

Financial and Non-Financial Performance Reporting



QUARTER 1

July to September 2023

**Council Meeting
25 October 2023**

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1 Executive Summary

This report is for the period ending 30 September 2023 and outlines Council's position and performance in the first quarters of the 2023-24 Financial Year.

Profit and Loss

After the first quarters of the financial year, net surplus is \$13.2 million which is 45% higher than the expected surplus per the budget. This can be attributed to an increase in income for the first quarter of the year which is \$990,000 or 5% higher than expected. Total expenses for the first quarters of the year are \$4.1m or 31% lower than budget at the reporting date.

Most of the variance in income can be attributed to accounting treatments of the unexpended grants related to capital and community projects which were held on the Balance Sheet as at the 30 June 2023. The lower than budget expenditure can be explained by a combined \$2.1m lower than expected spends during the quarter on contractors, materials, consultants and building maintenance activities to date.

At the end of the quarter, the forecast surplus for the financial year remains consistent with the adopted budget figure of a deficit of \$4.7m

Balance Sheet

Current assets of council at the end of the quarter are \$27.9 million. Council is holding approximately \$10.7 million between the bank and short-term investments. Trades and other receivables have increased due to the rates and charges for the 2023-24 financial year being raised and issued in September. The first instalment payment was due at the end of September 2023.

Total fixed assets have increased 1% since the start of the financial year and are expected to increase throughout the year as the capital works program is delivered. These increases have been and will continue to be offset by the recognition of depreciation on existing assets.

Total liabilities have decreased \$3.3 million since the start of the financial year. The this movement is attributed to a decrease in trade and other payables of \$6.8 million since the start of the financial year. This is due to the payment of quarterly Fire Service Levy (FSL) which is held in trust on behalf of the State Revenue Office and the movement of unexpended grants that were recognised as liabilities at the end of the financial year but are now recognised as income in the 2023-24 financial year.

Cashflow Statement

Council is holding approximately \$10.7 million between the bank and short-term investments, a decrease of \$6.8m since the start of the year. Net cash outflow from operating activities during the quarter was with net cash outflows from investing activities totalling \$3.4m.

Financial Indicators

The financial indicators for the first quarter are producing a positive result. This is due to rates and charges being raised and issued in the first quarter of 2023-24, generating \$13.0 million in revenue, whilst expenditure is only \$5.6 million, and \$2.0 million less than budget estimates.

It is predicted that as expenditure increases throughout the next three quarters, the financial indicators will decrease and be more inline with budget estimates.

Council officers continue to monitor return on investment opportunities. At present short-term investments provide Council with the greatest return.

Projects

Property: Council has a \$6.3 million capital works program being delivered on council owned buildings and associated infrastructure, with 26% being expended during the financial year.

Plant & Equipment: – Council has a \$2.4 million capital works program being delivered on council owned plant and equipment, with 0% to be expended during the quarter. Procurement activities have commenced to purchase budgeted items and are expected to be achieved by the end of the financial year.

Infrastructure – Flood Recovery: – During the quarter, Council has completed reconstruction works on 11 identified mainly earthen or gravel roads to the value of \$306,000. These works are unbudgeted but will form part of a claim to the Federal Government under the Disaster Recovery Funding Arrangement (DRFA).

Roads Infrastructure: Council has a \$7.3 million capital works program being delivered on roads related infrastructure, which includes roads, footpaths, drainage, kerb and channels with 16% expended during the quarter.

Other Infrastructure: Council has a \$500,000 capital works program being delivered on other infrastructure, which includes recreation and community facilities and transfer station infrastructure with 8% expended during the quarter.

Budget Impact and Changes

During the quarter Council was successful in receiving a further \$190,000 of Sustainability Victoria Circular Economy State Government Funding towards the mobile recycling station trailer project.

Council is currently awaiting the outcome of a number of grant submissions aimed at funding items identified in its priority projects list.

Rates and Charges

2023-24 rate notices were released during the quarter, with rate payers having the option to pay in full by 15 February 2024 or by four instalments that are due on 30 September 2023, 30 November 2023, 28 February 2024 and 31 May 2024.

Rates in the arrears balance at the end of the quarter was \$1.4 million. This is a reduction of \$55,000 or 4% from the balance at the beginning of the quarter.

Non-Financial Performance

Indicators noted during the quarter that reached an unacceptable level include:

- Rates collection from arrears debtors, as mentioned above rates collected of \$55,000 or 4% was less than the tolerance range of 10%.
- Staff turnover for the twelve months to 30 September 2023 is 23.6%. The decision for Council to transition out of providing CHSP services resulted in 15 redundancies from the Positive ageing team 30 June 2023.
- Staff absenteeism for the quarter rose to 6.5%, above the tolerance level of 3% because of a number of COVID-19 related absences.
- Two contracts were past due at the end of the quarter, two of these contracts relate to projects expected to be completed in Q2 of 2023-24.
- Several Council strategies and plans are requiring renewal. The draft Environmental Strategy is on hold, and will be incorporated into a comprehensive Master Environment Strategy. The Tourism strategy is being developed to consider regional outcomes of the state government's Visitor Economic partnership framework and is expected to be completed by December 2023. Pre-planning has begun on the Youth Engagement Strategy, and the Road Hierarchy and Early Years Plan and are due to be presented to Council for adoption in October 2023.
- Three legislative breaches during the quarter were reported.

Occupational Health and Safety

There was 187 hours of lost time due to injuries during the quarter, with one WorkSafe notified report during the quarter. 15 incidents, hazards, near misses and public incidents were registered during the quarter, with 1 of these being noted as extreme risk rating.

Strategic Risk Register

A review of the ten strategic risks and the associated control measure effectiveness was completed for the quarter, with the risk ratings maintained as per the period quarter.

Conclusion

Council is working towards delivering a large capital program and delivering on its Council Plan objectives through a delivery of a detailed operational plan.

Management will continue to monitor the risks associated with delivering a large capital and operational program by continuously enhancing its reporting for analysis purposes.

2 Profit and Loss Statement

Jul 2023 - Sep 2023						
	(YTD)Actuals	(YTD) Budget	Variance	%Variance	Approved Budget Full Year	Full Year Forecast
Operating Income						
Asset Disposal	64,843	150,000	(85,157)	(57%)	340,000	340,000 1
Grants Commonwealth Capital	834,438	1,088,121	(253,683)	(23%)	5,065,121	5,065,121 2
Grants Commonwealth Operating	198,228	24,099	174,129	723%	96,396	96,396 3
Grants Vic Capital	3,114,163	200,000	2,914,163	1457%	200,000	200,000 4
Grants Vic Operating	1,643,357	3,269,233	(1,625,877)	(50%)	5,247,740	5,247,738 5
Other Income	227,843	121,705	106,138	87%	496,333	496,333 6
Rates and Charges	13,783,251	14,031,695	(248,444)	(2%)	14,431,695	14,431,695
Statutory Fees and Fines	46,757	32,364	14,393	44%	157,530	157,530 7
User Fees	132,096	138,099	(6,002)	(4%)	682,589	682,589
Total Operating Income	20,044,975	19,055,316	989,659	5%	26,717,404	26,717,402
Operating Expenses						
Asset Disposal	0	150,000	150,000	100%	380,000	380,000
Bad & Doubtful Debts	0	1,000	1,000	100%	4,000	4,000
Contributions and Donations	0	183,500	183,500	100%	598,636	598,636 8
Depreciation Amortisation & Impairment	1,350,909	1,502,637	151,728	10%	6,010,549	6,010,549 9
Employee Costs	2,742,371	3,020,448	278,077	9%	12,677,506	12,677,506
Finance Costs	0	5,000	5,000	100%	20,000	20,000
Materials and Services	1,706,387	3,789,175	2,082,788	55%	9,912,203	9,912,190 10
Other Expenses	1,044,205	1,299,704	255,499	20%	1,839,627	1,839,629 11
Total Operating Expenses	6,843,873	9,951,465	3,107,592	31%	31,442,520	31,442,510
Net Profit	13,201,102	9,103,851	4,097,251	45%	(4,725,116)	(4,725,109)

3 Notes to the Profit and Loss Statement

Note	Item	Explanation of Variance
Income		
1	Asset Disposals	Q1: Sale of Ford Falcon FG Ute \$1,978, Sale of Mitsubishi Pajero Sport \$30,296 and Mitsubishi Pajero Sport \$30,614 and sale of other miscellaneous items.
2	Grants Commonwealth Capital	Q1: Council received \$834,438 from the Department of Infrastructure, Regional Development and Communications for Local Roads and Community Infrastructure Grant (LRCI 4). Roads to Recovery funding which is normally claimed in Q1 will be claimed in Q2.
3	Grants Commonwealth Operating	Q1: The full 2023/24 Federal Assistance Grants (FAGs) were paid in advance prior to the end of the 2022/23 financial year. Therefore, the quarterly amounts (\$74,913) are adjustments and are to be paid to Council throughout the 2023/24. \$100,000 was also received from the Department of Industry, Science, Energy and Resources which was the final payment for the Drought Communities Programme.
4	Grant Vic Capital	Q1: \$3.114 million is related to the reversal of the unexpended grants related to capital projects which were held on the Balance Sheet as at the 30 June 2023. Majority of this funding related to the Woomelang and Murtoa Housing project (\$2.520m) and Dunmunkle Library project (\$598,000) It is expected that these amounts will be expended in the 2023/24. Council received \$16,000 as final payment of the 2021/22 Local Sports Infrastructure Fund for the Woomelang Bowling Club Synthetic Surface Project.
5	Grant Vic Operating	Q1: \$1.074 million is related to the reversal of the unexpended grants related to operating projects which were held on the Balance Sheet as at the 30 June 2023. Council has received \$363,179 for kindergarten funding, \$85,000 for Roadside Weeds and Pests Program 2023/24, and \$99,108 relates to Maternal and Child Health.
6	Other Income	Q1: The main areas of other income are Interest on rates \$17,010, Legal costs recovered \$13,186, scrap metal recycling \$11,258, Workcover reimbursements \$23,668, income protection reimbursement \$63,678 and Bank interest received \$72,724.

7	Statutory Fees and Fines	Q1: Council is following up on unregistered animals which is \$8,921 more than what was budgeted for quarter 1. Planning fees are \$12,290 up on what was budgeted for the quarter.
Expense		
8	Contributions & Donations	Q1: Annual contributions to halls, recreation reserves, swimming pools, progress associations and weir pools are usually paid out during September to November.
9	Depreciation, amortisation & impairment	Q1: Depreciation of \$1,350,909 has been booked for buildings, plant, furniture & equipment and infrastructure assets.
10	Materials and services	Q1: The main variances in this area are contractors are down by \$1,180,987 which is due mainly to flood works on formed roads and gravel road maintenance only just commencing at the end of the quarter, consultants are \$694,444 down on budget, materials is down \$104,434 and building maintenance is also down \$38,864 compared to budget.
11	Other Expenses	Q1: Variance relates mainly to insurance being \$83,980 less than what was budgeted, legal costs are down \$103,188 on budget for quarter 1 and operating leases were also down \$31,245.

4 Balance Sheet

	Sep 2023	Jun 2023		
	Actuals	Actuals	Variance	% Variance
Assets				
Current Assets	27,905,708	20,572,798	7,332,909	36%
Bank	6,644,240	13,480,748	(6,836,508)	(51%)
Financial Assets	208,987	377,240	(168,253)	(45%)
Investments	4,044,061	4,044,061	0	0%
Inventory	208,603	171,832	36,771	21%
Trade & Other Receivables	16,799,816	2,498,917	14,300,900	572%
Fixed Assets	170,653,837	169,696,999	956,838	1%
Land	4,661,749	4,661,749	0	0%
Plant & Equipment	5,983,450	6,243,527	(260,077)	(4%)
Infrastructure Assets	130,190,926	131,091,117	(900,191)	(1%)
Buildings	25,440,583	25,613,770	(173,186)	(1%)
Work in Progress - Assets	4,377,129	2,086,837	2,290,292	110%
Non-Current Assets	802,134	802,134	0	0%
Investments	306,014	306,014	0	0%
Right of Use Assets	496,120	496,120	0	0%
Total Assets	199,361,678	191,071,931	8,289,748	4%
Liabilities				
Current Liabilities	5,568,137	10,479,492	4,911,355	47%
Provisions	2,808,519	2,786,637	(21,882)	(1%)
Trade & Other Payables	263,102	7,013,323	6,750,222	96%
Trusts Funds & Deposits	95,457	44,922	(50,535)	(112%)
Lease Liability	339,898	339,898	0	0%
Trust Funds & Deposits - Fire Services Levy	2,061,162	294,711	(1,766,450)	(599%)
Non-Current Liabilities	703,895	703,895	0	0%
Lease Liability	239,504	239,504	0	0%
Provisions	464,391	464,391	0	0%
Total Liabilities	6,272,032	11,183,386	4,911,355	44%
Total Net Assets	193,089,646	179,888,544	13,201,102	7%
Equity				
Equity	193,089,646	179,888,544	13,201,102	7%
Accumulated Surplus	74,584,000	74,584,000	0	0%
Reserves	90,361,603	90,361,603	0	0%
Retained Earnings	14,942,941	10,613,566	4,329,375	41%
Current Earnings	13,201,102	4,329,375	8,871,727	205%
Total Equity	193,089,646	179,888,544	13,201,102	7%

5 Notes to the Balance Sheet

Note	Item	Explanation of Variance
1	Current Assets	<p>Q1: Council is holding approximately \$10.89 million between the bank and short term (less than 12 months) investments. At present short-term investments provide Council with the greatest return. Interest rates will continue to be monitored to ensure Council is achieving maximum return on investment.</p> <p>Trades and Other Receivables has increased due to the Rates and Charges for the 2023-24 financial year being raised and issued in September. The first instalment payment was due at the end of September 2023.</p>
2	Fixed Assets	<p>Q1: There has been some movement to report between end of financial year and 30 September 2023. Plant and equipment increased by \$17,456 after the purchase of Library books (\$2,263) a compactor plate (\$1,813), a Honda PE mower (\$1,553) and 12 Digital Weight Load Gauges (\$11,760).</p> <p>Work in progress has increased by \$2.290 million for quarter 1 due to our large capital work program currently being delivered.</p> <p>Accumulated depreciation has been processed for quarter 1.</p>
3	Current Liabilities	<p>Q1: There has been a \$6.750 million decrease in Trades and Other Payables from 30 June to 30 September 2023. The annual Fire Service Levy (FSL) raised with the annual rates is held in trust on behalf of the State Revenue Office. As Council collects the FSL from the ratepayers these monies will be paid to the State Revenue Office on a quarterly basis.</p>






6 Cashflow Statement






1 July to
30 September 2023

Cash flows from operating activities	
Rates and charges	(712,090)
Statutory fees and fines	46,756
User fees	175,773
Grants - operating	1,949,087
Grants - capital	(277,987)
Contributions - monetary	9,818
Interest received	114,212
Rent received	3,592
Trust funds and deposits	1,809,959
Other receipts	327,519
Net GST refund	404,337
Employee costs	(3,189,260)
Materials and services	(2,874,177)
Other payments	(1,200,626)
Net cash provided by/ (used in) operating activities	(3,413,087)
Cash flows from investing activities	
Payments for property, infrastructure, plant and equipment	(3,495,548)
Payments for intangible assets	-
Proceeds from sale of property, infrastructure, plant and equipment	72,127
Proceeds from sale of assets held for sale	-
Payments for investments	-
Proceeds from sale of investments	-
Net cash used in investing activities	(3,423,421)
Cash flows from financing activities	
Finance costs	-
Repayment of borrowings	-
Proceeds of borrowings	-
Net cash provided by/ (used in) financing activities	-
Net increase/(decrease) in cash and cash equivalents	(6,836,508)
Cash and cash equivalents at the beginning of the financial year	17,524,809
Cash and cash equivalents at the end of the financial year	10,688,301

7 Financial Indicators Summary

	No Action Required
	Requires Active Monitoring
	Immediate Action Required

As of 30 September 2023	Actual YTD	2023/24 Budget	Indicator
Adjusted underlying result (OP1) Measure: Adjusted underlying surplus (deficit) / Adjusted underlying revenue. Community Outcome / Data Use: Assessment of whether Council can generate a surplus. A significant surplus (or deficit) achieved in a particular financial year does not necessarily indicate good or bad financial performance in that year. Q1: The full rates income is being accounted for in the first quarter as rates and charges for the 23-24 financial year have been raised and issued, whilst only the first quarter expenditure has occurred. This is producing a positive position; however, it is expected to decline in the next three quarters as expenditure increases.	57.48%	(19%)	
Working Capital (L1) Measure: Current assets / current liabilities. This measures whether a Council can generate sufficient cash to pay bills on time. Community Outcome / Data Use: Assessment of Council's financial position. Higher assets relative to liabilities suggests Councils are in a strong position. Q1: Working capital has increased due to annual rates and charges being raised in the quarter that are represented as trade receivables. This is producing a positive position; however, it is expected to in line with budgeted figure in the next three quarters as the financial year progresses.	801%	74%	
Unrestricted Cash (L2) Measure: Unrestricted cash / current liabilities. This measures unrestricted cash as a percentage of current liabilities. Community Outcome / Data Use: assessment of Council's abilities to pay bills on time. Higher unrestricted cash relative to liabilities suggests Councils are able to pay bills in a timely manner. Q1: Unrestricted cash balances for the 1 st quarter is 1.91 times greater than Council's current liabilities for the 1 st quarter which highlights Council is in a strong position to pay bills on time.	191%	49%	
Loans and Borrowings (O2) Measure: Interest bearing loans and borrowings / rate revenue. This measures whether the level of debt and other long-term obligations is appropriate to the size and nature of the Council's activities. Community Outcome / Data Use: Assessment of whether Council's level of interest-bearing loans and borrowings are appropriate to the size and nature of Council's activities. Demonstration of Council managing its borrowing strategy in relation to the revenue it raises. Q1: Council currently has no loans.	0.00%	3.46%	
Loans and Borrowings (O3)	0.00%	0.49%	

Measure: Interest and principal repayments on interest bearing loans and borrowings as a percentage of rate revenue. Community Outcome / Data Use: Same as (O2)			
Indebtedness (O4) Measure: Non-current liabilities / own source revenue. Community Outcome / Data Use: Assessment of whether Council's long-term liabilities are appropriate to the size and nature of Council activities. Lower proportion of non-current liabilities suggests greater capacity to meet long term obligations. Q1: Council's own source revenue is 4.94 times greater than non-current liabilities, which indicates Council has strong capacity to meet its long-term obligations, however this is lower than budget.	4.94%	7.76%	
Asset Renewal and Upgrade (O5) Measure: Asset renewal and upgrade expenditure / depreciation. Community Outcome / Data Use: Assessment of whether Council assets are being renewed or upgraded as planned. It compares the rate of spending on existing assets through renewing, restoring, replacing or upgrading existing assets with depreciation. Ratios higher than 1.0 indicate there is a lesser risk of insufficient spending on Council's asset base. Result is less than 0.5 – Spending on existing assets has not kept pace with the consumption of these assets. This highlights a need to prioritise asset maintenance. Results between 0.5 and 1.0 – May indicate insufficient spending on renewal or upgrading. This may highlight a need for better asset maintenance planning. Result is more than 1.0 – Demonstrates Council's commitment to investing in the renewal and upgrading of its community infrastructure and assets.	To be reported annually	163%	N/A
Rates Concentration (S1) Measure: Rate revenue / adjusted underlying revenue. Community Outcome / Data Use: Assessment of whether Council can generate revenue from a range of sources to fund services and activities. Lower proportion of rate to underlying revenue suggests greater stability. Reflects extent of reliance on rate revenues to fund all of Council's on-going services. The trend indicates that Council will become more reliant on rate revenue compared to all other revenue sources.	85.74%	58%	
Rates Effort (S2) Measure: Rate revenue / capital improved value of rateable properties in the municipality. Community Outcome / Data Use: Assessment of whether Councils set rates an appropriate level. Lower proportion of rate revenue suggests a reduced rate burden on the community.	0.24%	0.25%	
Expenditure Level (E2) Measure: Total expenditure / No. of property assessments. Community Outcome / Data Use: Assessment of whether resources are being used efficiently to deliver services.	\$972	\$4,413	
Revenue Level (E4) Measure: General rates and municipal charges / no. of property assessments (7,041) Community Outcome / Data Use: Same as (E2).	\$2,241	\$2,051	

8 Rates and Charges

Ward Total Rates & Charges	2022/2023 Budget	2022/2023 Actuals	2023/2024 Budget	Actual YTD Receipts	Rebates	Outstanding Rates		
						Current	Arrears/Legal/Interest	Total
Dunmunkle	\$4,773,381.74	\$383,612.92	\$4,931,401.59	-\$450,257.84	-\$84,289.85	\$4,450,275.93	\$366,629.89	\$4,816,905.82
Hopetoun	\$4,052,072.24	\$618,675.01	\$4,429,568.92	-\$488,041.80	-\$61,722.21	\$3,942,567.17	\$597,604.91	\$4,540,172.08
Warracknabeal	\$5,946,276.50	\$495,469.11	\$6,420,361.02	-\$543,586.06	-\$90,653.64	\$5,815,944.14	\$478,044.64	\$6,293,988.78
Grand Total	\$14,771,730.48	\$1,497,757.04	\$15,781,331.53	-\$1,481,885.70	-\$236,665.70	\$14,208,787.24	\$1,442,279.44	\$15,651,066.68

2022-23 Budget: Represents the amount raised in the 2022-23 financial year for General Rates, Fire Services Levy, Waste and Garbage Charges, Recycling Charges and the Municipal Charge.

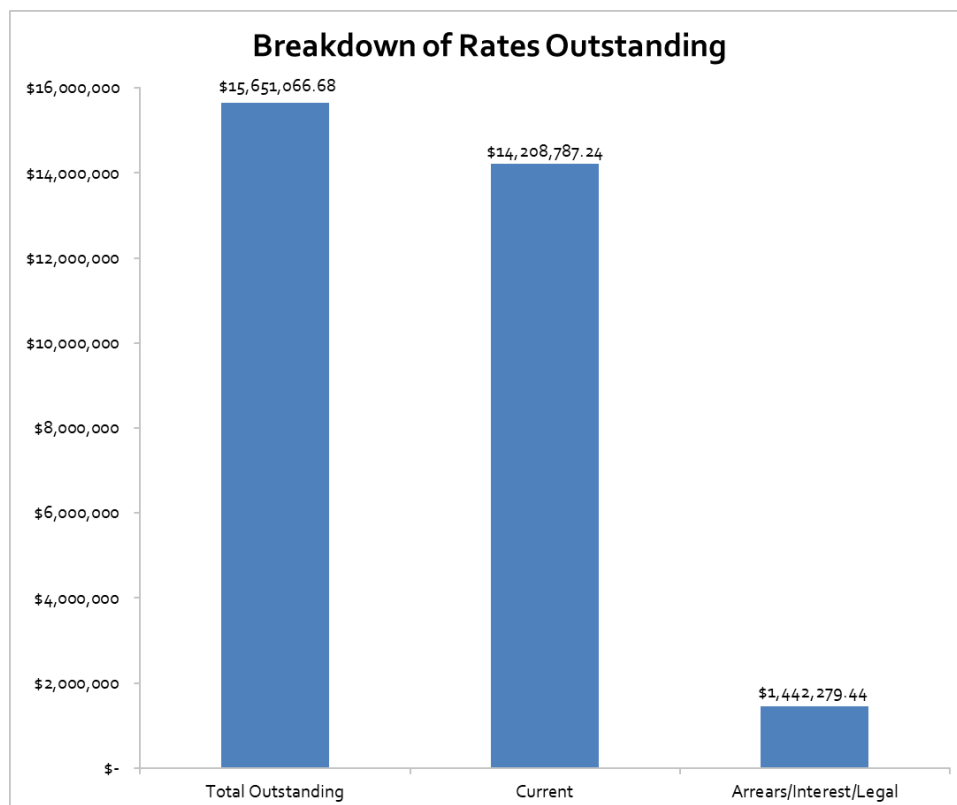
The **2022-23 Actuals** relates to the amount outstanding from the above raised charges as of 30 June 2023.

The **2023-2024 Budget** represents the amount raised in General Rates, Fire Services Levy, Waste and Garbage Charges, Recycling Charges and the Municipal Charge for the 2023-24 financial year.

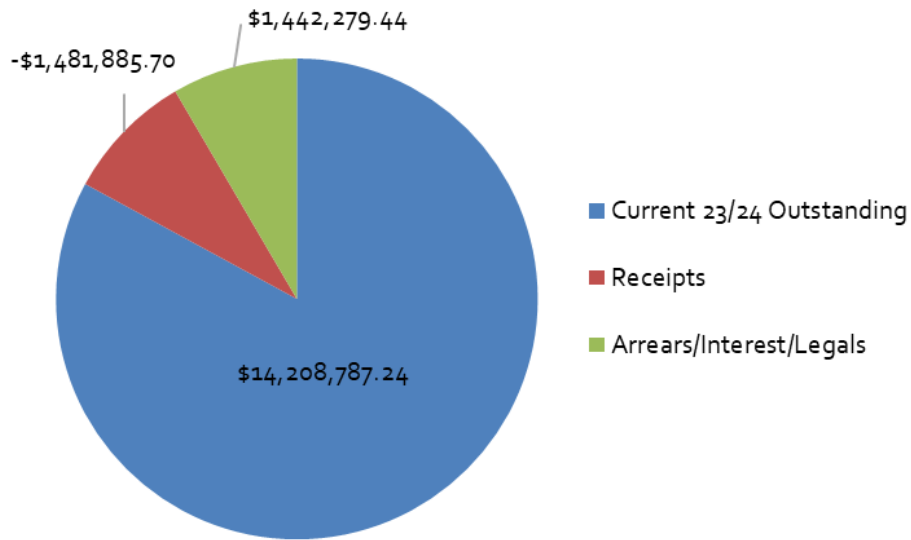
The **Actual YTD Receipts** represents the value collected as of 30 September 2023 along with the **Rebates** to be claimed from the Department of Families, Fairness and Housing and State Revenue Office. The receipts relate to both arrears payments and/or current rates and charges.

Outstanding Rates is separated into three categories. Current represents the balance owing on the Rates and Charges raised for the current financial year (e.g., Budget \$15.7m raised, \$14.2 currently outstanding). Arrears/Legal/Interest is amount outstanding from prior years, providing a total balance of current and arrears outstanding rates and charges.

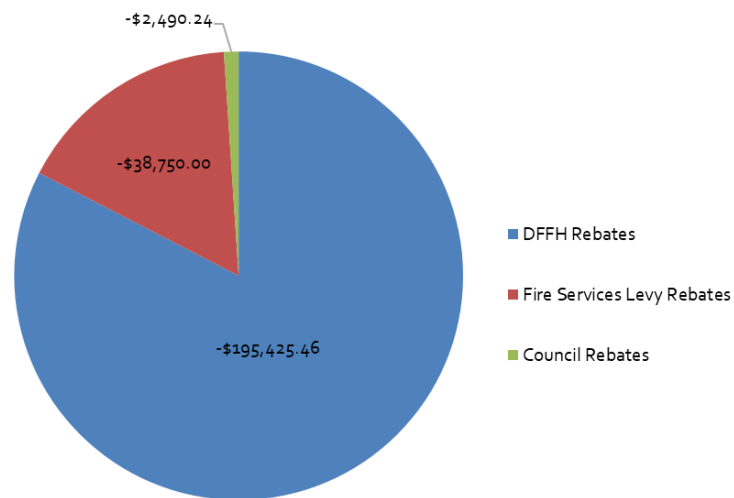
Debt Collection: Council has referred outstanding rates and charges to our Debt Collection Agency where there is a likelihood that the amount maybe recovered.



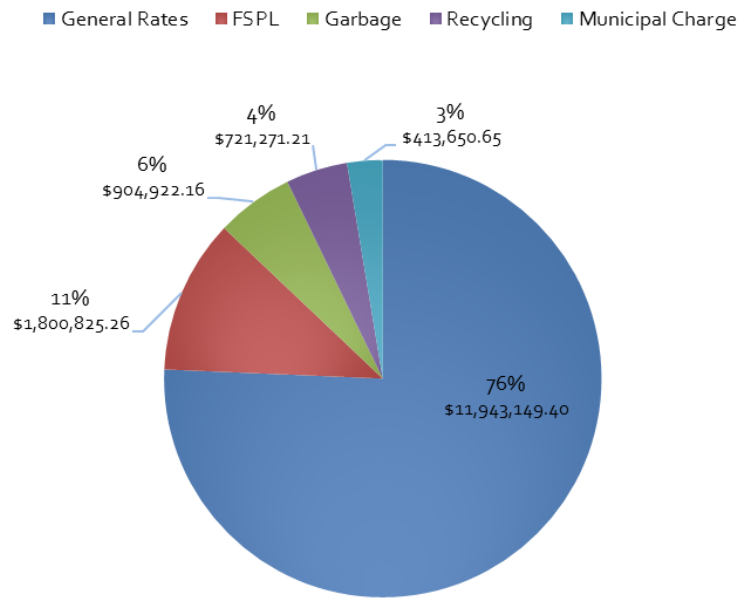
Breakdown of Rates Outstanding



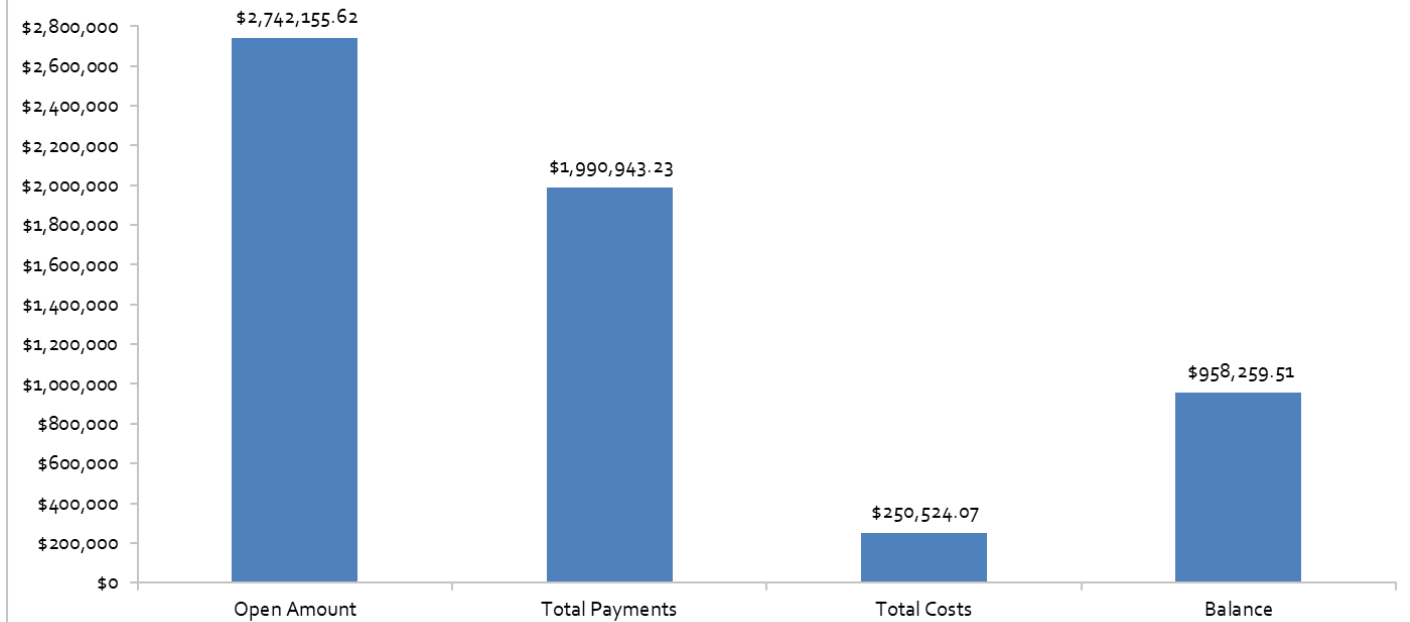
2023/24 Rebates



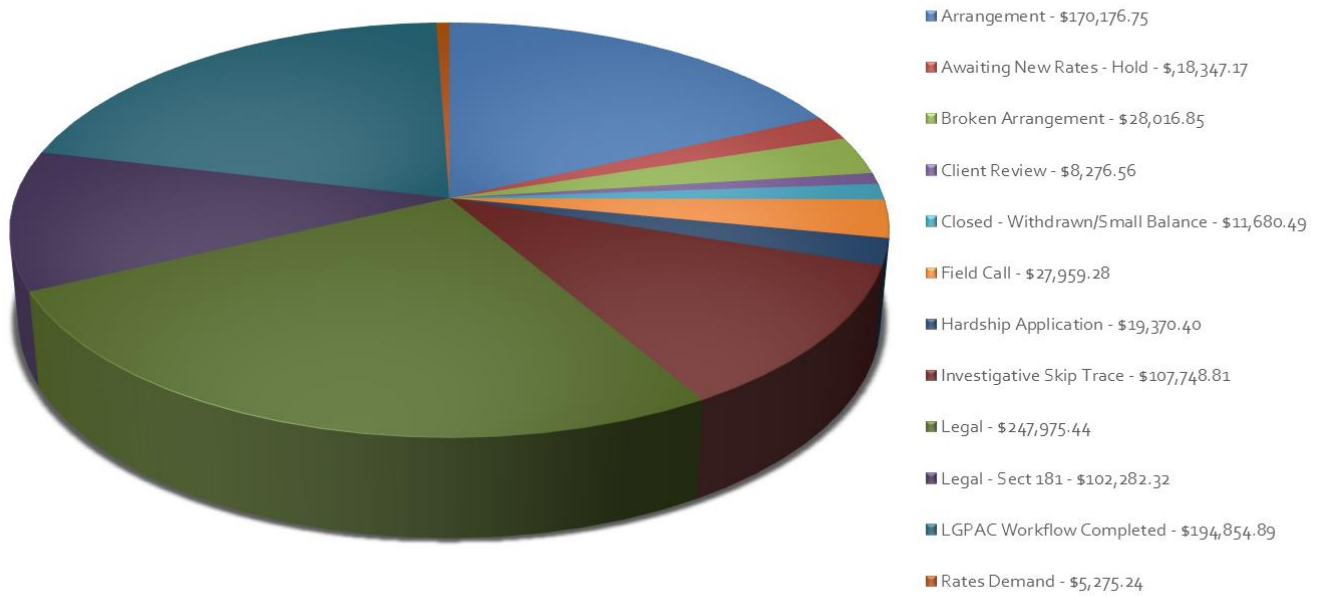
Rates & Charges Calculation 2023/24



CollectAU Debt Collection Report Summary

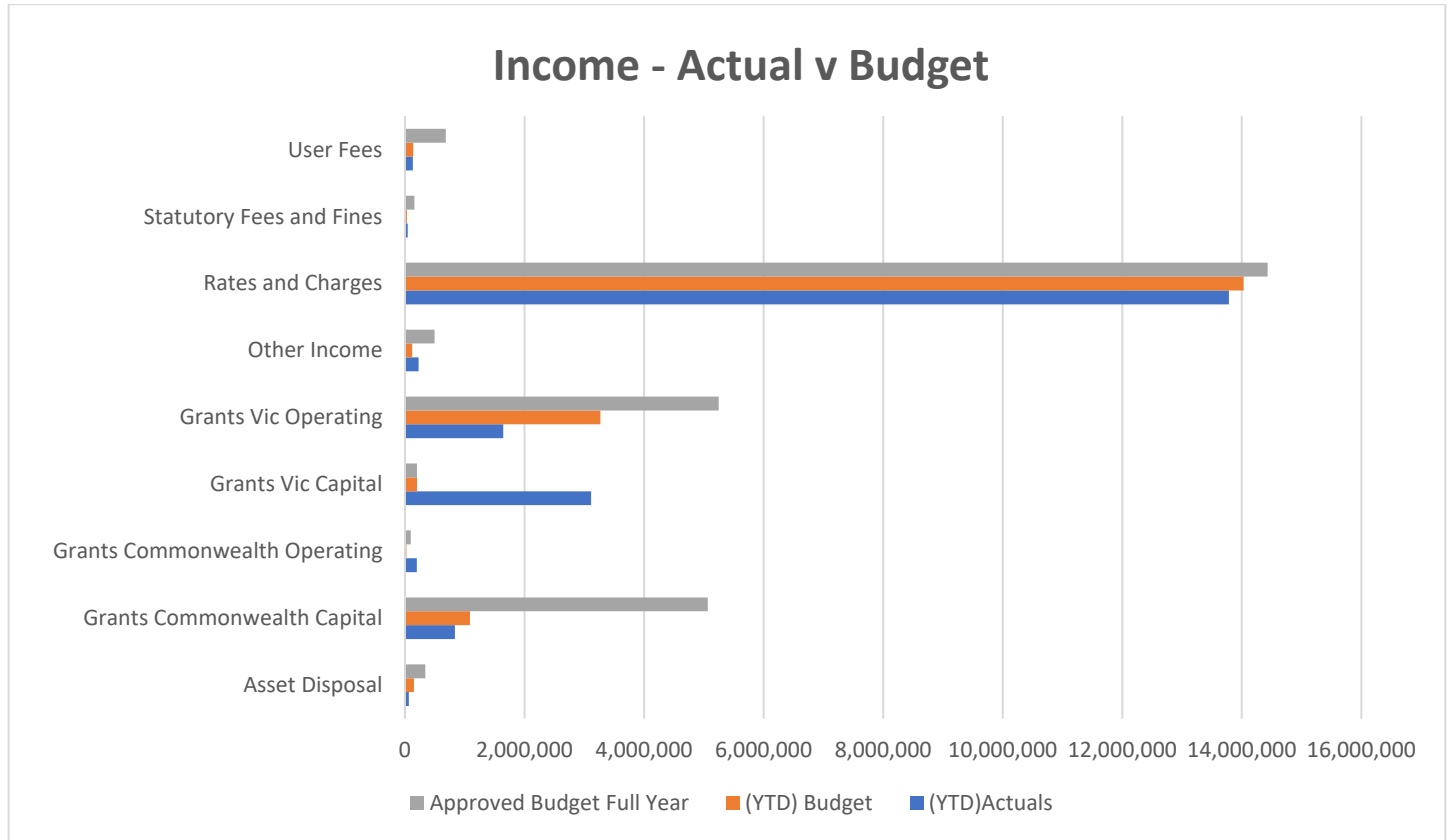


CollectAU Debt Collection Account Status

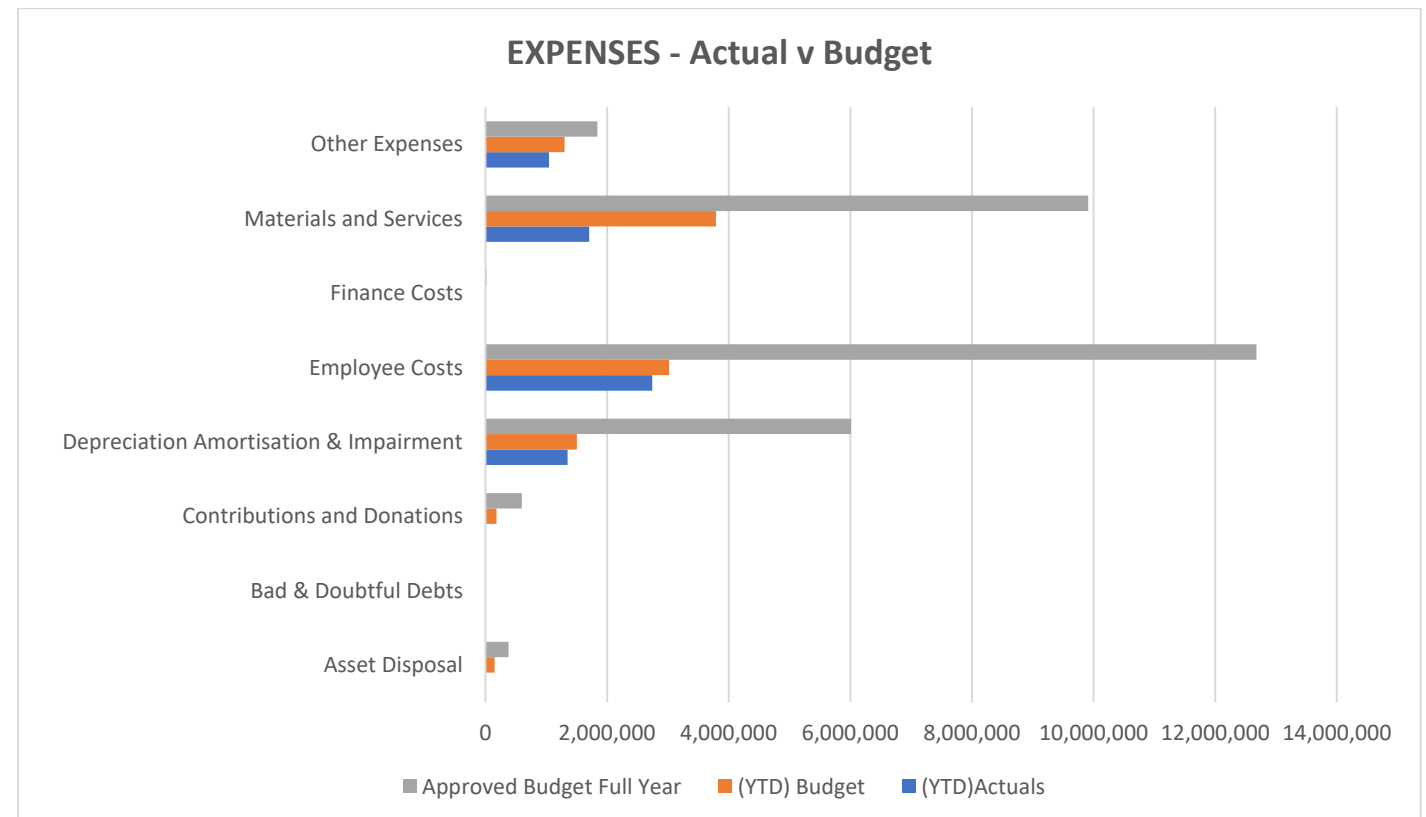


9 Graphs

9.1 Income



9.2 Expenses



10 Summary of Budget Impacts and Changes

Outlined below is the fund received since the development and adoption of the 2023-24 Financial Year budget.

Description of Project	Funding Source	Amount Received
Sustainability Victoria - Circular Economy Councils Fund - Yarriambiack Mobile Recycling Station trailer that will collect a range of items for recycling and aggregate them at the Warracknabeal Transfer Station.	State Government	190,400

Council has made a claim to the Federal Government under the Disaster Recovery Funding Arrangement from the impact of the floods and severe weather events in October 2022. During the quarter, Council has completed reconstruction works on 11 identified roads to the value of \$306,000. 31 mainly earthen road jobs are pending commencement. It is estimated the total claim relating to these works is \$1.5m

11 Quarterly Statement – 181G Local Government Act 1989

The Chief Executive Officer must ensure that the quarterly financial statements include the following information:

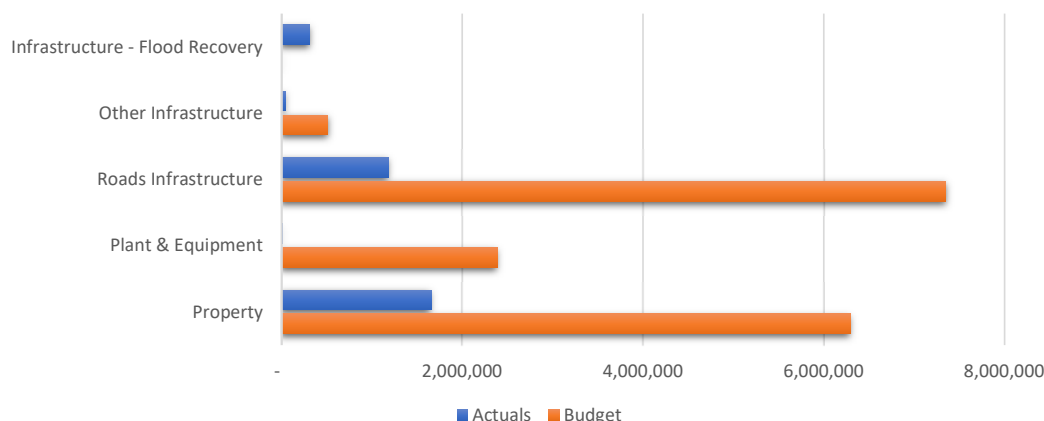
Record of each Environmental upgrade agreement entered into in the last quarter, and the rateable land to which the agreement relates	<ul style="list-style-type: none"> Nil
Each environmental upgrade charge approved in respect of the agreements referred above and the value of the charges.	<ul style="list-style-type: none"> Nil
The total number of environmental upgrade charges in operation in the last quarter.	<ul style="list-style-type: none"> Nil
The total value of all environmental upgrade charge payments that have fallen due and have not been paid	<ul style="list-style-type: none"> Nil
The total value of all environmental upgrade charge payments that are yet to fall due.	<ul style="list-style-type: none"> Nil

12 Capital Works & Projects Program

Summary - Projects Status

	Actuals	Budget and Carry Forward	Remaining	
Property				
Buildings	1,654,211	6,225,166	4,570,955	
Land	-	68,000	68,000	
	1,654,211	6,293,166	4,638,955	26%
Plant & Equipment				
Plant, Machinery and Equip	3,367	2,206,000	2,202,633	
Furniture, Fixtures and Fitt	-	22,000	22,000	
Computers and Telecommu	-	130,000	130,000	
Library books	2,263	27,000	24,737	
	5,631	2,385,000	2,379,369	0%
Infrastructure				
Roads Infrastructure				
Construction - Rural	494,223	2,674,180	2,179,958	
Construction - Urban	2,149	488,627	486,478	
Drainage	8,359	555,304	546,945	
Footpaths	57,885	492,759	434,874	
Kerb & Channel	129,790	390,000	260,210	
Reseals	960	451,000	450,040	
Resheets	488,267	1,359,000	870,733	
Shoulder Resheets	348	939,000	938,652	
	1,181,981	7,349,871	6,167,890	16%
Other Infrastructure				
Other Infrastructure	40,058	320,353	280,295	
Recreational, Leisure & Cor	1,375	183,923	182,549	
	41,433	504,277	462,844	8%
Total Infrastructure	1,223,414	7,854,148	6,630,734	16%
TOTAL	2,883,256	16,532,314	13,649,058	17%
Infrastructure - Flood Recovery				
Gravel and Formed Roads	306,378	-	-	
	306,378	-	-	






Capital Summary - Progress Actual to Budget














13 Non-Financial Performance Reporting







Performance Indicator



	Acceptable
	Tolerable
	Unacceptable




Strategic Risk	Risk appetite statement	Source / Indicator	Acceptable Tolerance Range	Tolerance Traffic Light Indicator Qtr 1	Comment on 1st Quarter Results
Financial	A cautious appetite for financial volatility and desire to carefully control costs. We will monitor this by:	Annual Councillor approved budget	1.0% – 5.0%		Expenditure is currently within acceptable tolerance range and is 31% less than budget at the end of quarter 1.
	<ul style="list-style-type: none"> We operate within the approved organisational budget expenditure limit of ≤10.0% (Operational, Capital and Labour). 		= or >10.0%		As of 30 June 2023 the rates debtors were \$1.497 million. As of 30 September 2023 the arrears balance has decreased to \$1.442 million. This is a reduction of \$55,000 for the quarter or 3.6% from the start of the financial year.
	<ul style="list-style-type: none"> Decrease in rates debtors from prior financial year by 10.0% 		>100%		Council's working capital ratio of 5.0 indicates Council is in a strong financial position and able to pay current liabilities as fall due.
	<ul style="list-style-type: none"> Working capital ratio to be >100% 		30 days or less		The average creditor days for January, February and March was 0.18 days.
	<ul style="list-style-type: none"> Suppliers paid in 30 days or less 		Quarterly		Annual Local Government Performance Reporting completed, audited and presented to Audit and Risk Committee on 25 September 2023 Meeting.
	Completing the Local Government Performance Reporting bi-annually and the ratio's quarterly to Councillors and A&R Committee.				

Strategic Risk	Risk appetite statement	Source / Indicator	Acceptable Tolerance Range	Tolerance Traffic Light Indicator Qtr 1	Comment on 1st Quarter Results
Talent Management	An accepting appetite for applying new approaches to ensure we remain an employer of choice in our region, while maintaining safety and service levels. We will do this by: <ul style="list-style-type: none"> maintaining an annualised staff turnover rate of 15% or less over a rolling 12-month period. 	Median staff initiated turnover rate for public sector agencies.	≤15%		Number of permanent staff resignations and terminations / Average number of permanent staff for a rolling twelve month period to 30 September 2023 x 100 = 23.6%. This is mainly due the decision for Council to transition out of providing CHSP services. The cessation of Council running this service resulted in 15 redundancies from the Positive ageing team 30 June 2023.
	<ul style="list-style-type: none"> ensuring our rate of staff absenteeism remains at ≤3% in each month. 	VPS benchmark	<3.0%		The rate of absenteeism is at 6.49%, an increase from last quarter (4.98%). The increased personal leave is still reflective of the impacts of COVID-19.
	<ul style="list-style-type: none"> less than five accepted workers' compensation claims annually. 	2019 sector benchmark	<5		There were no new claims lodged for the quarter and no open WorkCover claims at 30 September 2023.
	<ul style="list-style-type: none"> Maintain the number of staff with excess of 8 weeks leave at <10%. 	Key Pay Reports	<10.0%		Council has 13 (9.92%) staff with leave more than 8 weeks, this is a reduction of 38% from last quarter. Staff with excess leave have leave plans to ensure they take leave within the next 12 months, currently 1 of the above staff members with excess leave has a leave plan in place.
Reputational	A cautious appetite to lose a valued position of trust with our community. We will maintain a level of community engagement of at least 60%.	Councillor approved minimum level	≥60%		Community satisfaction survey for overall performance in 2023 was 59 in, down 1 from 2022 result of 60. This result was received in June 2023 quarter.
	We will address all complaints within their required timeframes in accordance with Council's Complaints Handling Policy		Complaints open >30 days		During the quarter, 15 complaints were received, with 14 of these closed, and one remaining open at the end of the quarter. The average resolution time for these complaints for the quarter was 26 days. As of 30 September 2023, no complaints were greater than 28 days. There were no internal or external Dispute resolution requests. No trends or systemic issues identified in complaints.

Strategic Risk	Risk appetite statement	Source / Indicator	Acceptable Tolerance Range	Tolerance Traffic Light Indicator Qtr 1	Comment on 1st Quarter Results
Innovation	An accepting appetite to innovate through projects and R&D to benefit our community. We accept that 10% of project effort may not result in immediate or direct community benefits as long as lessons are learned for future services and products.	Annual Councillor approved budget	≥10%		Council has as invested significant time in preparing funding submissions for grants. Section 10 identifies significant successful funding submissions received during the financial year, with 1 so instance so far this year
Corporate Governance, Compliance and Liability	A very controlled appetite for information security breaches, frauds or proven ethical complaints. We maintain a zero tolerance for such events. We will monitor this level by: <ul style="list-style-type: none"> Reporting on Number of Policies overdue, with a zero tolerance to overdue legislative policies, and 60 days for administrative policies. 	Government Information Security Policy Standard, Compliance Standard	Legislative Policies & Plans 0 instances		There are no legislative policies or plans overdue.
			Administrative Policies & Plans Completed and adopted within >60 days		Road Hierarchy currently released for public consultation. Scheduled to be adopted at October 2023 meeting. Access and Inclusion Plan draft has been released to community for comment and to be adopted in Q2 2023-24 Early Years Plan Presented at Council Forum May 2023, scheduled to be adopted at August 2023 meeting.
	<ul style="list-style-type: none"> Number of extreme consequence level audit actions not rectified within one month. 	Internal and External Audits	Completed and adopted within >30 days		None outstanding on 31 March 2023.
	<ul style="list-style-type: none"> Engaging an Internal Auditor and establishing a functioning Audit and Risk Committee that meets at minimum quarterly. 	Auditor engagement			Internal Auditor appointed via an Invitation to Supply process. Audit and Risk Committee Charter adopted, and Committee appointed. Five meetings scheduled per year which includes a special meeting to consider the financial statements.
	<ul style="list-style-type: none"> Maintaining an Audit and Risk Committee Workplan. 	A&R Committee Charter			Audit and Risk Committee Workplan reviewed and adopted annually.

Strategic Risk	Risk appetite statement	Source / Indicator	Acceptable Tolerance Range	Tolerance Traffic Light Indicator Qtr 1	Comment on 1st Quarter Results
	<ul style="list-style-type: none"> Reporting quarterly to Council and the Audit and Risk Committee on the Performance Management Framework Indicators, that are based on Council's Risk Appetite. 	Financial and Non-Financial Performance Report			Continuing as per this report in 2023-24 financial year as per period years, presented quarterly.
	<ul style="list-style-type: none"> Monitoring the number of Public Liability Claims, Significant legislative breaches and reporting to Council and A&R Committee quarterly. 				No public liability claims during the quarter. 3 legislative breaches reported during the year, which included a notifiable report to WorkSafe.
	<ul style="list-style-type: none"> 100% of Staff to be up to date and completed Governance and Compliance Training and Induction Program. 		100% complete		All staff completed in person and/or online training. Good Governance in person and virtual training was completed in March 2023 for all staff. All new staff complete online modules.
	<ul style="list-style-type: none"> Encouraging a 'just' culture that allows staff and community to identify and register risks, issues or complaints without fear of reprisal. 				Council has actively promoted and encouraged CRM reporting. Is continuously reviewing and improving our feedback loop to the community. Actively promotes transparency in decision making. Has a well-developed Complaints Handling Policy and process.
Programs and Projects	An accepting appetite to apply for funding opportunities and/or utilise Council funds to delivery programs and project that meet Council Plan objectives and community expectations.	Council Plan objectives.			Engagement of one fixed term Project Officer to deliver a combined capital works and community projects grant funded program of \$14.9 million in 2023-2024.
	We accept that to secure funding and to deliver additional projects and programs (in addition to current offered programs) our full-time equivalent employees may increase up to 1 FTE per \$5 million additional funds received.	Priority Project List.	1 FTE increase		
	We will aim to apply for and be successful in securing funding opportunities in excess of \$1.5 million per year, in addition to already secured operational funding.		= or >\$1.5 million		Council continues to have works approved for DRFA funding flowing from the rain event in October. During the quarter Council also received notification it was successful in the Circular Economy Council Fund from Sustainability Victoria for \$190,400. Council has a number of funding submissions pending to TAC, Emergency Management Victoria, and the Commonwealth Infrastructure Agency.
	We will ensure all contracts are current and no contracts are past due date.	Contracts Register	0 due		At the end of the quarter, two contracts are past due. Both projects relate to are expected to be completed before the end of the next quarter.

Strategic Risk	Risk appetite statement	Source / Indicator	Acceptable Tolerance Range	Tolerance Traffic Light Indicator Qtr 1	Comment on 1st Quarter Results
Strategy Execution and Change Management	<p>An accepting appetite to be agile on the delivery of the Council Plan objectives to meet the changing internal and external environment.</p> <p>We accept that our Council Plan actions will be an evolving action plan being reviewed annually.</p> <p>We will monitor our Strategy Execution and Change Management by:</p> <ul style="list-style-type: none"> Monitoring the number of overdue Strategies and Plans 	Council Plan	0 instance		<p>Council currently has the following plans and strategies due for review:</p> <p>Master Environment Strategy specifications have been developed for release to market, with this strategy encompassing Waste and Recycling Management, Environment Sustainability (Including Roadside Weed and Rabbit Control Plan), Climate Action and a Transfer Station Infrastructure Masterplan. It is planned to be adopted by 30 June 2024.</p> <p>Tourism Strategy revising draft to consider regional outcomes of state government's Visitor Economic Partnership Framework. Estimated completion date is 31 December 2023.</p> <p>Youth Engagement Strategy: Council is currently reviewing goals of previous strategy and will revise the Strategy by the 30 June 2024.</p> <p>Access and Inclusion plan has completed its community feedback stage is scheduled to be presented for adoption at the October 2023 Council meeting.</p>
	<ul style="list-style-type: none"> Delivery on each Year of Action Plan annually 		1 x action not delivered	N/A	To be reported to Council annually. Management has adopted quarterly Council Plan performance reporting, with the next report due to be presented to Council in the October meeting.
Security and Technology	<p>A very controlled appetite for security breaches and technology failures, due to our ICT environment not being maintained.</p> <p>We maintain a zero tolerance for such events.</p> <p>We will monitor this by:</p> <ul style="list-style-type: none"> Aiming to have 80% of help desk tickets resolved. 	Contractor Compliance Reports	<p>0 instances</p> <p>>80%</p>		For the quarter, 171 help desk tickets were received, and 168 tickets were successfully closed out.

Strategic Risk	Risk appetite statement	Source / Indicator	Acceptable Tolerance Range	Tolerance Traffic Light Indicator Qtr 1	Comment on 1st Quarter Results
	<ul style="list-style-type: none"> Ensuring all back-ups of all systems are completed and successful each day. 		1 daily back-up		100% of back-ups completed and successful each day.
	<ul style="list-style-type: none"> Reporting annually on ICT Strategy completion 	ICT Business Transformation Strategy	1 x action not delivered	N/A	Reporting on the Annual ICT Strategy completion will be delivered to the Audit and Risk Committee Meeting on a six month basis with the next report scheduled for the February 2024 meeting
Environment and Sustainability	<p>A controlled appetite for environment and sustainability breaches.</p> <p>We will maintain a zero tolerance for such events.</p> <p>We will monitor this level by:</p> <ul style="list-style-type: none"> Adequate annual EPA approvals in place for saleyard and landfills. 		0 instances		<p>Council is required to register all Landfill Sites and the Sale Yard with the Environmental Protection Authority (EPA).</p> <p>All Transfer Stations are registered, and landfill site have been closed.</p> <p>The Sale Yards is covered by a transition period. EPA officers have inspected the facility during the period to assess if any, potential works will be needed to comply with licensing requirements once transition period expires. Awaiting final advice</p>
Political	<p>A cautious appetite to jeopardise a well-developed political relationship across all levels of government.</p> <p>We will maintain a level of respect and advocacy at a Councillor Senior Management Level to achieve positive outcomes for our community.</p> <p>We will monitor this by:</p> <ul style="list-style-type: none"> Recording the number of advocacy events attended by Councillors and Senior Management, with the aim to attend at minimum 10 per year. 	Advocacy events and meetings	> 10 events per year		Four advocacy meetings attended between the Mayor, Councillors and CEO in the first quarters of 2023.

14 Asset Management

Asset Class	% Of condition assessment complete	Year Completed	Completion Due Date	Comments	Status
Road	100%	October 2020	June 2020	Sealed road inspection completed by IMG. Unsealed road inspection completed by Road inspector.	Sealed road condition assessment completed in 2020.
Footpath	100%	November 2022	November 2025	Inspection regime scheduled to be completed in November 2023.	Annual condition assessment was completed in November 2019, November 2022 and is scheduled to commence in the next quarter for 2023. This is a three-year program and the data has been captured in AssetFinda.
Bridges and Culverts	100%	August 2019	June 2024	Inspection regime to be completed again in 2024.	Major bridges and culverts inspection program began in the prior year with moderate culverts to be inspected in the current financial year. This has been separated out due to budget constraints. Minor culvert inspections to be completed in Q2 of the financial year.
Buildings	100%	June 2020	May 2023	Building valuations and condition assessments undertaken and completed by 30 June 2020, next scheduled cycle May 2023.	Building assessments to be undertaken again in 2022-23 Financial Year. 90% complete, for budget time
Fleet	80%		June 2023	Condition assessment is not applicable for fleet assets. The replacement is based on utilisation and age.	Data validation for major assets completed. Minor plant validation works is overdue for completion and is to be completed in Q2 of financial year.

15 Occupational Health and Safety

Quarter 1 – 1 July to 30 September 2023						
Incident Category	Number	Medical Treatment Required	Lost Time Injury Hours	No. Incident Category - Control Measured Implemented and Assessed	Number Remain Open as of 31st March 2023	Number of WorkSafe Notified Reports
Incident	13	0	187	10	3	1
Near Miss	0	0	0	0	0	0
Hazard	1	0	0	0	1	0
Public Incident	1	0	0	0	0	0
TOTAL	15	0	187			

Risk Rating	Number of Incidents, Hazards, Near Misses & Public Incidents in Risk Rating Category
Extreme	1
High	0
Medium	5
Low	9

The implementation of Happy HR OHS reporting has resulted in the timely reporting of Incidents, Near Misses and Hazards. Public Incidents are being reported via an online internal digital form.

187 hours of lost time injuries have been reported during the quarter.

There was one WorkSafe notified reports for an incident in the first quarter of 2023-24 financial year.

SUMMARY FOR YEAR

Incident Category	Number	Medical Treatment Required	Lost Time Injury Hours
Incident	1	0	187
Near Miss	0	0	0
Hazard	5	0	0
Public Incident	9	0	0
TOTAL	15	0	187

Risk Rating	Number of Incidents, Hazards, Near Misses & Public Incidents in Risk Rating Category
Extreme	1
High	3
Medium	15
Low	18

TOTAL 37

Likelihood	Consequence				
	1. Insignificant	2. Minor	3. Moderate	4. Major	5. Severe
5 Almost Certain	Medium	High	Extreme	Extreme	Extreme
4 Likely	Medium	Medium	High	Extreme	Extreme
3 Possible	Low	Low	Medium	High	Extreme
2 Unlikely	Low	Low	Medium	Medium	High
1 Rare	Low	Low	Low	Medium	High

16 Strategic Risk Register

Risk Description	Impact	Due Status	Risk Category	Risk Level	Target Risk Level
Innovation Risk	Failure to identify opportunities to find cost-effective solutions to improve efficiency within the organisation and longevity of our assets and infrastructure. Lack of investment or willingness to embrace innovation can lead to staff being unsatisfied and inability to retain high performing staff. Increased carbon emissions, increased waste.	Current	Financial	Medium	Low
Corporate Governance, Compliance and Liability Risk	The risk that insiders (employees) won't act in the best interest of the Council. The risk that Council's services or corporate execution leads to legal liability issues. The risk of non-compliance with regulations and law. Consequences: Leading to poor culture, fraud, and corruption, integrity being compromised, reputational damage, loss of funding or inability to attract funding, dismissal of Council, administrators appointed. Legal proceedings and significant financial losses, investigations by integrity bodies and compromised health and safety of staff and community.	Current	Legal and Compliance	Medium	Low
Strategy Execution and Change Management Risk	The risk that business strategy and execution will fail. Failure to deliver the Council Plan objectives. The risks associated with organisational change and Management to achieve organisational objectives. Consequences: Services to ratepayers compromised. Deterioration of assets and roadways. Financial losses and/or investment failures. Lack of staff buy-in, impacts negatively on culture. Investments not realised, financial losses.	Current	Management	Medium	Low
Security and Technology Risk	The risk that Council's technology strategy will fail, and we will fall behind other Council's and benchmark performance KPI's. The risk of an information security/privacy incident. Information security can damage the reputation, cause compliance issues. Consequences: Loss of innovation. Financial loss, privacy compromised, business efficiencies not realised. OVIC Report (personal information data breach), legal action, negative media coverage and reputational damage.	Current	Legal and Compliance	High	Low
Program and Project Risk	The risks associated with program/project delivery failures. Consequences: Financial loss. Occupational health and safety compromised. Council Plan objectives not realised. Community expectations not met. Funding revoked.	Current	Financial	High	Medium
Talent Management Risk	The risk of losing key talent to other Local Government Entities or Government Departments. Inability to attract high calibre staff to drive innovation and change. Consequences: Financial impact, loss of high calibre staff, high staff turnover, additional costs for training and development.	Current	People	Medium	Low
Financial Risk	Risks to the financial health of Council. For example, the risk that you'll be unable to raise sufficient capital to fund operations. Consequences: Government funding changes, Government reduces rate cap, inability to pay staff and contractors. Poor project management leading to overspending and significant financial losses.	Current	Financial	Medium	Low
Environmental Sustainability Risk	The risk of missing sustainability targets or non-compliance with environmental laws and regulations. Depletion of natural resources, inability to maintain an ecological balance. Environmental sustainability is a central theme of the principles and ethics of many Councils. Environmental sustainability is increasingly	Current	Environmental	Medium	Low

Risk Description	Impact	Due Status	Risk Category	Risk Level	Target Risk Level
	important to maintaining the reputation of a Council. Consequences: Damage to the environment leading to significant financial loss, reputational damage, regulatory body fines and/or prosecutions.				
Reputational Risk	The risk of bad publicity or negative relationships with employees, ratepayers, partners, counterparties, and regulators. Reputational risk can be a serious threat to Councils. Consequences: Loss of talent and/or inability to recruit staff. Poor media coverage, damage to reputation within Community and across the state. Loss of funding opportunities.	Current	Reputation	Low	Low
Political Risk	The risk that the political environment will turn hostile. Consequences: Lack of funding opportunities, financial losses, inability to maintain assets.	Current	Financial	Low	Low

Quarterly Updates and Review

Management has reviewed its strategic risk register in line with quarterly risk management procedures. Risk ratings have been maintained at their current level, with no changes to ratings from the prior quarter.