



West Wimmera Shire Council

MINUTES

COUNCIL MEETING

Monday 2 October 2023
2:00 pm

Microsoft Teams





Councillors and Shire Map



MAYOR
Cr. Tim Meyer



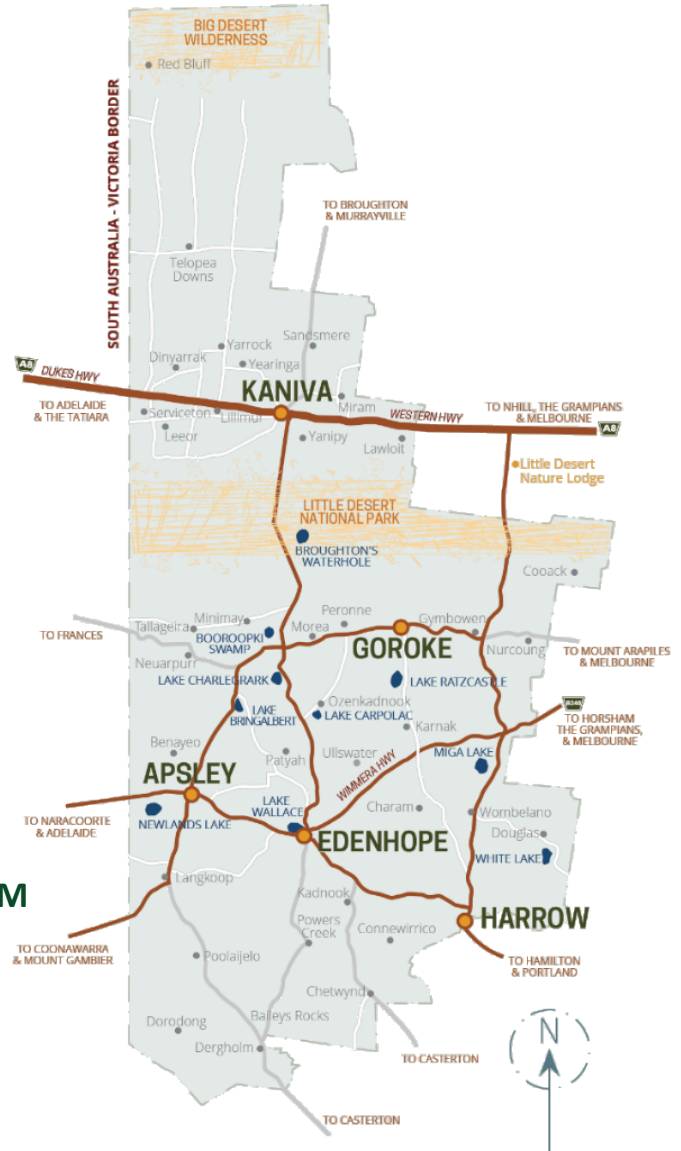
**DEPUTY
MAYOR**
**Cr. Jodie
Pretlove**



**Cr. Tom
Houlihan**



**Cr. Bruce
Meyer OAM**





COUNCIL VISION

Our West Wimmera community is healthy, thriving, diverse, harmonious, prosperous, and self-sustaining, with regional and global connectivity.

OUR VALUES

INNOVATIVE – We will proactively respond to change, are optimistic about our future and pursue continuous improvement in everything that we do.

ACCOUNTABLE – We will be responsible, take ownership of our actions and are committed to good governance, excellence, transparency, achievement of goals and advocating for our community

UNITED – We will do everything within our ability to encourage and form trusting relationships, to work together as one team to achieve our goals and advocate for ‘One West Wimmera’.

COLLABORATIVE – We will actively and openly consult with you and work constructively with community organisations, agencies, the business community and other levels of government to our community’s benefit.

OUR GOALS





Purpose of Council meetings

- (1) Council holds scheduled meetings and, when required, unscheduled meetings to conduct the business of Council.
- (2) Council is committed to transparency in decision making and, in accordance with the Local Government Act 2020, Council and Delegated Committee meetings are open to the public and the community are able to attend.
- (3) Meetings will only be closed to members of the public, in accordance with section 66 of the Act, if:
 - (a) there are clear reasons for particular matters to remain confidential; or
 - (b) a meeting is required to be closed for security reasons; or
 - (c) it is necessary to enable the meeting to proceed in an ordinary manner.
- (4) A meeting closed to the public for the reasons outlined in sub-rule 3(b) or 3(c) will continue to be livestreamed. In the event a livestream is not available:
 - (a) the meeting may be adjourned; or
 - (b) a recording of the proceedings may be available on the Council website

The West Wimmera Shire Council Governance Rules set out the meeting procedure rules for this Council Meeting.

Members of the public are reminded that they are required to remain silent during this meeting.

This Council meeting will be recorded for live streaming.

Councillors pledge

As Councillors of West Wimmera Shire Council, we solemnly and sincerely declare and affirm that we will consider each item on this agenda in the best interests of the whole municipal community.



In Attendance:

Councillors:

Tim Meyer, Mayor
Jodie Pretlove, Deputy Mayor
Tom Houlihan
Bruce Meyer OAM

Executive Leadership Team:

David Bezuidenhout - Chief Executive Officer (CEO)
James Bentley - Director Corporate & Community Services (DCCS)
Ram Upadhyaya - Director Infrastructure Development & Works (DIDW)

Officers:

Kaddie Cother - Governance Coordinator
Philippa Hicks - Executive Assistant to the CEO
Abbas Mehr - Chief Financial Officer
Katie Frost - Governance Manager



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1 Welcome

2 Acknowledgement of Country

The West Wimmera Shire Council acknowledges the traditional custodians of the land on which we meet, and pays respect to their elders, past, present and emerging.

3 Opening Prayer

Almighty God, we humbly ask your blessing upon this Council. Guide and prosper our decisions to the advancement of Your Glory and the true welfare of the people of West Wimmera Shire. Amen.

4 Apologies, Leave of Absences, Declaration of Conflict of Interest

4.1 Apologies

Nil

4.2 Leave of Absence

Nil

4.3 Declaration of Conflict of Interest

None Declared



5 Corporate and Community Services

5.1 Annual Report 2022/23

Directorate: Corporate and Community Services

Report Author: Chief Financial Officer

Report Purpose: For Decision

Introduction

West Wimmera Shire Council (Council) is required under S.98 of the *Local Government Act 2020* (the Act) to prepare an Annual Report on the operations of Council in respect of each financial year.

This report presents the Draft 2022/23 Annual Report, 2022/23 Financial Statements and 2022/23 Performance Statement to Council seeking:

1. A resolution be made by Council approving in principle the 2022/23 Financial Statements and Performance Statement
2. Authorisation for the 2022/23 Financial Statements and Performance Statement to be submitted to the Victorian Auditor-General's Office for final audit approval
3. Endorsement of two Councillors to certify Council's 2022/23 Financial Statements and Performance Statement in their final form
4. Adoption of the Draft 2022/23 Annual Report, with authorisation given to the Chief Executive Officer to make minor editorial changes as required

Following audit approval, Council will include the certified Financial Statements and Performance Statement in the 2022/23 Annual Report.

Declaration of Interest

No officer declared an interest under the Local Government Act 2020 (LGA 2020) in the preparation of this report.

Background

The Annual Report summarises Council operations and provides general information about Council's activities over a 12-month period to 30 June 2023. The report contains statutory requirements and various local government indices along with the audited Financial Statements and the Performance Statement.

The Annual Report also provides a number of departmental reports which provide additional information regarding Council's activities throughout the 2022/23 financial year.



Section 98 (2) of the Act requires that Council produce as part of its annual report, a set of audited Financial Statements and audited Performance Statement for the financial year. Council's external auditors, Crowe Australasia, acting as agents for VAGO, have conducted their 2022-23 final audit.

Following this, Section 99 (3) of the Act requires that the Financial Statements and Performance Statement be certified by two Councillors in their final form after any agreed changes recommended by audit have been undertaken.

Therefore, to complete its legislative requirements, the procedure is as follows:

1. Council receives and approves in principle the draft Financial Statements and Performance Statement, following review by the Audit and Risk Committee;
2. Council passes a resolution in accordance with S.99(2) of the Act authorising two Councillors to sign the Financial Statements and Performance Statement in their final (post-audit) form;
3. After review by the Victorian Auditor General's contractor, and after any required and recommended changes to the draft statements are undertaken, the statements are then signed by the two nominated Councillors, the Chief Executive Officer and the Principal Accounting Officer;
4. The Victorian Auditor General issues an audit opinion on the Financial Statements and the Performance Statement;
5. The Financial Statements and Performance Statement are inserted into the Annual Report in their final post-audit form
6. Council holds a meeting to consider the Annual Report in accordance with section 100 of the Act by 31 October 2023

Risk Management Implications

Risk identified: Business continuity risk

Financial risk

Information risk

Regulatory risk

Reputation risk

Strategic risk

Council may be exposed to multiple forms of risk by not adopting its Annual Financial Statements and Performance Statement.



The first of these is in compliance risk. Failure to follow the process as set out under the Act will result in Council breaching its legislative requirements.

Secondly, Council may be exposed to a level of reputational risk if it fails to comply with legislative requirements and/or fails to report on its operations, including its financial performance and position. Council's reputation would be negatively impacted if the Annual Report was not submitted and presented in a professional manner.

Council may also be subject to financial and resource risk if it fails to provide Annual Financial Statements and the Performance Statement by failing to identify financial issues and opportunities, and an inability to be able to effectively plan resource allocation.

Legislative Implications

The report complies with the requirements of the:

Local Government Act 2020

Section 98(1) of the Act requires Council to prepare an annual report in respect of each financial year. Section 98(2) prescribes that the annual report must contain;

- (a) a report of operations of the Council;
- (b) an audited performance statement;
- (c) audited financial statements;
- (d) a copy of the auditor's report on the performance statement;
- (e) a copy of the auditor's report on the financial statements under Part 3 of the *Audit Act 1994*;
- (f) any other matters prescribed by the regulations.

Per section 99(2) Council, after passing a resolution giving its approval in principle to the performance statement and financial statements, must submit the statements to the auditor for reporting on the audit. Section 100 of the Act prescribes that Council must hold a meeting to consider the Annual Report within 4 months of the end of the financial year.

Environmental Implications

Nil

Financial and Budgetary Implications

The financial risk rating has been assessed as: Medium



The draft Annual Financial Statements contain information on Council’s financial performance and variances to the adopted budget for the 2022/23 financial year.

A summary of the outcomes contained within the Annual Financial Statements is as follows:

Financial Summary 2022-23

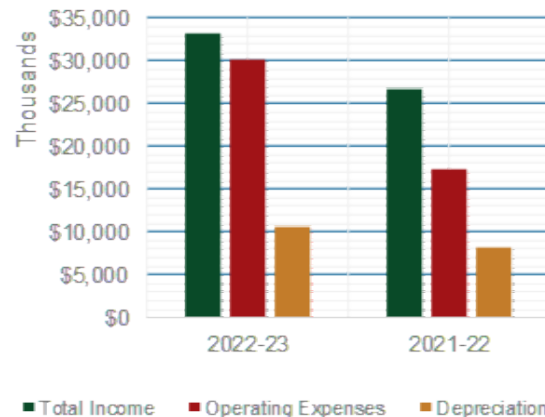
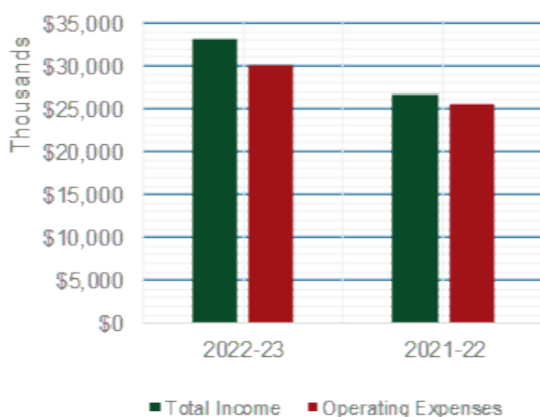
Council’s financial position continues to remain sound. A summary of Council’s performance is outlined below. Detailed information relating to Council’s financial performance is included within the financial statements and performance statements attachments of this report.

Council’s operating result for 2022-23 shows an operating surplus of \$ 3.045 million (2022: \$1.199 million). After taking into consideration other comprehensive income, Council’s total comprehensive result was a surplus of \$39.374 million (2022: \$1.234 million).

Council’s Rate Revenue increased from \$8.066 million to \$8.242 million – a 2.18% increase from the previous year. Despite significant increase in the Capital Improved Values of the properties in the region, the revenue generation through rates is subject to the Victorian government's legislated rate cap.

Statutory Fees and Fines and User Fees have registered an increase of 20% and 65% respectively. A nominal increase in Gain from Sale of Assets has contributed \$174,000 to Total Income this year.

The Commonwealth and State Grants represent the major segment of our Total Income of \$20.984 million (2022: \$16.121 million). The Commonwealth’s strategic change to full payment in advance for the Financial Assistance Grants and Roads to Recovery for 2023-24 has resulted in improved cash flow towards the end of the financial year. Our allocations have remained in line with prior year due to minimal change in the population statistics and any additions to major road networks which provide some fundamental basis for the annual allocation of funds by the Commonwealth.

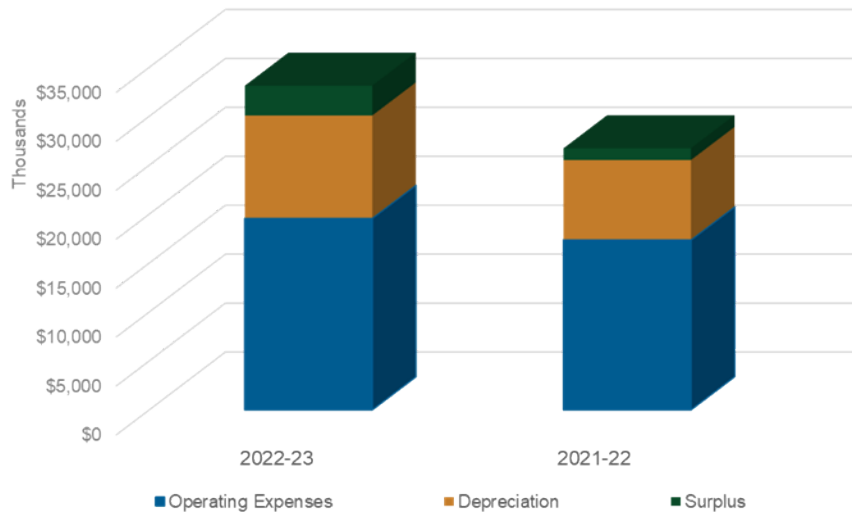


Council has revalued its buildings and properties this year and the revalued amounts have been incorporated into the reports. Additionally, a unit rate-based indexation has been applied to the infrastructure assets to reflect the approximate increase in the value of these



assets since the last valuation. During FY 2023-24, our infrastructure assets will undergo a detailed condition assessment and valuation. The surplus arising out of this revaluation aggregates to \$36.329 million.

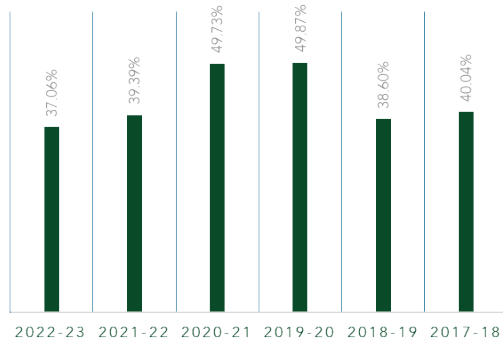
During FY 2022-23, Council has successfully delivered \$9.506 million (2022: \$7.852 million) worth of its Capital Works Program which is 21% higher than the previous financial year. This stands out as a major achievement for the year amid constraints of availability of materials, contractors, heavy plant and equipment in the post-flooding reconstruction works happening across the State and different parts of the country.



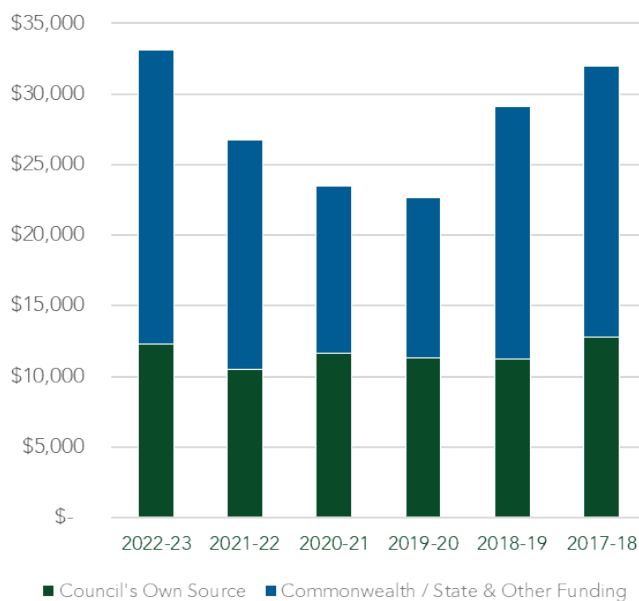
The expenditure analysis reflects depreciation as the biggest expense for the year \$10.509 million (2022: \$8.165 million). The revaluation of assets in the current financial year has contributed additionally to depreciation above our normal assessed depreciation on these assets.

Employee costs were reported at \$9.918 million (2022: \$9.038 million) reflecting a 9.7% increase from last year. This increase is attributed to the higher level of activity for delivery of our Capital Works Program as well as the new Edenhope Childcare Pilot Project which has delivered an important community service during this year.

Council continues to have significant reliance on external grants and funding which contribute over 63.35% of Council's total Income. Council received \$11.752 million in Operating Grants and another \$9.232 million for Capital Projects. The Commonwealth has disbursed Financial Assistance Grants and Roads to Recovery grant in advance as part of its strategic change in payment arrangements.

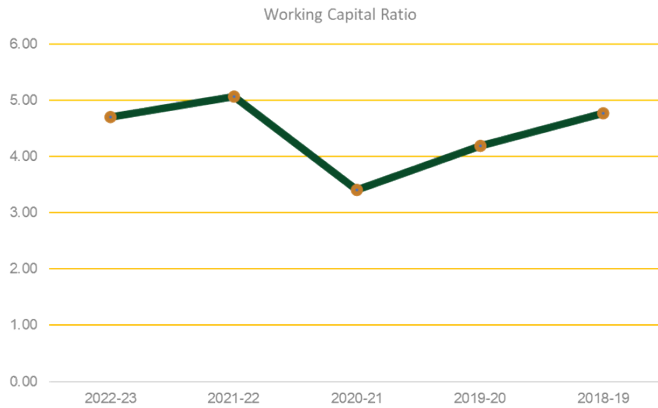


Council's Own Source Revenue / Total Income



The primary drivers of Council's lower own source revenue is the low population with limited non-farm, commercial or other industrial economic activity in the region. The West Wimmera region is amongst the lowest population regions of the state.

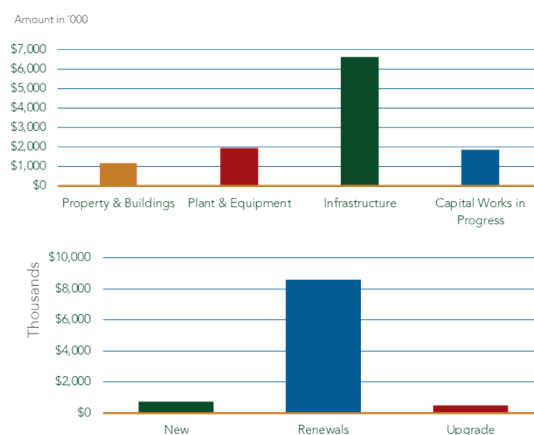
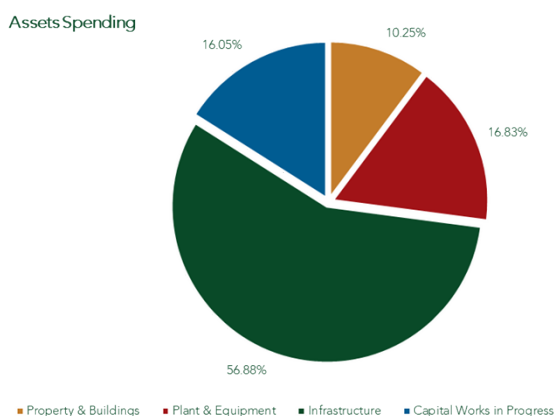
Council's financial position continues to remain strong with all critical financial ratios reflecting its consistent and sustainable ability to meet its financial commitments. The working capital ratio stays strong at 470%.



Council’s unrestricted funds remain 71.07% of total liquidity at the end of last financial year. There are capital projects in progress with some externally restricted funding attached to these projects while our internal allocations primarily relate to the employee’s entitlement provisions and some of the capital works in progress being carried forward to the next financial year.

Our infrastructure assets are of critical importance for a sustainable future and Council’s capital works program delivery for this year has been exceptional with over \$9.506 million worth of capital projects completed. Renewals of our infrastructure assets predominantly lead the works with some new projects and few upgrades as well.

Our assets spending reflects that over 56.88% related to infrastructure projects, 16.83% in plant & equipment and just over a quarter shared between buildings & properties and our Capital Works in Progress for the year.



Our external audit has been conducted by Crowe Australasia on behalf of VAGO and the auditors have confirmed their satisfaction with the principal areas relating to financial management and reporting. The Draft Financial Statements are subject to final review by VAGO and a report will be released upon acceptance by VAGO.



Council's Audit and Risk Committee recommended that Council adopt the Draft Financial Statement for FY 2022-23 in principle and subject to any relevant material changes at its meeting held on 27 September 2023 and made its recommendations to the Council.

Policy Implications

This report is supported by the following West Wimmera Shire Council Policy/s:

Asset Capitalisation Policy
Asset Disposal Policy
Asset Management Policy
Borrowings Policy
Communications Policy
Community Engagement Policy
Community Support Fund Policy
Corporate Credit Card and Purchase Cards Policy
Council Grants Policy
Fraud & Corruption Control Policy
Guarantor Policy
Investment Policy
Procurement Policy

Council Plan Implications

This report supports the following sections of the West Wimmera Shire Council Plan 2021 – 2025:

Goal 4 – Good Governance

- 4.1 Ensure long term financial sustainability.
- 4.2 Engage with the community in a timely and respectful way.
- 4.3 Advocate for our community on issues important to our future.
- 4.4 Develop a high performing accountable organisation.
- 4.5 Maintain a rigorous risk management framework.

Communication Implications

No Communication Implications

Upon audit clearance of the Annual Financial Statements and Performance Statement, these documents will be appended to the 2022/23 Annual Report and will become freely available to the public.

In accordance with section 100 of the Act, public notice via local media and Council's website will be provided 14 days prior to the Council Meeting to consider the Annual Report that Council will consider the Annual Report for 2022/23 at a Council Meeting that is open to the public.



This document will be available for inspection by the public and will be published on Council's website. Copies will also be on display at Councils' Edenhope and Kaniva Customer Service Centres.

Gender Equality

No Gender Impact Assessment is required

Conclusion

In summary, this report recommends that Council approves and certifies the 2022/23 Draft Financial Statements and Draft Performance Statement and authorises them to be submitted to the Victorian Auditor-General's Office for final audit approval. Following audit approval, Council will include the certified Financial Statements and Performance Statement in the 2022/23 Annual Report.

OFFICER RECOMMENDATION:

That Council,

- a. **Approve in principle the 2022/23 Draft Financial Statements and Performance Statement pending any material changes from the Victorian Auditor-General; and,**
 - b. **Authorises the Chief Executive Officer to submit the 2022/23 Financial Statements and Performance Statement to the Victorian Auditor-General for final audit approval; and,**
 - c. **Nominate 2 Councillors to sign and authorise the 2021/22 Annual Financial Statements and Performance Statement in their final form**
 - d. **Authorise the Chief Financial Officer to make any material changes to the 2022/23 Financial Statements and Performance Statement arising from the completion of audit procedures and reporting the changes to Council**
2. **That Council adopts the attached Draft 2022/23 Annual Report; and,**
 3. **That Council authorises the Chief Executive Officer to make any minor editorial changes as required to the final Annual Report**



Moved: Cr Jodie Pretlove

Seconded: Cr Tom Houlihan

1. That Council,
 - a. Approve in principle the 2022/23 Draft Financial Statements and Performance Statement pending any material changes from the Victorian Auditor-General; and,
 - b. Authorises the Chief Executive Officer to submit the 2022/23 Financial Statements and Performance Statement to the Victorian Auditor-General for final audit approval; and,
 - c. Nominate Councillor Tim Meyer and Councillor Jodie Pretlove to sign and authorise the 2022/23 Annual Financial Statements and Performance Statement in their final form
 - d. Authorise the Chief Financial Officer to make any material changes to the 2022/23 Financial Statements and Performance Statement arising from the completion of audit procedures and reporting the changes to Council
2. That Council adopts the attached Draft 2022/23 Annual Report; and,
3. That Council authorises the Chief Executive Officer to make any minor editorial changes as required to the final Annual Report

CARRIED UNANIMOUSLY (4 / 0)

Attachments

1. Annual Report 2022-2023 v 9 small file (1) [5.1.1 - 102 pages]
2. 2023 10 02 Unscheduled Council Meeting AGENDA [5.1.2 - 12 pages]
3. 2022-23 Briefing Report - Draft Annual Report Financial Statements and Performance Statement [5.1.3 - 9 pages]
4. WWSC Draft Financial Statements 27092023 [5.1.4 - 48 pages]



6 Close of Meeting

Meeting closed:

The Unscheduled Council Meeting 2nd October 2023 was declared closed at 2:29 pm

Mayor's Signature
