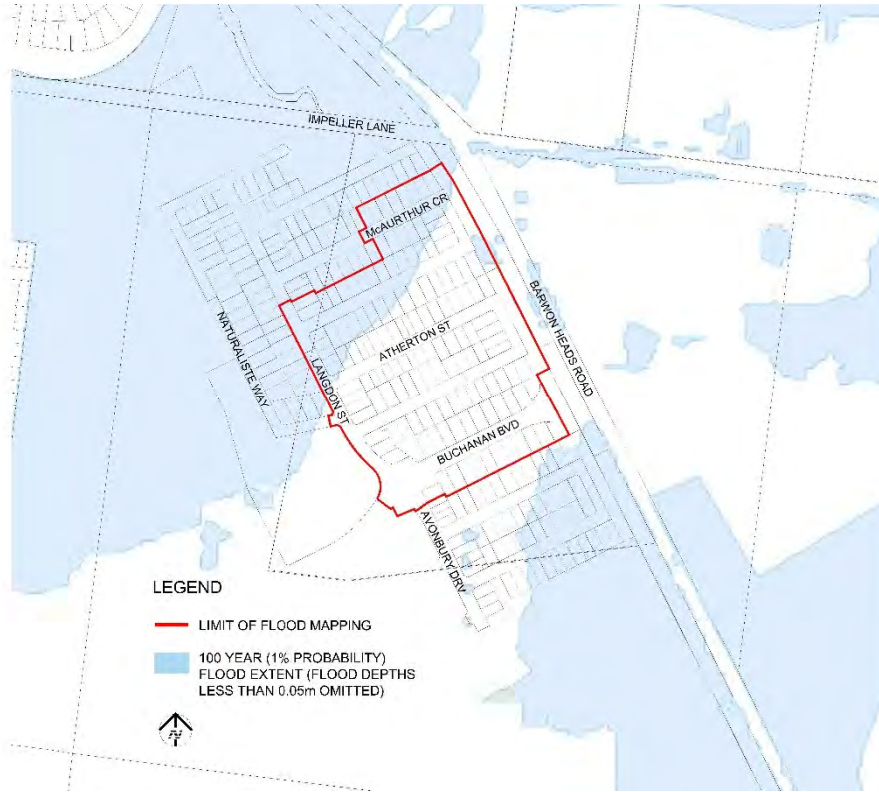
9. Council also has some risk exposure with any failure to disclose the flood-prone status of a property in a Land Information Certificate.
10. The revocation of the designation is the final step in minimising Council's risk.

Environmental Implications

11. The revocation of flood-prone areas designation and designation of revised flood data through the design of this stage is considered unlikely to result in any known adverse environmental impacts.

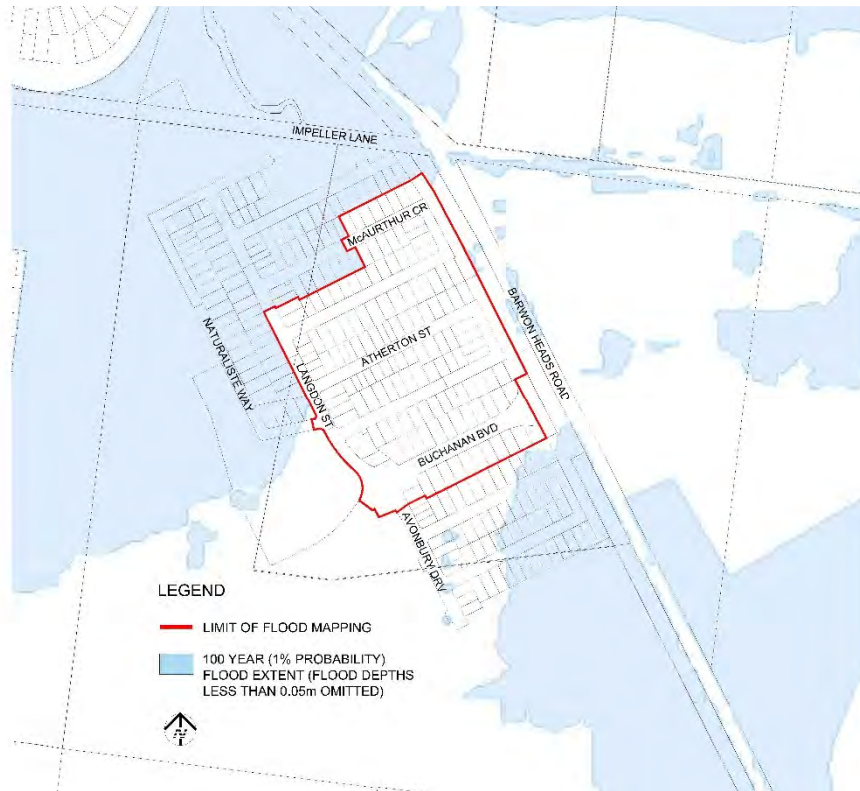
Attachment 2

Current Flood Map



Attachment 3

Revised Flood Map



7. REVOCATION OF FLOOD-PRONE AREA DESIGNATION OF NEW LOTS AT ASHBURY ESTATE, STAGE 13

Source: City Services – Engineering Services
Director: Guy Wilson-Browne
Portfolio: Social and Infrastructure Planning

Purpose

1. To revoke Council's designation of 12 December 2006 of flood affected land at Ashbury Estate, Stage 13 inclusive as liable to flooding pursuant to regulation 153 of the *Building Regulations 2018*.

Background

2. Council has a statutory obligation under the *Building Regulations 2018* to designate land as liable to flooding where it reasonably knows it to be prone to flooding. Conversely, there is an obligation to remove the encumbrance of designation from land that is no longer considered to be flood-prone.
3. The current designated flood mapping (**Attachment 2**) was designated by Council at its meeting of 12 December 2006.
4. This revocation will result in another stage of new lots in Ashbury Estate fronting 282 – 400 Horseshoe Bend Road, Armstrong Creek being free of their flood prone status, paving the way for owners to build homes on their land.

Key Matters

5. The flood mapping is subject to a revision due to the subdivision and development at 282 – 400 Horseshoe Bend Road, Ashbury Estate. Prior to subdivision the parent lot was considered to be liable to flooding. This development site, which is also known as Ashbury Estate, Stage 13 inclusive, achieves flood immunity for newly created lots for flood events up to and including the 100 year Average Recurrence Interval (**ARI**) event due to approved internal earthworks.
6. The decision by the City that the flood prone status can be removed includes assessment of internal drainage, road construction and earthworks to contain potential floodwaters from the 100 year ARI event within road and drainage reserves (**Attachment 3**).
7. It should be noted that designation is separate to the creation of flood overlays within the Planning Scheme, which generally follows designation. In the case of this development, the planning scheme amendment to create post-development flood zones or overlays is proposed after the design of the proposed precincts.

Cr Murnane moved, Cr Nelson seconded -

8. **That Council revoke the Council designation of 12 December 2006 of flood affected land at Ashbury Estate, Stage 13 inclusive as liable to flooding pursuant to regulation 153 of the *Building Regulations 2018*.**

Carried.

Attachment 1

Financial Implications

1. There are no financial implications arising from the subject of this report.

Community Engagement

2. A revocation of designation does not warrant public consultation as it constitutes the removal of an encumbrance on land.
3. Relevant City databases and flood maps will be revised and updates sent to the Corangamite Catchment Management Authority and Building Control Commission.

Social Equity Considerations

4. Council have a responsibility to the community to provide the best possible information on areas that are flood prone. The removal of flood prone designation allows owners to build on their land without a special permit from the City, and without raising the floor level of their home. It also reduces the cost of property insurance.

Policy/Legal/Statutory Implications

5. The City has various statutory responsibilities for drainage management and flood management (prevention, response and recovery) as set out in the *Local Government Act 1989*, *Local Government Regulations 1990*, *Planning and Environment Act 1987*, *Building Regulations 2018*, *Water Act 1989*, *Subdivision Act 1988* and *Emergency Management Act 1986*.
6. The works have resulted in the lots being protected from flooding during a major storm event that has a one per cent probability of occurring in any one year, and occurs on average once in 100 years. This is the required standard for new subdivisions.

Alignment to Council Plan

7. The recommendations of this report are consistent with the Council Plan, in relation to planned sustainable development.

Conflict of Interest

8. No City officers or contractors who have provided advice in relation to this report have declared a conflict of interest regarding the matter under consideration.

Risk Assessment

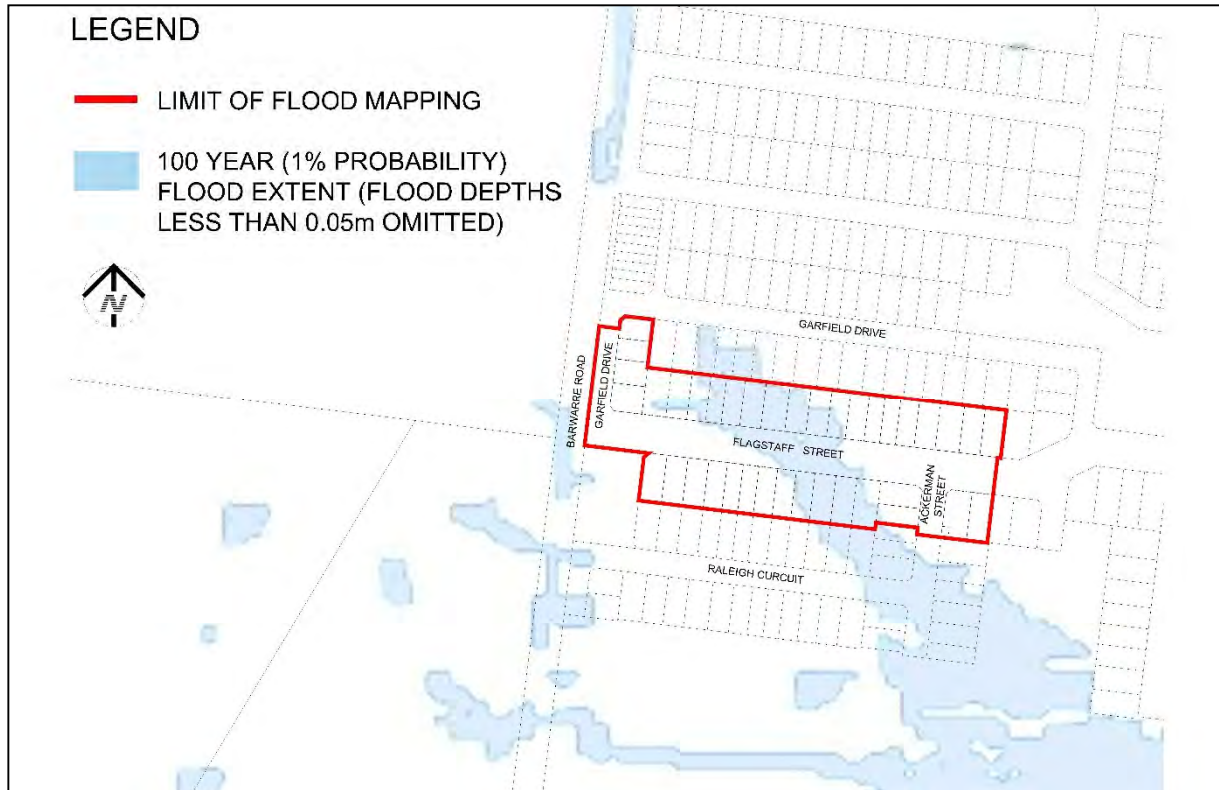
9. Council also has some risk exposure with any failure to disclose the flood-prone status of a property in a Land Information Certificate.
10. The revocation of the designation is the final step in minimising Council's risk.

Environmental Implications

11. The revocation of flood-prone areas designation and designation of revised flood data through the design of this stage is considered unlikely to result in any known adverse environmental impacts.

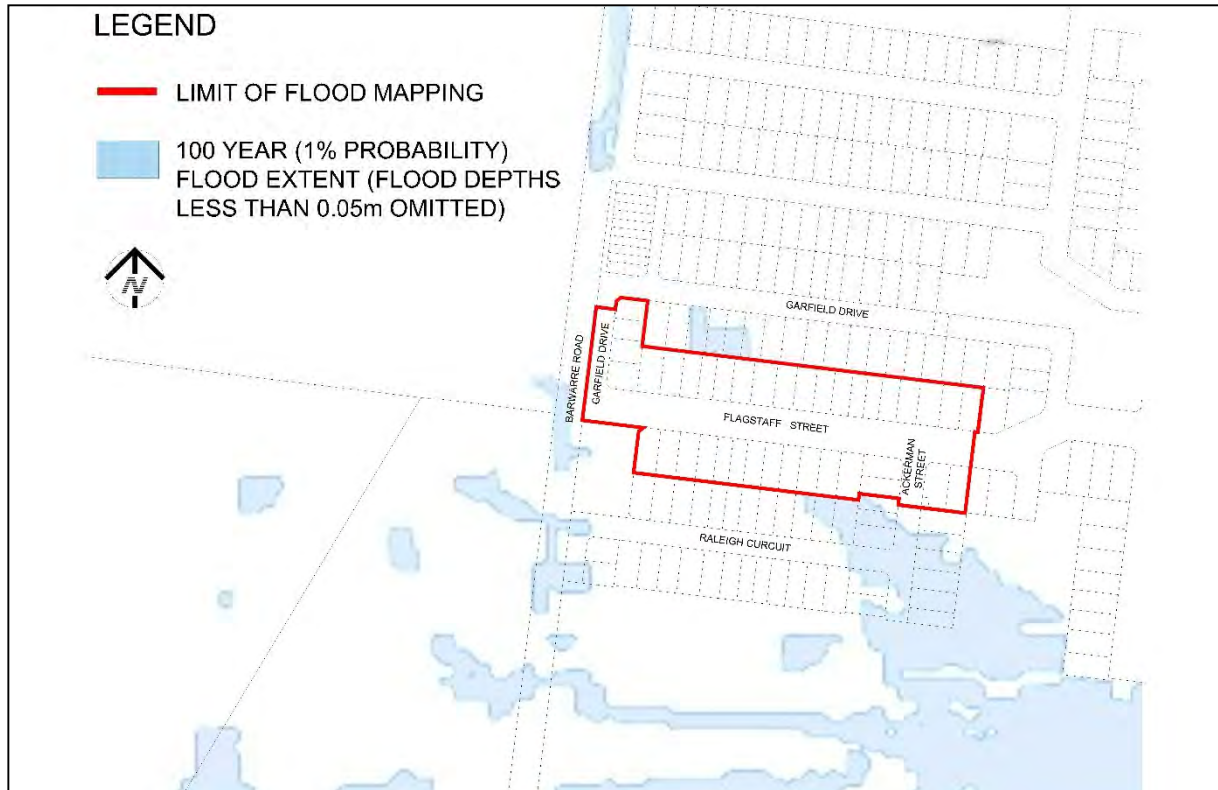
Attachment 2

Current Flood Map



Attachment 3

Revised Flood Map



CLOSE OF MEETING

As there was no further business the meeting closed at 8.23pm. Tuesday, 10 September 2019.

Signed: _____
Cr Bruce Harwood (Mayor)

Date of Confirmation: _____.