



Agenda

Unscheduled Council Meeting

Tuesday 3 September 2024 at 12:30pm

This meeting will be held in the Fountain View Room at Civic Centre, 25 Ferres Boulevard, South Morang and will be [livestreamed via Council’s website](https://www.whittlesea.vic.gov.au/about-us/council/council-meetings/).

**C Lloyd**

**Chief Executive Officer**

Administrators

Lydia Wilson Chair of Council

Peita Duncan Administrator

Christian Zahra AM Administrator

On 19 June 2020 the Acting Minister for Local Government appointed the Panel of Administrators for the City of Whittlesea and appointed Lydia Wilson as Chair of the Panel. The Panel of Administrators comprises of Lydia Wilson, Peita Duncan and Christian Zahra who will undertake the duties of the Council of the City of Whittlesea until the CEO calls the first Council meeting after the October 2024 Local Government Election.

Senior Officers

Craig Lloyd Chief Executive Officer

Sarah Renner Director Customer & Corporate Services

Jacinta Stevens Executive Manager Office of Council & CEO

Order of Business

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**1 Opening**

**1.1 Meeting Opening and Introductions**

The Chair of Council, Lydia Wilson will open the meeting and introduce the Administrators and Chief Executive Officer:

Administrator, Peita Duncan;

Administrator, Christian Zahra; and

Chief Executive Officer, Craig Lloyd.

The Chief Executive Officer, Craig Lloyd will introduce members of the Executive Leadership Team:

Sarah Renner, Director Corporate and Customer Services; and

Jacinta Stevens, Executive Manager Office of Council and CEO.

**1.2 Apologies**

**1.3 Acknowledgement of Traditional Owners Statement**

The Chair of Council, Lydia Wilson will read the following statement:

*“On behalf of Council, I recognise the rich Aboriginal heritage of this country and acknowledge the Wurundjeri Willum Clan and Taungurung People as the Traditional Owners of lands within the City of Whittlesea.*

*I would also like to acknowledge Elders past, present and emerging.”*

**1.4 Diversity and Good Governance Statement**

The Chair of Council, Lydia Wilson will read the following statement:

*“At the City of Whittlesea we are proud of our diversity and the many cultures, faiths and beliefs that make up our community. We strive to be an inclusive welcoming City that fosters active participation, wellbeing and connection to each other and this land. We commit as a Council to making informed decisions to benefit the people of the City of Whittlesea now and into the future, to support our community’s vision of A Place For All.*”

**2 Declarations of Conflict of Interest**

**3 Confirmation of Minutes of Previous Meeting/s**

# Recommendation

**THAT the following Minutes of the preceding meeting as circulated, be confirmed:**

**Scheduled Meeting of Council held on 20 August 2024.**

**4 Officers' Reports**

4.1 Audit and Risk Committee Annual Report on Activity

**4.1 Audit and Risk Committee Annual Report on Activity**

**Director/Executive Manager:** Executive Manager Office of Council & CEO

**Report Author:** Unit Manager Governance

# Executive Summary

The purpose of this report is to provide Council with an overview of annual key activities undertaken by the Audit and Risk Committee (Committee) during the period 6 September 2023 to 31 August 2024.

The Committe’s Annual Report (Attachment 1) provides Council with information on:

* The progress of its Annual Work Plan and activities in this reporting period.
* Activities that the Committee monitors and reviews to ensure it complies with the requirement under the Committee Charter.
* Details of discussions and recommendations made in relation to the key activities of risk management, financial and performance reporting, systems of internal control, internal assurance, internal audit, external audit, compliance and governance.

# Officers’ Recommendation

**THAT Council note the:**

1. **Audit and Risk Committee’s Annual Report for the period 6 September 2023 to 31 August 2024 at Attachment 1.**
2. **Audit and Risk Committee have provided valuable support to Council and discharged their responsibilities under the Audit and Risk Committee Charter including providing oversight on financial and performance reporting, systems of internal control, risk management and audit and assurance activities.**

Nothing further on front page

# Background / Key Information

The Committee is an independent advisory committee of Council whose role is to report to Council and provide appropriate advice and recommendations on matters presented to it. The Committee acts in this capacity by monitoring, reviewing and advising on issues within its scope of responsibility and assisting Council’s governance obligations to its community.

In accordance with s54 (5) of the *Local Government Act 2020*, the Committee is required to prepare an annual report on its activities. A copy of the report was provided to the Chief Executive Officer for tabling at this Council Meeting.

At its 12 November 2020 meeting, the Committee determined that it would prepare a report for Council on its activities following the March and September Committee meetings each year.

The annual report was approved by the Chair on behalf of the Committee out of session, who is in attendance to present the report to Council.

# Alignment to Community Plan, Policies or Strategies

Alignment to Whittlesea 2040 and Community Plan 2021-2025:

**High Performing Organisation**  
We engage effectively with the community, to deliver efficient and effective services and initiatives, and to make decisions in the best interest of our community and deliver value to our community.

# Considerations of *Local Government Act (2020)* Principles

Financial Management

The cost is included in the current budget.

Community Consultation and Engagement

The Audit and Risk Committee is a non-delegated Committee of Council and therefore, no community consultation and engagement are required.

# Other Principles for Consideration

**Overarching Governance Principles and Supporting Principles**

(g) The ongoing financial viability of the Council is to be ensured.

(i) The transparency of Council decisions, actions and information is to be ensured.

Public Transparency Principles

(d) Public awareness of the availability of Council information must be facilitated.

# Council Policy Considerations

Environmental Sustainability Considerations

No Implications.

Social, Cultural and Health

No Implications.

Economic

No Implications.

**Legal, Resource and Strategic Risk Implications**

There are no implications with the presentation of the annual report. It is a legislative requirement under s 54 (5) of the Act.

# Implementation Strategy

Communication

This report is one method by which Council is informed of the activities of the Audit and Risk Committee and is made publicly available to members of the community through the Council meeting agenda and minutes.

Critical Dates

In accordance with the *Local Government Act 2020* and the Audit and Risk Committee Charter, the Audit and Risk Committee’s Annual Report is to be tabled at the subsequent Council Meeting.

# Declaration of Conflict of Interest

Under Section 130 of the *Local Government Act 2020*officers providing advice to Council are required to disclose any conflict of interest they have in a matter and explain the nature of the conflict.

The Responsible Officer reviewing this report, having made enquiries with relevant members of staff, reports that no disclosable interests have been raised in relation to this report.

# Attachments

1. ARC Annual Report Sept 2024 [**4.1.1** - 8 pages]

4.2 Certification of 2023-24 Financial Statements & Performance Statement

**4.2 Certification of 2023-24 Financial Statements & Performance Statement**

**Director/Executive Manager:** Director Customer & Corporate Services

**Report Author:** Chief Financial Officer

**In Attendance:** Chief Financial Officer

# Executive Summary

The purpose of the report is to seek Council’s approval for adoption in principle of the City of Whittlesea Annual Financial Report (Attachment 1) and Annual Performance Statement (Attachment 2) for the year ended 30 June 2024 and authorisation of two Administrators to sign the certifications included in the reports.

Council is required to present audited Annual Financial Report and Performance Statement to a Council Meeting by 31 October each year under the *Local Government Act 2020*, s98(1).

# Officers’ Recommendation

**THAT Council:**

1. **Approve in principle the Annual Financial Report and Annual Performance Statement for the year ended 30 June 2024.**
2. **Authorise the Principal Accounting Officer to make minor amendments to the Annual Financial Report and Annual Performance Statement for the year ended 30 June 2024 to meet the Victorian Auditor-General's Office (VAGO) requirements.**
3. **Authorise Audit and Risk Committee Council representatives, Chair Administrator Wilson and Administrator Zahra to sign-off on the Annual Financial Report and Annual Performance Statement for the year ended 30 June 2024.**
4. **Authorise the Chief Executive Officer and Principal Accounting Officer to sign-off on the Annual Financial Report and Annual Performance Statement for the year ended 30 June 2024.**
5. **Authorise the final audited Annual Financial Report and Annual Performance Statement for the year ended 30 June 2024 to be emailed to auditor by 31 October 2024.**

# Background / Key Information

The Annual Financial Report (Attachment 1) and Annual Performance Statement (Attachment 2) are required to be certified by Council’s Chief Executive Officer, Principal Accounting Officer and two Administrators on behalf of Council prior to Council’s auditor signing the audit certifications.

The draft Annual Financial Report and Annual Performance Statement for the year ended 30 June 2024 are firstly presented to Council’s Audit and Risk Committee (Committee) for review and recommendation for adoption by Council. The review focuses on:

* Accounting policies and practices, including any changes to accounting policies and practices;
* Compliance with accounting standards and other reporting requirements;
* Significant adjustments to the Annual Financial Report and Annual Performance Statement (if any) arising from the audit process; and
* Significant variances against the budget and from prior years.

**Audit and Risk Committee Meeting 27 August 2024**

The Committee discussed and reviewed the Annual Financial Report and Annual Performance Statement with a representative of Council’s external auditor, Nick Walker (HLB Mann Judd).

The Committee recommended minor amendments, which have been incorporated and are reflected in the attached Draft Annual Financial Report and Annual Performance Statement. Subject to completion of audit procedures, the Committee endorsed the Annual Financial Report and Annual Performance Statement for the year ended 30 June 2024 and recommended to Council to approve in-principle.

As required under Council’s Audit and Risk Committee Charter, the Minutes of the Audit and Risk Committee meeting held on Tuesday 27 August 2024 will be presented at future Council Meeting.

**Comprehensive Result**

The Comprehensive Income Statement includes an amount after the total surplus (deficit) that represents the net revaluation increase of all property and infrastructure assets. Therefore, the total comprehensive result for the year ended 30 June 2024 is $448.7 million.

Council measures its underlying operational result to assist in the determination of whether it is operating in a sustainable fashion or not. The underlying result is an important indicator of Council's long-term financial sustainability. Whilst an underlying deficit in one financial year is not significant, the continued recording of deficits over a sustained period from Council's operations gradually erodes the net assets of Council.

The underlying result from operations excludes transactions which are either 'non-recurring' or not operational in nature. These items are frequently unpredictable and typically can change from one year to the next. The best examples of these items are assets (roads, footpaths, drains, land reserves, etc) that are given to Council by developers once a new subdivision is completed. There are also other accounting adjustments for when existing assets are revalued.

The aim of an underlying result is to determine whether Council's operational costs/income result is a surplus or deficit outcome. In this way, Council can, in long-term financial planning, aim for an outcome where pure operational outcomes assist Council in achieving a sustainable organisation.

The table below shows the underlying operational result for the year ended 30 June 2024.

|  |  |
| --- | --- |
| **Comprehensive Result from Comprehensive Income Statement** | **$448.7M** |
| *Less Other comprehensive income:* |  |
| Asset revaluation increment | $289.3M |
| **Surplus for the year from Comprehensive Income Statement** | **$159.4M** |
| *Less Non-operating income and expenditure* |  |
| Grants – capital (non-recurring) | $6.1M |
| Contributions – cash (developer contributions) | $53.9M |
| Contributions - non-monetary assets | $107.5M |
| **Underlying (deficit)** | **($8.1M)** |

While showing a total comprehensive result of $448.7 million, the table above shows that the City of Whittlesea’s underlying operating result for the year ended 30 June 2024 is a deficit of ($8.1 million). The underlying deficit for the year is primarily due to the advanced payment of the 2023-24 Financial Assistance Grant from the Victorian Grant Commission being recognised in the 2022-23 financial year, while the 2024-25 advanced grant was not paid in 2023-24 as expected. An additional contributing factor was works in kind reimbursement payments paid to the developer relating to the Developer Contribution Plan. These payments are funded by the Development Contribution Plan reserve.

**Financial Sustainability Indicators**

The Victorian Auditor-General’s Office publishes Council’s result against a range of indicators used to assist in measuring performance and financial sustainability. The estimated result of the 2023-24 indicators are presented in the table below.

|  |  |  |
| --- | --- | --- |
| **Ratio** | **2023-24** | **Comments** |
| **Net result margin** (Net result / total revenue) | 35.1% Green | This ratio measures Council’s ability to fund operations and asset renewal. Operating deficits cannot be sustained in the long term.  A result less than -10% (deficit) is deemed high risk (red) and a positive result is desirable (green). |
| **Adjusted underlying result** (Adjusted underlying surplus (or deficit) / Adjusted underlying revenue) | (2.6%) Amber | Indicator of the broad objective that an adjusted underlying surplus should be generated in the ordinary course of business. A surplus or increasing surplus suggests an improvement in the operating position.  A result of less than -10% (deficit) is deemed as high risk (red), and a result higher than 0% is desirable (green).  The main contributing factors that has driven an amber result was due to the advanced payment of the 2023-24 Financial Assistance Grant from the Victorian Grant Commission being recognised in the 2022-23 financial year, while the 2024-25 advanced grant was not paid in 2023-24 as expected and works in kind reimbursement payments paid to the developer relating to the Developer Contribution Plan. These payments are funded by the Development Contribution Plan reserve. The amber result is also impacted by write-off of assets as a result of disposal of infrastructure assets. |
| **Liquidity** (Current assets / current liabilities) | 268.7% Green | This ratio measures Council’s ability to pay existing liabilities in the next 12 months.  A result of less than 100% is deemed as high risk (red) and a result higher than 150% is desirable (green). |
| **Internal financing** (Net operating cash flows / net capital expenditure) | 157.2% Green | This ratio measures Council’s ability to replace assets using cash generated from operations.  A result of less than 75% is deemed as high risk (red) and a result higher than 100% is desirable (green). |
| **Indebtedness** (non-current liabilities / own-sourced revenue) | 4.7% Green | This ratio measures Council’s ability to cover its noncurrent liabilities with its own sourced revenue.  A result of more than 60% is deemed as high risk (red) and a result lower than 40% is desirable (green). |
| **Ratio** | **2022-23** | **Comments** |
| **Capital replacement** (Cash outflows for property, plant and equipment / Depreciation) | 147.1% Amber | Comparison of the rate of spending on infrastructure with its depreciation.  A result lower than 100 is deemed high risk (red) and a result higher than 150% is desirable (green).  The primary factor that has driven an amber result was a number of large capital works projects that were impacted by a range of factors such as delays from service authorities, contractors’ availability and supply chain issues resulting in lower spending on infrastructure. |
| **Renewal gap** (Renewal and upgrade expenditure / depreciation) | 82.2% Amber | Comparison of the rate of spending on existing assets through renewing, restoring and replacing existing assets with depreciation. A ratio lower than 50% is deemed high risk (red) and a result higher than 100% is desirable (green).  The renewal gap ratio was in amber as a result of delays in delivery of key renewal projects due to lead times in receiving materials, delays from service authorities, and the availability of contractors. |
| Overall assessment for long-term financial sustainability | Green | The City of Whittlesea remains low risk (green) for its long-term financial sustainability. |

**Annual Performance Statement**

The 2023-24 financial year has seen several positive developments across some of Council’s valued community services. Aquatic and leisure facilities are continuing to grow across all three centres; continued to refine the delivery of essential services, including reuniting lost pets, facilitating pet adoptions, conducting animal-related investigations, providing after-hours emergency services, and auditing animal-related businesses to maintain welfare standards.

Despite ongoing workforce shortages in nursing, which align with sector trends, Council remains committed to recruiting Maternal and Child Health nurses to support the community. Additionally, there has been a rise in library loans, with an increasing number of registered library members and growing visitor numbers.

For the 2023-24 financial year, Council set targets for four service performance indicators and four financial performance indicators. The targets were met for all financial performance and sustainable capacity indicators and the indicator for roads and statutory planning. The governance service performance indicator was within the acceptable range. However, the target for the waste indicator was not met due to the Container Deposit Scheme (CDS), because of a significant amount of glass and recyclables being returned through refund collection points instead of the Council's kerbside service.

Please refer to Attachment 2 for the Annual Performance Statement 30 June 2024.

# Alignment to Community Plan, Policies or Strategies

Alignment to Whittlesea 2040 and Community Plan 2021-2025:

**High Performing Organisation**We engage effectively with the community, to deliver efficient and effective services and initiatives, and to make decisions in the best interest of our community and deliver value to our community.

# Considerations of *Local Government Act (2020)* Principles

Financial Management

The cost of the annual audit by VAGO is included within Council’s annual budget.

Community Consultation and Engagement

Consultation has been conducted with the relevant Council departments and external service providers as necessary through the course of the audit.

# Other Principles for Consideration

**Overarching Governance Principles and Supporting Principles**

(g) The ongoing financial viability of the Council is to be ensured.

Public Transparency Principles

(c) Council information must be understandable and accessible to members of the municipal community.

# Council Policy Considerations

Environmental Sustainability Considerations

No Implications.

Social, Cultural and Health

No Implications.

**Economic**

No Implications.

**Legal, Resource and Strategic Risk Implications**

No Implications.

# Implementation Strategy

Communication

Reported information has been sourced and discussed with line management and project managers across the organisation. Consultation has also been undertaken with the Executive Leadership Team.

Critical Dates

Council is required to present audited financial statements and performance statement by 31 October 2024 as per Local Government Act 2020 section 98(1).

# Declaration of Conflict of Interest

Under Section 130 of the *Local Government Act 2020*officers providing advice to Council are required to disclose any conflict of interest they have in a matter and explain the nature of the conflict.

The Responsible Officer reviewing this report, having made enquiries with relevant members of staff, reports that no disclosable interests have been raised in relation to this report.

# Attachments

1. City of Whittlesea Annual Financial Report 30 June 2024 [**4.2.1** - 64 pages]
2. City of Whittlesea Annual Performance Statement 30 June 2024 [**4.2.2** - 19 pages]

4.3 Adoption of the Election Period Policy

**4.3 Adoption of the Election Period Policy**

**Director/Executive Manager:** Executive Manager Office of Council & CEO

**Report Author:** Executive Manager Office of Council & CEO

# Executive Summary

The purpose of this report is to:

* Advise Council on the feedback received following the Election Period policy being on public display via Council’s Engage web page seeking community feedback during the period 21 August 2024 to 27 August 2024.
* To seek Council endorsement of the Election Period policy.

The amendments made to the Election Period policy (Policy), to align it with the *Local Government Amendment (Governance and Integrity) Act 2024,* were made under the Application of Policy heading and replaced the previous commencement of the election period from 24 September 2024 to midday Tuesday 17 September 2024.

# Officers’ Recommendation

**THAT Council:**

1. **Note there were nine unique visits to Council’s Engage page, two downloads of the Election Period policy and no feedback provided.**
2. **Endorse the Election Period policy at Attachment 1 to this report.**
3. **Note the attached Election Period policy will replace the Election Period policy adopted in June 2024 which formed part of Council’s Governance Rules.**

# Background / Key Information

At the Council meeting of 20 August 2024, Council resolved to release the amended Election Period policy for community feedback.

In June 2024, the *Local Government Amendment (Governance and Integrity) Act 2024* passed through Parliament which amended the Election period commencement date for the October 2024 General Local Elections.

The Election period commencement date is now set for 17 September 2024 commencing at 12 noon, previously it was set to commence on 24 September 2024.

The attached Election Period policy will be incorporated within the Governance Rules in accordance with s 69 of the *Local Government Act 2020.*

# Alignment to Community Plan, Policies or Strategies

Alignment to Whittlesea 2040 and Community Plan 2021-2025:

**High Performing Organisation**  
We engage effectively with the community, to deliver efficient and effective services and initiatives, and to make decisions in the best interest of our community and deliver value to our community.

# Considerations of *Local Government Act (2020)* Principles

Financial Management

There are no financial implications with the adoption of the Election Period policy.

Community Consultation and Engagement

Community consultation was undertaken between the period 21 August 2024 to 27 August 2024.

# Other Principles for Consideration

**Overarching Governance Principles and Supporting Principles**

(a) Council decisions are to be made and actions taken in accordance with the relevant law.

(b)  Priority is to be given to achieving the best outcomes for the municipal community, including future generations.

(i)  The transparency of Council decisions, actions and information is to be ensured.

Public Transparency Principles

(b) Council information must be publicly available unless—

(i) the information is confidential by virtue of the *Local Government Act* or any other Act; or

(ii) public availability of the information would be contrary to the public interest.

(c) Council information must be understandable and accessible to members of the municipal community.

(d) Public awareness of the availability of Council information must be facilitated.

# Council Policy Considerations

Environmental Sustainability Considerations

No Implications.

Social, Cultural and Health

No Implications.

Economic

No Implications.

**Legal, Resource and Strategic Risk Implications**

Amending the Election Period policy aligns with the requirements of the *Local Government Amendment (Governance and Integrity) Act 2024* and *Local Government Act 2020*.

# Implementation Strategy

Communication

The Election Period policy will be made available on Council’s website and embedded in Council’s Governance Rules.

Critical Dates

The amended Election Period commencement date is 17 September 2024 therefore, it is critical the Election Period policy is adopted prior.

# Declaration of Conflict of Interest

Under Section 130 of the *Local Government Act 2020*officers providing advice to Council are required to disclose any conflict of interest they have in a matter and explain the nature of the conflict.

The Responsible Officer reviewing this report, having made enquiries with relevant members of staff, reports that no disclosable interests have been raised in relation to this report.

# Attachments

1. Election Period Policy August 2024 [**4.3.1** - 11 pages]

**5 Closure**