



**ORDINARY COUNCIL MEETING OF
THE HUME CITY COUNCIL**

MONDAY, 13 SEPTEMBER 2021

7.00PM

VIRTUAL MEETING

accessed via www.hume.vic.gov.au

OUR VISION:

Hume City Council will be recognised as a leader in achieving social, environmental and economic outcomes with a common goal of connecting our proud community and celebrating the diversity of Hume.

An audio recording of this meeting of the Hume City Council will be recorded and published in accordance with Council's Audio Recordings of Council Meetings Policy. The live stream of this meeting will not be recorded or published.

HUME CITY COUNCIL

**Notice of an
ORDINARY COUNCIL MEETING OF THE HUME CITY COUNCIL**
to be held on Monday, 13 September 2021
at 7.00PM
accessed via www.hume.vic.gov.au

To: a: Council	Cr Joseph Haweil Cr Jack Medcraft Cr Jarrod Bell Cr Trevor Dance Cr Chris Hollow Cr Jodi Jackson Cr Naim Kurt Cr Sam Misho Cr Carly Moore Cr Jim Overend Cr Karen Sherry	Mayor Deputy Mayor
b: Officers	Ms Sheena Frost Mr Hector Gaston Mr Michael Sharp Ms Roslyn Wai Mr Peter Waite Mr Daryl Whitfort	Chief Executive Officer Director Community Services Director Planning and Development Director Communications, Engagement and Advocacy Director Sustainable Infrastructure and Services Director Corporate Services

ORDER OF BUSINESS

1. ACKNOWLEDGEMENT OF THE TRADITIONAL CUSTODIANS OF THIS LAND

"Hume City Council recognises the rich Aboriginal heritage within the municipality and acknowledges the Wurundjeri Woi Wurrung, which includes the Gunung Willam Balluk clan, as the Traditional Custodians of this land.

Council embraces Aboriginal and Torres Strait Islander living cultures as a vital part of Australia's identity and recognises, celebrates and pays respect to the existing family members of the Wurundjeri Woi Wurrung and to Elders past, present and future."

2. PRAYER

"Almighty God, we humbly beseech Thee to vouchsafe Thy blessing upon this Council. Direct and prosper its deliberations to the advancement of Thy glory and the true welfare of the people of the Hume City."

Amen

3. APOLOGIES**4. DISCLOSURE OF INTEREST**

Councillors' attention is drawn to the provisions of the *Local Government Act 2020* and Council's Governance Rules in relation to the disclosure of conflicts of interests. Councillors are required to disclose any conflict of interest immediately before consideration or discussion of the relevant item. Councillors are then required to leave the Chamber during discussion and not vote on the relevant item.

5. CONDOLENCE MOTIONS**6. INFORMAL MEETINGS OF COUNCILLORS****1. SUMMARY OF REPORT:**

- 1.1 In accordance with Council's Governance Rules, the Chief Executive Officer must ensure that a summary of the matters discussed at an Informal Meeting of Councillors is tabled at the next convenient Council meeting.
- 1.2 In keeping with this requirement, this report provides a summary of matters discussed at the following meetings which were conducted under the auspices of Council:
 - (a) **Monday 2 August 2021** – Strategy and Policy Briefing Session;
 - (b) **Monday 16 August 2021** – Strategy and Policy Briefing Session.

2. RECOMMENDATION:

THAT Council notes the summary of matters discussed at meetings conducted under the auspices of Council, being Strategy and Policy Briefing Sessions, which were held on 2 August 2021 and 16 August 2021.



Summary of matters discussed at a MEETING CONDUCTED UNDER THE AUSPICES OF COUNCIL

MEETING TITLE: STRATEGY AND POLICY BRIEFING SESSION

Date of Meeting: Monday 2nd August 2021

Time of Meeting: 6:30pm

Place of Meeting: Hybrid Meeting – Meeting Room 2.01 - Town Hall Broadmeadows and Virtual Zoom Meeting

The ground or grounds for any matter discussed at this meeting which was considered to be confidential is recorded in this meeting summary.

COUNCILLORS PRESENT		OFFICERS PRESENT	
Cr Joseph Haweil (Mayor)	Yes	Ms Sheena Frost	Yes
Cr Jack Medcraft	Yes	Mr Hector Gaston	Yes
Cr Jarrod Bell	Yes	Ms Roslyn Wai	Yes
Cr Trevor Dance	Yes (6:45)	Mr Michael Sharp	Yes
Cr Chris Hollow	Yes	Mr Peter Waite	Yes
Cr Jodi Jackson	Yes	Mr Daryl Whitfort	Yes
Cr Naim Kurt	Yes	Mr Joel Farrell	Yes
Cr Sam Misho	Yes	Ms Anne Mallia	Yes
Cr Carly Moore	Yes	Mr Riaan Visser	Yes
Cr Jim Overend	Apology	Ms Bernadette Thomas	Yes
Cr Karen Sherry	Yes	Ms Sue Haviland	Yes
		Mr Bruce Fordham	Yes
		Ms Sharon Cox	Yes

MATTERS CONSIDERED:

Order	Description	Names of Councillors who disclosed conflict of interest	Did the Councillor leave the meeting?	Confidential ground of grounds
Items for Discussion by exception:				
1	Approved Contracts Report 1 April 2021 - 30 June 2021			
2	Draft Council Plan Strategic Objectives			
3	Establishment of Funded Three-Year-Old Kindergarten			
4	Student employment pathway programs at Hume City Council			
5	Community Survey 2021-22			
6	Request from Mount Carmel Tennis Club to relocate to a new			

NOTICE OF MEETING**ORDINARY COUNCIL MEETING OF COUNCIL**

	development site in Jacksons Creek			
7	Hume Cup – Annual greyhound racing event – The Meadows			
8	CEO and Divisional Updates as at 19 July 2021			
Other matters dealt with:				
Items not dealt with:				
	Draft Live Green Plan 2021 – 2026			
	Status of General Business Items arising from 12 July 2021 Council Meeting			

Meeting Closed at: 8:45 PM**RECORDED BY:**

Daryl Whitfort
Director Corporate Services



Summary of matters discussed at a MEETING CONDUCTED UNDER THE AUSPICES OF COUNCIL

MEETING TITLE: STRATEGY AND POLICY BRIEFING SESSION

Date of Meeting: Monday 16th August 2021

Time of Meeting: 6:30pm

Place of Meeting: Virtual Zoom Meeting

The ground or grounds for any matter discussed at this meeting which was considered to be confidential is recorded in this meeting summary.

COUNCILLORS PRESENT		OFFICERS PRESENT	
Cr Joseph Haweil (Mayor)	Apology	Ms Sheena Frost	Yes
Cr Jack Medcraft	Yes	Mr Hector Gaston	Yes
Cr Jarrod Bell	Yes	Ms Roslyn Wai	Yes
Cr Trevor Dance	Yes	Mr Michael Sharp	Yes
Cr Chris Hollow	Yes	Mr Peter Waite	Yes
Cr Jodi Jackson	Yes (6:44)	Mr Daryl Whitfort	Yes
Cr Naim Kurt	Yes	Mr David Fricke	Yes
Cr Sam Misho	Yes	Mr Darren Martin	Yes
Cr Carly Moore	Yes	Ms Megan Kruger	Yes
Cr Jim Overend	Yes	Ms Kristen Cherry	Yes
Cr Karen Sherry	Yes	Mr Bruce Fordham	Yes
		Mr Greg McLaren	Yes
		Mr Joel Farrell	Yes
		Mr Joel Kimber	Yes
		Ms Bernadette Thomas	Yes
		Mr Fadi Srouf	Yes
		Ms Alish Warner	Yes
		Mr Andrew Johnson	Yes
		Mr Paul Waiting	Yes
		Ms Dana Burnett	Yes

MATTERS CONSIDERED:

Order	Description	Names of Councillors who disclosed conflict of interest	Did the Councillor leave the meeting?	Confidential ground of grounds
Items for Discussion by exception:				
1	Greenvale Shopping Centre, Greenvale - Traffic Investigation			
2	Elevation Boulevard, Craigieburn - Traffic Investigation			
3	Supporting Vacant Property Owners - Illegal Rubbish Dumping			
4	Update on Removing and Replacing the Name Goonawarra with Gunawarra			
5	Westmeadows Heights Sports Reserves Amenity Upgrades			
6	Progress Update on Dallas Shopping Centre			
7	Provision of Public Toilets in Parks			
8	Event Sponsorship Funding Program - Round 2	Cr Bell	Yes	
9	Sporting Uniforms and Equipment Grants Program			
10	Capital Works Report 2020/21 - June 2021 Update	Cr Overend	Yes	
11	Planning Scheme Amendment C211 – 2-6 Phillip Street Dallas Abandonment			
Other matters dealt with:				
Items not dealt with:				
	Hume Volunteer Awards (MED295)			
	Council Plan 2017-2021 (2020-2021 Actions) - Final Progress Report			
	Draft Social Justice Charter			
	2020/2021 Hume Libraries Annual Report			

	Conserving our Rural Environment Grant - 2021/22	Cr Bell	Yes	
	Hume Clean Taskforce Advisory – External Committee Members 2021 – 2023 Recommendations			
	Proposal to Name Sunbury Oval Number 3 at Boardman Reserve in Honour of Dennis McIntyre			
	Naming Proposal - Kathleen Aitken Park			
	Rate Arrears as at 30 June 2021			
	Correspondence received from or sent to Government Ministers or Members of Parliament - July 2021			
	Open Space Strategy – Project Plan and Open Space Levy			
	Leisure Centres and Sport Capital Works Projects Update			

Meeting Closed at: 8:15 PM

RECORDED BY:

Daryl Whitfort
Director Corporate Services

7. CONFIRMATION OF COUNCIL MINUTES

Minutes of the Ordinary Council Meeting of 9 August 2021 and the Ordinary Council (Town Planning) Meeting of 23 August 2021, including Confidential Minutes.

RECOMMENDATION:

THAT the Minutes of the Ordinary Council Meeting of 9 August 2021 and the Ordinary Council (Town Planning) Meeting of 23 August 2021, including Confidential Minutes, be confirmed.

8. RECEIPT OF COUNCIL AND COMMUNITY COMMITTEE MINUTES AND RECOMMENDATIONS TO COUNCIL TO BE ADOPTED

Nil

9. PRESENTATION OF AWARDS

Nil

10. NOTICES OF MOTION**NOM418 Notice of Motion by Cr Jodi Jackson and Cr Trevor Dance**

We hereby request that pursuant to Council's Governance Rules and Code of Conduct for Councillors that the following motion be included in the Agenda of the next Ordinary Council Meeting.

RECOMMENDATION:**That Council:**

- 1. Acknowledges the Victorian Ombudsman's intention to complete a report in to the EPA's approval of spoil locations for the Westgate Tunnel Project, and**
- 2. Note that the investigation will consider;**
 - a. the EPA's decision-making and approvals for sites operated by: Maddingley Brown Coal Pty Ltd in Bacchus Marsh, Cleanaway Operations Pty Ltd in Ravenhall, Hi-Quality Quarry Products Pty Ltd in Bulla, and**
 - b. whether the EPA had proper regard for the principles set out in the *Environment Protection Act 1970 (Vic)*, and**
 - c. whether, the EPA acted compatibly with and gave proper consideration to human rights identified in the *Charter of Human Rights and Responsibilities Act 2006 (Vic)*, and**
- 3. That Council directs Officers;**
 - a. To review the report in full when released, and**
 - b. To explore and report to Council any further legal actions that can be taken, if the finding in the report identifies any.**

NOM419 Notice of Motion by Cr Jodi Jackson

I hereby request that pursuant to Council's Governance Rules and Code of Conduct for Councillors that the following motion be included in the Agenda of the next Ordinary Council Meeting.

RECOMMENDATION:

1. **Directs Officers to survey the owners of the below stated properties in Craigieburn to ascertain if they would like to retain the existing street trees immediately adjacent to their properties.**
2. **Notes that the aim of the survey would be to establish whether there is support to replace some trees or all the trees, and if so, what characteristics would they like to see in their replacement trees in terms of size, form and whether deciduous.**
3. **Notes that the properties relevant to this motion are:**
 - **#2, 4, 5, 9, 10, 11a, 12, 13, 14, 15, 16, 17, 18, 19, 20, 22, 24, 25, 26, 27, 32, 37, 38, 39, 41, 42, 43, 44, 46, 48, 49, 50, 51, 52, 54, 55, 56, 58, 60, 62, 63, 68, 69, 72, 78, 80, 82, 84, 90 and 92 Yarcombe Crescent**
 - **#1 Bansted Nook**
 - **#1 Bristol Mews**
 - **#12 Bembridge Mews**
 - **#5, 7 and 8 Bampton Mews**

11. PUBLIC QUESTION TIME

12. OFFICER'S REPORTS

The Mayor will ask the Councillors and gallery at the commencement of this section, which reports they wish to speak to. These reports will then be discussed in the order they appear on the notice paper. Reports not called will be dealt with in a block resolution at the end.

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CULTURE AND COMMUNITY

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13. PETITIONS AND JOINT LETTERS**14. DEPUTATIONS****15. URGENT BUSINESS****16. DELEGATES REPORTS****17. GENERAL BUSINESS**

18. CONFIDENTIAL MATTERS

The Meeting may be closed to members of the public to consider confidential matters.

RECOMMENDATION:

THAT Council close the meeting to the public pursuant to section 66(2) of the *Local Government Act 2020* to consider the following items:

Report No.	Title	Reason for Confidential
COED018	Request for Financial Incentive - Topgolf Australia	(e) proposed developments.

19. CLOSURE OF MEETING

**SHEENA FROST
CHIEF EXECUTIVE OFFICER**

8/09/2021

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REPORT NO:	CC138
REPORT TITLE:	Draft Community Vision and Draft Council Plan 2021-2025
SOURCE:	Joel Farrell, Manager Organisational Performance & Engagement Manoja Ratnayake, Coordinator Council and Service Planning
DIVISION:	Communications, Engagement and Advocacy
FILE NO:	HCC12/856
POLICY:	-
STRATEGIC OBJECTIVE:	5.3 Provide responsible and transparent governance, services and infrastructure which responds to and supports community needs.
ATTACHMENT:	1. <i>Attachment 1: Draft Council Plan 2021-2025 (Word version)</i>

1. SUMMARY OF REPORT:

- 1.1 This report presents the Draft Council Plan 2021-2025, in accordance with Section 90 of the *Local Government Act 2020* (the Act). This Council Plan also incorporates the Disability Action Plan, the Community Safety Action Plan and the Pathways to Sustainability. The report also includes the Draft Community Vision.
- 1.2 As part of the Integrated Strategic Planning Framework, the Draft Council Plan 2021–2025 sets the strategic direction of Council in helping support the delivery of the Community Vision.
- 1.3 In accordance with Sections 55, 88(4) and 90(3) of the Act, the Draft Community Vision and Draft Council Plan 2021-2025 was developed in accordance with the deliberative engagement practices and Hume City Council's Community Engagement Policy.

2. RECOMMENDATION:

- 2.1 That Council endorses the Draft Council Plan 2021-2025 (including the Draft Community Vision) for stakeholder and community feedback during the period of Tuesday 14 September 2021 to Tuesday 5 October 2021.
- 2.2 That submissions on the Draft Council Plan 2021-2025 will be heard at the Ordinary Council Meeting on the 11 October 2021, if required.
- 2.3 That a further report be presented to Council for consideration on Monday 25 October 2021 to adopt the Council Plan 2021-2025, following the consultation period.

3. LEGISLATIVE POWERS:

- 3.1 Local Government Act 2020:
 - Section 9 - Overarching governance principles and supporting principles
 - Section 55 – Community Engagement Policy
 - Section 88 – Community Vision
 - Section 89 – Strategic Planning Principles
 - Section 90 – Council Plan
- 3.2 Disability Act 2006

REPORT NO: CC138 (cont.)

4. FINANCIAL IMPLICATIONS:

- 4.1 In accordance with Section 89 of the *Local Government Act 2020*, Council must undertake the preparation of the Council Plan and other strategic plans as per the strategic planning principles.
- 4.2 The Strategic Planning Principles listed in Section 89 of the Act include the requirement that:
 - 4.2.1 strategic planning must take into account the resources needed for effective implementation.
- 4.3 Once adopted, the Council Plan 2021-2025 comes into effect from the 1 July 2021. The Budget (adopted 28 June 2021) gives effect to the Council Plan 2021-2025 and provides the funding to support the delivery of the major initiatives (actions) and services identified by Council as priorities in the Council Plan.

5. ENVIRONMENTAL SUSTAINABILITY CONSIDERATIONS:

- 5.1 Sustainability, including environmental sustainability, is a guiding principle of Council's Integrated Corporate Planning and Reporting Framework.
- 5.2 The Draft Council Plan 2021-2025 incorporates Council's Pathways to Sustainability. Theme 2 and Strategic Objective 2.2 of the Council Plan provide particular focus and attention to minimising Council's environmental impact and recognises the community support for further action, as well as our obligations under Section 9 of the *Local Government Act 2020* that the "mitigation and planning for climate change risks, is to be promoted".

6. CLIMATE CHANGE ADAPTATION CONSIDERATIONS:

The development of the draft Council Plan 2021-2025 considers mitigating and planning for climate change risks as required under Section 9 of the *Local Government Act 2020*.

7. CHARTER OF HUMAN RIGHTS APPLICATION:

The Themes, Strategic Objectives, Strategies/Actions and Strategic Indicators of the draft Council Plan 2021-2025 were developed within the policy context of the Hume City Council Social Justice Charter and the *Charter of Human Rights and Responsibilities Act 2006*.

8. COMMUNITY CONSULTATION:

- 8.1 In accordance with Sections 55, 88(4) and 90(3) of the Act, the Draft Community Vision and Draft Council Plan 2021-2025 were developed in accordance with the deliberative engagement practices and Hume City Council's Community Engagement Policy.
- 8.2 Feedback from approximately 8,500 Hume City residents and stakeholders have been used to inform the development of the Draft Community Vision and the Draft Council Plan. The following is an outline of the 'Let's Shape Hume's Future Together' engagement process that was undertaken:
 - 8.2.1 Council collected community views through a range of surveys including the Community Indicators Survey, the New Household Survey, the Community Satisfaction Survey and a range of targeted research to better understand the experiences and aspirations of our community.
 - 8.2.2 Building on this information, Council facilitated range of community engagement activities including workshops, online idea boards, pop-up events across Hume City and a postcard campaign to understand the community's long-term

REPORT NO: CC138 (cont.)

- priorities for Hume City Council. This included bilingual workshops in a range of community languages with both existing, and emerging cultural groups.
- 8.2.3 In 2021, Council facilitated a Deliberative Engagement Panel to develop the Draft Community Vision for Council consideration and help shape the development of the Council Plan and the Long-term Financial Plan.
- 8.2.4 On 31 July 2021, 'Let's Shape Hume Together' community event was held to consider how Council can respond to the Draft Community Vision and Council Plan Themes and Strategic Objectives.
- 8.2.5 Throughout the process, Councillors and Council Officers were consulted to shape the Themes and Strategic Objectives and also the Strategies/Actions for the Council Plan.
- 8.3 The final stage of consultation on the Draft Council Plan 2021-2025 will provide opportunities for public submissions on the draft document. Feedback on the Draft Council Plan 2021-2025 will be made available from 14 September 2021 to 5 October 2021.

9. DISCUSSION:

- 9.1 In accordance with Section 88 of the Act, Council must maintain a Community Vision that has been developed with Hume City's community in accordance with deliberative engagement practices.
- 9.1.1 The Deliberative Engagement Panel (the Panel) comprised of 46 community members who were statistically representative of the broader Hume City population.
- 9.1.2 The Panel met on four separate occasions to deliberate and develop a Draft Community Vision, this included on the 29 May 2021, 5 June 2021, 19 June 2021 and 21 August 2021.
- 9.1.3 The Draft Community Vision has been incorporated into the Council Plan 2021-2025. Section 89 of the Act request the Council Plan to be developed in accordance with the strategic planning principles of the Act, and that it must address the Community Vision.
- 9.2 In accordance with Section 90 of the *Local Government Act 2020*, Council is required to prepare a Council Plan, including the Strategic Objectives of Council, the Strategies/Actions for achieving the objectives and the Strategic Indicators for monitoring the achievement of the objectives over the Council term (2021-2025).
- 9.3 The Council Plan 2021-2025 contains three Themes, 11 Strategic Objectives and 50 Strategies/Actions to be delivered in 2021/22 financial year.
- 9.3.1 21 Strategic Indicators have been developed to monitor progress with achievement of each Strategic Objective of the Council Plan.
- 9.4 The 'Themes' and 'Strategic Objectives' for the Council Plan 2021-2025 are:
- Theme 1: A community that is resilient, inclusive and thriving.**
- Strategic Objectives:
- 1.1 Create learning opportunities for everyone to reach their potential through all stages of their lives.
- 1.2 Provide opportunities, and support business growth to create accessible local jobs for our diverse community.
- 1.3 Promote a healthy, inclusive and respectful community that fosters community pride and safety.

REPORT NO: CC138 (cont.)

1.4 Strengthen community connections through local events, festivals and the arts

Theme 2: A city that cares about our planet, is appealing and connected.

Strategic Objectives:

2.1 Facilitate appropriate urban development and enhancing natural environment, heritage, landscapes, and rural places.

2.2 Demonstrate environmentally sustainable leadership and adapt to climate change.

2.3 Design and maintain our City with accessible spaces and a strong sense of place

2.4 Connect our City through efficient and effective walking, cycling and public transport and road networks.

Theme 3: A Council that inspires leadership, is accountable and puts the community first.

Strategic Objectives:

2.5 Empower and engage our community through advocacy and community engagement.

2.6 Deliver responsible and transparent governance, services and sustainable assets that respond to community needs.

2.7 Advance organisational high-performance through innovation and partnerships.

9.5 In accordance with Section 38(5) of the Victorian Disability Act 2006, the Draft Council Plan 2021-2025 incorporates Council's Disability Action Plan; addressing Section 31(1) of the Act in order to reduce barriers to persons with a disability, promote inclusion and participation, and reduce discrimination. A summary of the Council Plan Actions which are incorporated as part of the Disability Action Plan can be found in Addendum 1 of the Council Plan 2021-2025 (Attachment 1).

9.6 The Draft Community Vision, and the Draft Council Plan 2021-2025 incorporating the Disability Action Plan, the Community Safety Action Plan and the Pathways to Sustainability, will be made available for public submissions via Council's community engagement platform at participate.hume.vic.gov.au and promoted through social media and other communication channels.

9.6.1 Hard copies of the document will also be available, by request, for people who are unable to access an online version.

9.6.2 Submissions will be invited and received between 14 September and 5 October 2021.

9.7 Submissions on the Draft Council Plan 2021-2025, if required, will be heard at the Council Meeting on Monday 11 October 2021, prior to the Council Plan being presented for Council adoption on 25 October 2021.

9.8 Attachment 1 is currently a Word version of the Council Plan 2021-2025. A graphic designed version will be finalised for community consultation.

10. CONCLUSION:

The Community Vision and Council Plan are requirements of the *Local Government Act 2020*. The Draft Council Plan 2021 – 2025 incorporating the Disability Action Plan, the Community Safety Action Plan and the Pathways to Sustainability outlines the outcomes to be achieved during the Council term and indicators for monitoring the achievement of the objectives.

[cover page]

HUME CITY COUNCIL DRAFT COUNCIL PLAN 2021-2025

Incorporating the:

- Disability Action Plan
- Community Safety Action Plan
- Pathways to Sustainability

*** NOTE: A graphic design version of this document will be prepared for Community Consultation – any highlighted text are notes for the designers ***

Acknowledgement of Traditional Owners

Hume City Council recognises the rich Aboriginal heritage within the municipality and acknowledges the Wurundjeri Woi Wurrung, which includes the Gunung Willam Balluk clan, as the Traditional Custodians of this land. Council embraces Aboriginal and Torres Strait Islander peoples' living cultures as a vital part of Australia's identity and recognises, celebrates and pays respect to the Wurundjeri Woi Wurrung Elders past, present and future.

In the spirit of reconciliation Council acknowledges the role past federal and state government policies have played in the social, cultural and economic dispossession of Aboriginal and Torres Strait Islander peoples, the ongoing intergenerational trauma experienced by many Aboriginal and Torres Strait Islander people as a result of this, the impact of racism on this trauma and the ways in which these forces combine to reinforce entrenched disadvantage, poor health outcomes, increased contact with the justice system and economic disadvantage.

Council acknowledges the importance of self-determination, meaning that Aboriginal and Torres Strait Islander peoples hold the knowledge and expertise about what is best for themselves, their families and their communities, and have the right to freely pursue their economic, social and cultural development.

Council plays a role in healing and building positive relationships between Council and Aboriginal and Torres Strait Islander communities, as well as educating the broader public about the significance of Aboriginal and Torres Strait Islander languages, cultures and history.

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A Message from the Mayor and Chief Executive Officer

[Insert picture of Mayor and CEO]

Our *Council Plan 2021-2025* responds and delivers for the challenges of today and positions us for a sustainable and positive future.

Through the COVID-19 pandemic, we have continued supporting our community by changing and adapting our services so people can still connect with us and access what they need to.

COVID-19 restrictions continue to have a financial, social and psychological toll on individuals, families and businesses.

We will continue to help drive our community's recovery and respond to local issues, needs and opportunities.

This plan, and our supporting Budget, will see us move ahead with the biggest infrastructure program in our history. We have earmarked a record \$485 million over the next four years to deliver more than 500 new capital works projects.

We're also boosting funding to our services to help respond to the impacts of the pandemic – investing \$334 million to meet the growing demand for a variety of day-to-day services, including waste and recycling, planning and building, preschool, maternal and child health, immunisation, aged services, business programs, libraries, parks and open space, leisure centres and community facilities.

Council continues to maintain an economic approach that's built on good governance, sound financial management and our principles of social justice and environmental sustainability.

The Strategic Objectives outlined in this document have been determined by the Council and informed by our long-term Community Vision. Our Community Vision outlines the community's aspirations for Hume City's future

This vision was developed through extensive consultation with people who live, work, visit or own a business or residence in Hume City. It was developed with consideration to a vast range of views and aspirations and captures the diversity of our community.

We thank everyone who helped develop our Community Vision and helped shape Hume's future together.

In response to the Community Vision, Council has developed a series of strategic objective under three main themes for our four-year Council Plan:

Theme 1: A community that is resilient, inclusive and thriving.

Theme 2: A city that cares about our planet, is appealing and connected.

Theme 3: A Council that inspires leadership, is accountable and puts the community first.

We have specified a range of strategic objectives under each of these themes that will help us work towards achieving the community's vision and aspiration. We have also outlined the strategic indicators used to help monitor and evaluate the success of Council in achieving its objectives.

Under this plan, Council aims to provide a balance to ensure we deliver the services, facilities and infrastructure that families and businesses need today, while planning for future generations.

With more people choosing to call Hume home each year, we expect to welcome more than 67,000 residents over the next decade. Council has undertaken significant planning for this growth, so that we can continue to provide high quality services that meet the needs of our growing community.

We will also continue to advocate to the state and federal governments, as well as pursue partnerships with service providers and businesses, to create opportunities for our community to grow and prosper.

We look forward to implementing the strategies outlined in the *Council Plan 2021–2025* and working to help our community thrive, now and in the future.

Our Council

Hume City Council consists of 11 Councillors who represent almost 250,000¹ people across the three wards – Aitken, Meadow Valley and Jacksons Creek.

Council works closely with Hume's CEO and Executive Leadership Team, to set directions and priorities for the municipality. All decisions are made to meet the objective of enhancing the social, economic and environmental prosperity of our community.

Aitken Ward

[include Ward map]

Includes the suburbs of Campbellfield, Craigieburn, Fawkner, Greenvale (north of Somerton Road), Mickleham, Oaklands Junction (south of Deep Creek), Roxburgh Park, Somerton, Yuroke and Kalkallo.

Councillor Joseph Haweil (Mayor)

[include Councillor photo]

Mobile: 0484 602 340

Email: JosephH@hume.vic.gov.au

Mayoral Portfolios: Customer Service; Communications and advocacy; Council and Service Planning; Governance and associated statutory services.

Councillor Portfolios: Transport, roads and drainage; Community safety; Community development; Facilities management/facilities hire; Interface and growth; Friends of Aileu

Councillor Jodi Jackson

[include Councillor photo]

Mobile: 0484 124 092

Email: JodiJ@hume.vic.gov.au

Councillor Portfolios: Parks and Open Space, Environment

Councillor Jim Overend

[include Councillor photo]

Mobile: 0487 777 895

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Councillor Portfolios: Transport, Roads and Drainage, Community Safety, City Amenity and Appearance

Councillor Carly Moore

[include Councillor photo]

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Email: CarlyM@hume.vic.gov.au

Councillor Portfolios: Governance and Associated Statutory Services; Finance and Procurement Services; Leisure, Health and Wellbeing, Family Support and Health, Early Childhood Education and Care

¹ id Consulting, *Hume City Population Forecasts at the 30 June 2021*

Jacksons Creek Ward**[include Ward map]**

Includes suburbs of Bulla, Clarkefield (part of), Diggers Rest (part of), Keilor (part of), Oaklands Junction (north of Deep Creek), Sunbury, Tullamarine and Wildwood as well as the Melbourne International Airport.

Councillor Jarrod Bell**[include Councillor photo]**

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Councillor Portfolios: Community Safety, Lifelong Learning, Youth Services, Arts and Culture

Councillor Jack Medcraft, Deputy Mayor**[include Councillor photo]**

Mobile: 0484 611 902

Email: jackm@hume.vic.gov.au

Councillor Portfolios: Indigenous Support, Economic Development, City Development – Statutory, City Development – Strategic, City Amenity and Appearance, Waste Management.

Councillor Trevor Dance**[include Councillor photo]**

Mobile: 0413 822 214

Email: TrevorD@hume.vic.gov.au

Councillor Portfolios: Customer Service, Council and Service Planning, Organisation and Community Intelligence, Governance and Associated Statutory Services, Parks and Open Space, City Development – Statutory, City Development – Strategic, Environment

Meadow Valley Ward**[include Ward map]**

Includes suburbs of Attwood, Broadmeadows, Coolaroo, Dallas, Gladstone Park, Greenvale (south of Somerton Road), Jacana, Meadow Heights and Westmeadows.

Councillor Naim Kurt**[include Councillor photo]**

Mobile: 0484 602 352

Email: NaimK@hume.vic.gov.au

Councillor Portfolios: Communications and Advocacy, Information Technology – Digital; Community Development; Leisure, Health and Wellbeing; Indigenous Support, Arts and Culture, Economic Development, Friends of Aileu

Councillor Chris Hollow**[include Councillor photo]**

Mobile: 0487 778 701

Email: ChrisHo@hume.vic.gov.au

Councillor Portfolios: Leisure, Health and Wellbeing; Parks and Open Space

Councillor Karen Sherry

[include Councillor photo]

Mobile: 0484 240 973

Email: KarenSh@hume.vic.gov.au

Councillor Portfolios: Asset Management and Infrastructure Development, Disability Support Services, Aged Support Services, City Development – Statutory, City Development – Strategic.

Councillor Sam Misho

[include Councillor photo]

Mobile: 0487 777 139

Email: SamMi@hume.vic.gov.au

Councillor Portfolios: Communications and Advocacy, Finance and Procurement Services, Community Development, Economic Development

Our City

Our Location

[Include locational map]

Hume is a place of great contrasts – in geography, economy, background and cultural diversity.

Located just 15 kilometres north of the centre of Melbourne, Hume City is one of the fastest growing and most culturally diverse communities in Australia.

Spanning a total area of 504 square kilometres, Hume City is built around the established suburbs of Broadmeadows, Tullamarine and Gladstone Park in the south, the developing residential suburbs of Craigieburn, Greenvale, Mickleham, Kalkallo and Roxburgh Park in the north-east and the Sunbury township in the north-west.

The municipality is made up of vibrant and diverse communities; including new and established residential areas, major industrial and commercial precincts and vast expanses of rural areas and parkland. The Melbourne International Airport accounts for 10 per cent of the total area of Hume City.

Hume City is also home to major road transit routes including the Tullamarine Freeway, Western Ring Road, Hume Highway and the Craigieburn Bypass and is abutted by the Calder Freeway to the west.

Hume City Council is bound by the local government areas of Moreland, Whittlesea, Brimbank, Macedon Ranges, Melton and Mitchell.

Our History

Hume City has a long, rich and exceptionally significant past.

Hume City's rich and diverse history stretches back over 40,000 years when the first indigenous communities of the Gunung-Willam-Balluk first inhabited the region.

Although significant cultural knowledge was lost following European invasion and settlement, we are rich in Aboriginal cultural heritage. The municipality has more than 700 registered Aboriginal Cultural Heritage Places including burials, artefact scatters, earth features, low density artefact distributions, object collections, quarries, scarred trees and stone features. Publicly known Cultural Heritage Places include Holy Green Mound, the Sunbury Rings and Sunbury Quarries.

About 10 years after Hamilton Hume and William Hovell explored the area in 1824 –1825, the first Europeans settled along the Maribyrnong River, Jacksons Creek and Deep Creek waterways. Our City is home to some of Victoria's most significant landmarks including Rupertswood Mansion and Emu Bottom Homestead in Sunbury as well as the historic Maygar Barracks in Broadmeadows – the training base for our troops during World War I.

Hume City Council was formally created on 15 December 1994 to incorporate the Shire of Bulla, most of the City of Broadmeadows, a section of the City of Whittlesea along Merri Creek and a north-east section of the (former) City of Keilor.

Our City Today

[Demographic profile, key statistics and infographics] – See separate document for stats to be used for this section – see Look-book for examples, using a ‘street-scape’ approach based on the Shaping Hume’s Future and Rates branding concepts.

Our Organisation

Executive Leadership Team

To support the Mayor and Councillors, the Chief Executive Officer is appointed to ensure the implementation of Council decisions, manage the day-to-day operations of Council and is responsible for all staffing related matters.

Council employees ensure services and projects are carried out in accordance with the Council Plan, and supporting documents in accordance with the Integrated Strategic Planning Framework.

The Chief Executive Officer, Sheena Frost, is supported by the Executive Leadership Team.

Sheena Frost

Chief Executive Officer

[\[include photo\]](#)

Sheena Frost joined Hume City Council as CEO in July 2021. In her 16 year career in local government she has developed extensive experience across both service delivery and corporate services functions. She has a background in leading change programs to uplift capabilities within an organisation to deliver improved service outcomes to the community. She has formal qualifications in Communication and Workplace Coaching, is a graduate of the Australian Institute of Company Directors and in 2019 was recognised as one of the Institute of Public Administration Australia's Top 50 Public Sector Women.

Roslyn Wai

Director Communications, Engagement and Advocacy

[\[include photo\]](#)

Communications, Engagement and Advocacy lead Council's corporate planning and strategic decision-making processes. It undertakes corporate communications, events and community engagement, and leads Council's advocacy on behalf of the Hume community. This Division is responsible for human resources including safety, and for leadership in organisational change and development. Also within this Division is Council's customer service centres and co-ordination of community facilities.

Roslyn joined Hume City Council in December 2019 and has 29 years of experience across media, tertiary education, and water sectors in public relations, community engagement, customer service, business management, strategy and governance. Prior to joining Hume, Roslyn was Executive General Manager Strategy and Governance (Corporate Secretary) with Coliban Water. Her post graduate qualifications include a Master of Arts (Professional Communication) and a Master of Business Administration. She is a professional member of the PRIA and IAP2, an Associate of the Governance Institute of Australia and a Graduate of the Australian Institute of Company Directors.

Hector Gaston

Director Community Services

[\[include photo\]](#)

Community Services advocates, plans and provides support, services and programs that enhance community wellbeing, promote healthy living and provide opportunities to participate in the life of the City. This includes community services such as maternal and child health, immunisation, preschool, childcare, libraries, learning programs, youth services, aged and disability support services and arts and cultural program. This division is also responsible for community safety, social and community planning as well as emergency recovery.

Hector joined Hume City Council in 2011 as the Manager Aged Services & Public Health. Prior to this he worked at Moonee Valley City Council as well as the former City of Keilor. With over 29 years of experience in health, regulatory and community services in Local Government, he was appointed to the role of Director Community Services in 2018. He holds a Bachelor of Applied Science (Environmental Health), a Graduate Certificate of Business (Applied Business) and has recently completed the AICD Company Director's Course.

Daryl Whitfort

Director Corporate Services

[\[include photo\]](#)

Corporate Services is responsible for managing corporate support and governance to ensure compliance with corporate business obligations. This includes risk management, local laws and domestic animal management, environmental health, financial planning and management, property development, contracts, procurement and knowledge management. This division is also responsible for Council leisure centres and recreation facilities, information technology and telecommunications support.

Daryl joined Hume City Council in 1999 as the Management Accounting Coordinator, then Manager Finance in 2002, before being appointed as the Director City Governance and Information in 2007. Daryl has also worked at Melton Shire Council, Moonee Valley City Council and Moorabool Shire Council. Prior to that, he worked for the Alpine Resorts Commission and Melbourne Water. Daryl is a highly qualified professional and holds a Masters of Business Administration and a Bachelor of Business.

Michael Sharp

Director Planning and Development

[\[include photo\]](#)

Planning and Development is responsible for Council's land use planning portfolio, including statutory and strategic planning, subdivisional development, economic development, building control services and urban and open space planning. This multidisciplinary division focuses on the sustainable development of Hume, fostering economic prosperity, facilitating development through Council's statutory and strategic town planning functions, promoting urban design excellence and recreation planning.

Michael has a background in planning and land surveying, with an honours degree in urban and regional planning from Victoria University and a Masters of Business Administration from Deakin University. He joined Council in 1999 and has held a variety of different planning roles within both the statutory and strategic planning departments at Council. Prior to joining Hume City Council he worked in a private land surveying consultancy based in Melbourne.

Peter Waite

Director Sustainable Infrastructure and Services

[\[include photo\]](#)

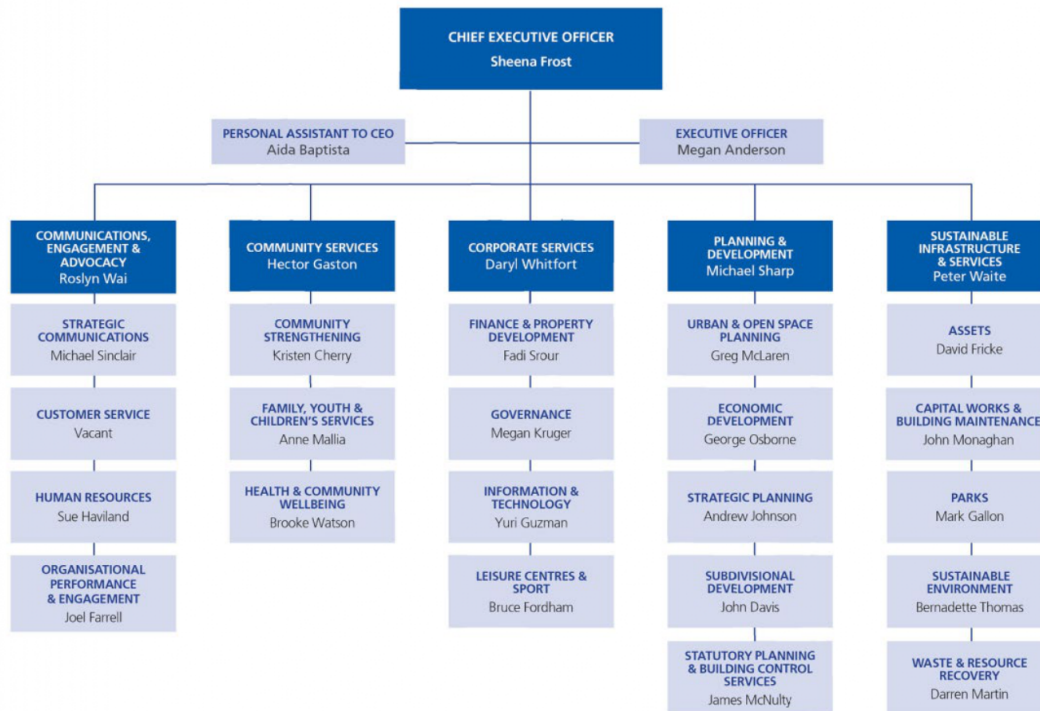
Sustainable Infrastructure and Services is responsible for managing a diverse range of community infrastructure and services for Council and the users of Council's infrastructure. Services include project management of Council's capital works program, waste management and municipal emergency management. Community infrastructure includes roads, parks, bridges, buildings and landfills.

The division is also responsible for managing environmental and natural heritage planning and driving Council's environmental sustainability agenda.

Peter joined Hume City Council in 2016 and has a diverse infrastructure background having worked in a range of regional and metropolitan councils including the Rural City of Wangaratta, City of Melbourne, Manningham City Council and Glen Eira Council. Peter holds a Masters of Business Administration (Technology Management), Bachelor of Engineering (Civil) and is a graduate of Leadership Victoria's Williamson Community Leadership Program.

Organisational Structure

Hume City Council's organisational structure is based on five divisions that work to manage and coordinate the full range of activities and services to the Hume community. Each division is headed by a Director who reports to the Chief Executive Officer.



Organisational Values

Our organisational values are Respect, Customer Focus, Innovation and Collaboration, and these values are displayed in the way we work and in everything we do to serve the Hume community. We have a set of guiding behaviours to help staff and volunteers display our values, and these underpin the way we make choices and decisions and work with each other. Our dynamic and forward-thinking culture is a key to our organisation's success.

Respect

I will:

- Actively listen and communicate openly with others
- Value individual differences and the contribution of others
- Treat people fairly and ensure others do the same

Collaboration

I will:

- Support and assist others by sharing information, knowledge and resources
- Cooperate with others to set and achieve common goals
- Actively participate and contribute to the team

Customer Focus

I will:

- Take responsibility for delivering services and solutions in a timely manner
- Respond to internal and external customers professionally and respectfully
- Engage with, listen and seek to understand the needs and expectations of the customer/resident

Innovation

I will:

- Explore and act on better ways of doing things
- Be open minded and encourage new ideas from others
- Actively learn and develop to improve the work I do for the organisation

Our Integrated Strategic Planning Framework

Our Integrated Strategic Planning Framework describes how Hume City Council will work towards achieving the vision of our community.

This planning framework consists of a number of integrated long, medium and short-term plans that consider the priorities and resources needed to achieve the strategic objectives of Council.

As demonstrated in Figure 1 below, each of these document and plans should outline how they support and contribute to the delivery of the Community Vision, and are underpinned by Council's guiding principles of Sustainability and Social Justice.

Figure 1: Integrated Strategic Planning Framework

[Image can be updated or redesigned - copy is in the Graphics folder]



Long-term strategic plans – planning for Hume City over the next 10 years and beyond.

Community Vision – outlines the community's aspirations for Hume City's future – all of Council's integrated strategic planning documents aim to support the delivery of this vision.

Long-term Financial Plan – outlines financial resources, decisions and assumptions required to support the delivery of the Council Plan and other strategic plans of the Council.

Asset Plan – outlines how Council will strategically manage our assets and infrastructure, including our obligations to maintain and upgrade existing assets or renew, expand or

acquire new assets, or decommission or dispose of assets which are no longer required to support service delivery.

Municipal Strategic Statement – focuses on the physical, social, economic, and environmental land-use planning and development strategies aimed at achieving the Community Vision. It provides the basis for planning application under the Hume Planning Scheme.

Medium-term strategic plans – planning for Hume City's future over the next four years and beyond.

Council Plan 2021–2025 – (this plan) sets the strategic direction of Council in helping support the delivery of the Community Vision and outlines the themes, strategic objectives, strategies/actions that Council will be undertaking during their four-year term in order to achieve the community's vision and aspirations. This plan also outlines the strategic indicators used to help monitor and evaluate the success of Council in achieving its objectives

Budget – provides for the financial resource planning of Council to ensure the strategic direction

commitments and services outlined in the Council Plan can be delivered, consistent with the Long-term Financial Plan, Asset Plan and Community Vision.

Revenue and Rating Plan – outlines Council's appropriate and affordable revenue and rating approach, in conjunction with other income sources in order to finance the strategic objectives in the Council Plan and maintain financial viability over the medium and long term.

Public Health and Wellbeing Plan – aims to protect, improve and promote public health and wellbeing within Hume City, and create a healthy environment for a thriving community consistent with the strategic direction of the Council Plan and Community Vision.

Workforce Plan – sets out the organisation's staffing requirements to achieve delivery of the Council Plan, including seeking to ensure gender equality, diversity and inclusiveness.

Service Plans and Strategic Plans – document how specific services, programs and activities of Council are going to be delivered. These documents outline specific actions which are required to respond to changes in legislation, best practice and changing and evolving community need. These plans may vary in timeframes, but typically plan for services between three and ten years horizon.

Annual plans and performance reporting – delivering on Council's commitments over the financial year (or 12-month period).



Staff Performance Plans – outlines individual annual workplans and objectives for Hume City Council's workforce in delivering against the strategic objectives of the Council Plan and other plans within the Integrated Strategic Planning Framework. This includes learning and development plans to strengthen the skills and capabilities of our workforce to help support the realisation of the Community Vision.

Annual Report – focuses on transparent and accountable reporting of Council's performance in delivering against the Community Vision, Council Plan and other plans as part of this Integrated Strategic Planning Framework. The Annual Report includes Council's Annual Financial Statements and the Local Government Performance Reporting Framework Performance Statement.

Quarterly Reporting – provide regular monitoring and reporting of Council's performance in the delivery of the Council Plan and Budget.

Our Guiding Principles

Hume City Council's approach to integrated strategic planning is guided by a set of underlying principles which apply to the development of all policies, strategies, action plans and service plans.

Sustainability 	<p>While sustainability means different things to different people, at its core is a common understanding that our social, financial and environmental resources will be utilised in a fair, responsible, transparent and efficient way.</p> <p>Our commitment to sustainability will support a thriving community and ensure that we are living within the limits of the systems on which we depend.</p>
Social Justice 	<p>Social justice seeks to promote a fair and just community that respects every citizen. A key focus of this commitment is to reduce disadvantage while strengthening community wellbeing and increasing community participation and sense of belonging.</p> <p>In planning for the delivery of Council services and programs, and in the pursuit of social justice, Hume City Council will:</p> <ul style="list-style-type: none"> • Improve standards of access and inclusion for all residents. • Deliver policy, programs and services that support equity and fairness. • Nurture opportunities for engagement and participation. • Measure the advancement of social justice across Hume's policies, services and programs to support rights and accountability.

Our Commitments

Statement of Commitment to Child Safe Standards

Hume City Council is a child safe organisation with zero tolerance for child abuse. Council provides a safe working environment that values child safety, diversity and inclusion for all children aged 0 – 18 and adheres to the Victorian Child Safe Standards and related legislation. Council acknowledges the cultural safety, participation and empowerment of all children, especially children from Aboriginal and Torres Strait Islander, or culturally and/or linguistically diverse backgrounds and those with a disability.

Statement of Commitment to Gender Equality

In line with our Guiding Principle for Social Justice, Hume City Council will promote, encourage and facilitate the achievement of gender equality and improvement in the status of women and gender diverse people within our community. In delivering on this commitment, Council will take positive action towards achieving workplace gender equality, and ensure that our staff consider gender equality when we plan for, and deliver services and programs.

Community Vision

“A sustainable and thriving community with great health, education, employment, infrastructure, and a strong sense of belonging.”

Our Community Vision is supported by three themes that guide what Council and the community can do together to achieve our long-term aspirations:

- 1) A community that is resilient, inclusive, and thriving.
- 2) A city that cares about our planet and is appealing and connected
- 3) A Council that inspires leadership, is accountable, and puts the community first.

This vision has been written by our community, for our community, and will shape Hume City Council's long-term direction, priorities, and values.

The vision is unique to Hume City and highlights where we want to be in the future. It has been informed by the insight, knowledge, and stories of more than 8,500 local residents and groups – the people who know Hume best.

We are a community that is resilient, inclusive and thriving. We are lifelong learners who value education. We enable economic growth through the creation of local jobs and by supporting local industries. We acknowledge that the diversity of our people is not just an asset to our community, but one that is worth celebrating. We know our neighbours, support each other, and actively participate in the community.

We are a city that cares about our planet and is appealing and connected. We grow in a way that is both sustainable and sensitive to the open, natural, and rural spaces we are fortunate to have at our doorstep. We lead the charge for creating a place that will benefit future generations, while protecting our environment and building or advocating for sustainable neighbourhoods. We keep Hume City's rich heritage in our hearts and minds while designing spaces that are accessible and fill our community with pride.

We are a Council that inspires leadership, is accountable and puts the community first. Hume City Council are the custodians and champions for the Community Vision in both the work we do and in our voice as an organisation. We empower our community, amplify their voice and engage with them on what they want and need. We are transparent, responsible and responsive, while driving action through innovative services, excellent customer experience and asset delivery. We leverage the power of partnerships, relationships and innovation to improve the way we work for the community.

The Community Vision will help us to continue to be a liveable and prosperous city, and prepare us for the opportunities that the future will bring.

Engaging our community to shape Hume's future together



Council has a strong commitment to providing genuine and meaningful opportunities for the community to contribute to decision making processes that impact them. This includes consulting with, and engaging our community and stakeholders in the planning, design and delivery of Council services.

Council engages with Hume City's community on a daily basis, listening to, and responding to a broad range of community needs. These formal and informal conversations help to guide our planning for the services we deliver to our community. To further support our daily interactions, Council also undertakes more than 100 separate community consultation and engagement activities each year, ranging from community surveys to focus groups, to online discussions and face-to-face workshops.

Leading to the development of the Community Vision, Council Plan, Budget and Long-term Financial Plan, Hume City Council began with the collection of community views through a range of surveys including the Community Indicators Survey, the New Household Survey, the Community Satisfaction Survey and a range of targeted

research to better understand the experiences and aspirations of our community. Further to this, the Community COVID Survey and the Noticing the Changing use of Public Spaces Survey sought to understand the impacts of the pandemic on our community. The Climate Change Community Views Survey informs our response to the impacts of climate change.

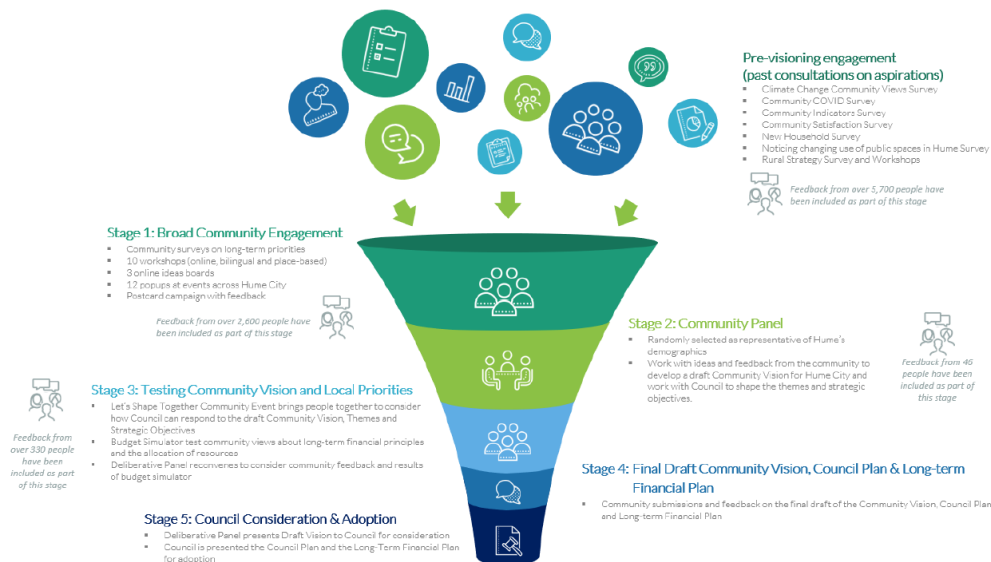
Building on the short and long priorities gathered through surveys, Hume City Council then undertook a broad engagement speaking with our community about the long-term priorities seen as most important for Hume. We facilitated workshops across different places in Hume and held ten workshops facilitated in range of other languages. There were online forum boards, postcards and popups. All planned in a way to engage with a broad range of Hume residents, from all walks of life. Our community provided views about the long-term financial priorities of Council using a 'budget simulator'. This tool allowed residents to further understand the allocation of financial resources to services and priority projects in Hume. Respondents shared views on key principle decisions informing the development of the Hume Long-Term Financial Plan and made recommendations for changes to the allocations of resources into the future.

Key to the development of the Community Vision, Council Plan and Long-term Financial Plan was the Hume Community Vision Deliberative Panel. It was broadly representative of Hume's community in terms of demographic composition, with panel members being randomly selected via an Expression of Interest process.

As shown in the diagram below, feedback was received from more than 8,500 people across Hume City during the various stages of the project.

A summary report from the engagement process around the Community Vision, Council Plan and Long-term Financial Plan is available on Council's Website.

Figure 2: Community engagement process for the development of the Community Vision, Council Plan and Long-term Financial Plan *[Artwork can be redesigned including colour scheme – copy is in the 'Graphics' folder]*



Council Plan 2021-2025

Incorporating the...

- Disability Action Plan
- Community Safety Action Plan
- Pathways to sustainability.

In 2021/22, Council will invest \$334 million to provide some 28 key services across Hume City. Over the next four years, we will deliver 500 new capital works projects to the value of \$485 million.

In response to the Community Vision, Council has developed a series of strategic objective under three main themes for the next four-year Council Plan.

1. A community that is resilient, inclusive and thriving.

- 1.1 Create learning opportunities for everyone to reach their potential through all stages of their lives.
- 1.2 Provide opportunities, and support business growth to create accessible local jobs for our diverse community.
- 1.3 Promote a healthy, inclusive and respectful community that fosters community pride and safety.
- 1.4 Strengthen community connections through local events, festivals and the arts.

2. A city that cares about our planet, is appealing and connected.

- 2.1 Facilitate appropriate urban development and enhance natural environment, heritage, landscapes and rural places.
- 2.2 Demonstrate environmentally sustainable leadership and adapt to climate change.
- 2.3 Design and maintain our City with accessible spaces and a strong sense of place.
- 2.4 Connect our City through efficient and effective walking, cycling and public transport and road networks.

3. A Council that inspires leadership, is accountable and puts the community first.

- 3.1 Engage and empower our community through advocacy and community engagement.
- 3.2 Deliver responsible and transparent governance, services and assets that respond to community needs.
- 3.3 Advance organisational high-performance through innovation and partnerships.

The Council Plan takes an integrated approach to planning and includes actions incorporated as part of Council's Disability Action Plan, Community Safety Action Plan and Pathways to sustainability. This enables Council to align strategies, actions and initiatives across Council's Strategic Objectives in an efficient and effective way in order to achieve multiple objectives at the same time.

These strategies/actions are highlighted throughout the document with following symbols:

Disability Action Plan



Community Safety Action Plan



Pathways to Sustainability



The strategies/actions outlined for the following three financial years are proposed only, and subject to change in order to respond to changing Council and community priorities. Council will review these actions as part of the annual Council Plan and Budget review process.

A series of addendums at the end of this Council Plan provide a consolidated summary for each of these incorporated plans and additional information.

Council's role

The role Council has in contributing to the strategies/actions varies and is defined for each of the community expectations, which include:

Council has a range of roles and functions when supporting the delivery of various strategies, programs and activities. Within this Council Plan, the following roles and functions have been defined in delivering the major strategies/actions of Council to achieve our Strategic Objectives:

Role	Description
Statutory Authority	Council has a legislated responsibility under Victorian law to ensure compliance and delivery of services related to this activity
Service Provider	Council is a leading provider of services related to this activity. Responsibility for providing these services is often shared between Council and other government agencies, not-for profit organisations and commercial businesses.
Facilitator	Council facilitates, partners and plans with other service providers to achieve these strategies/activities.
Advocate	Council's primary role is to advocate on behalf of (and represent) the community to other levels of government, service providers and businesses. This may include working with Hume City's community to support community-led advocacy.

Monitoring and Reporting

Council evaluates performance throughout the year by monitoring and reporting each quarter against the planned actions outlined in the Council Plan 2021–2025. These reports will be included in the Council meeting agenda and available on our website, fully disclosing our achievements and actions.

By understanding our achievements and challenges we learn and reflect on our performance and incorporate these learnings into our plans for the future.

Each September we produce an Annual Report; this includes our audited financial statements and performance statement against the Local Government Performance Reporting Framework. This report is available via our website.

Theme 1: A community that is resilient, inclusive and thriving.

Infographics of service stats & fun facts




Services provided

- Aged Support Services
- Arts and Culture
- Community Development
- Community Safety
- Disability Support Services
- Aboriginal and Torres Strait Islander support
- Early Childhood Education and Care
- Economic Development
- Family Support and Health
- Libraries and learning programs
- Leisure, Health and Wellbeing
- Youth Services




Supporting Strategies and Plans

- Domestic Animal Management Plan 2017–2021
- Employment Pathways Action Plan
- Hume 0-24 Framework 2019-2029
- Hume Central 'The Vision'
- Hume City Council Multicultural Framework
- Hume City Council Social Justice Charter
- Hume Health and Wellbeing Plan 2021–2025
- Hume Heat Health Plan
- Investment Attraction Framework
- Learning Together 2030
- Leisure Strategy
- Municipal Emergency Animal Welfare Plan
- Positive Ageing Strategy 2014–2024
- Reconciliation Action Plan 2020–2022
- Safe in Hume - Our Community Safety Plan
- Creative Community Strategy 2020-2025



Strategic Objective 1.1: Create learning opportunities for everyone to reach their potential, through all stages of life.

Major strategy or action	2021/22	2022/23	2023/24	2024/25
1.1.1 Strengthen volunteering to enhance vocational and social learning opportunities and community connections.  	●	●	●	●
<i>Council's Role: Service Provider, Facilitator</i>				
1.1.2 Finalise service planning, and introduce funded Three-Year-Old Kindergarten across existing and future early year services.	●	●	●	●
<i>Council's Role: Service Provider</i>				
1.1.3 Undertake an assessment of the current Children Services model and explore its ongoing feasibility in light of continued growth and changing government policy direction. 	●	●	●	●
<i>Council's Role: Service Provider</i>				



Strategic Objective 1.2: Provide opportunities, and support business growth to create accessible local jobs for our diverse community.

Major strategy or action	2021/22	2022/23	2023/24	2024/25
1.2.1 Provide a range of Council-led initiatives and work experiences to strengthen employment pathways and vocational education opportunities, particularly for those of diverse or disadvantaged backgrounds. 	●	●	●	●
<i>Council's Role: Service Provider</i>				
1.2.2 In partnership with the Victorian Government and business, progress the revitalisation of Broadmeadows and Hume Central to facilitate a vibrant town centre, places for people to work, learn, live and enjoy and advocacy for renewal of the Broadmeadows Train Station.  	●	●	●	●
<i>Council's Role: Facilitator, Advocate</i>				
1.2.3 Strengthen tertiary education opportunities in Hume City through the Multiversity Program and advocacy for further university and TAFE opportunities to be established in Hume's growth areas	●	●	●	●
<i>Council's Role: Facilitator, Advocate</i>				
1.2.4 In partnership with stakeholders and advocacy, strengthen Hume City's economy by building business capability and facilitating local employment outcomes	●	●	●	●
<i>Council's Role: Facilitator, Advocate</i>				


Strategic Objective 1.3: Promote a healthy, inclusive and respectful community that fosters community pride and safety.

Major strategy or action	2021/22	2022/23	2023/24	2024/25
1.3.1 In partnership with Victoria Police, continue to identify and deliver initiatives to improve driver/road safety, including reducing hoon driving and illegal dirt bikes. 	●	●	●	●
<i>Council's Role: Facilitator, Service Provider</i>				
1.3.2 Facilitate initiatives and partnerships to raise awareness around the impact of family violence, and support prevention of violence against women campaigns. 	●	●	●	●
<i>Council's Role: Facilitator</i>				

Major strategy or action		2021/22	2022/23	2023/24	2024/25
1.3.3	In partnership with the Victorian Government and other stakeholders, deliver a range of initiatives and support to respond to and recover from the COVID-19 pandemic.  	●	●	●	●
<i>Council's Role: Facilitator</i>					
1.3.4	Advance Social Justice outcomes through delivering targeted initiatives to address barriers to access and participation.   	●	●	●	●
<i>Council's Role: Facilitator</i>					
1.3.5	Establish an ongoing compliance model across Council that ensures our operational, reporting and investigation obligations, required under the Child Safe Standards and the Commission for Children and Young People (CCYP) are met. 	●	●	●	●
<i>Council's Role: Service Provider</i>					
1.3.6	Finalise a review of General Local Law No. 1, including community and stakeholder engagement. 	●	●	●	●
<i>Council's Role: Statutory authority</i>					
1.3.7	Finalise and commence implementation of a new Domestic Animal Management Plan to support responsible animal management and safety. 	●	●	●	●
<i>Council's Role: Statutory authority</i>					
1.3.8	Increase Maternal and Child Health participation rates, including for vulnerable clients, through expansion of service delivery, with a focus on exploring responsive service models such as outreach programs and flexible service hours. 	●	●	●	●
<i>Council's Role: Service Provider</i>					
1.3.9	Continue to undertake initiatives and advocacy to reduce gambling related harm and gambling reform. 	●	●	●	●
<i>Council's Role: Facilitator, Advocate</i>					
1.3.10	Finalise and commence implementation of the Hume Health and Wellbeing Plan 2021-2025.   	●	●	●	●
<i>Council's Role: Service Provider</i>					
1.3.11	In partnership with local agencies, provide assistance and support to people sleeping rough within Hume City, including adopting a rough sleeping response protocol.  	●	●	●	●
<i>Council's Role: Facilitator</i>					

Major strategy or action	2021/22	2022/23	2023/24	2024/25
1.3.12 Continue undertaking accessibility works at Council facilities, and other public-realm improvements to support people with disabilities.  	●	●	●	●
<i>Council's Role: Service Provider</i>				

Strategic Objective 1.4: Strengthen community connections through local events, festivals and the arts.

Major strategy or action	2021/22	2022/23	2023/24	2024/25
1.4.1 Undertake initiatives to strengthen local arts, including the development of an Arts and Culture Infrastructure Plan to identify future locations for arts and culture services and facilities across the City.	●	●	●	●
<i>Council's Role: Service Provider</i>				
1.4.2 Undertake a strategic review, and commence development of an Events and Festivals Strategy/Service Plan to strengthen access to and support of local community events and festivals. 	●	●	●	●
<i>Council's Role: Service Provider</i>				
1.4.3 Subject to the land exchange agreement for the Jacksons Hill site, commence design and delivery of improvements to develop a Sunbury Community Arts and Cultural Precinct at Jacksons Hill	●	●	●	●
<i>Council's Role: Service Provider</i>				

Theme 1 Strategic Indicators

Strategic Objective/Strategic Indicator	Previous Result	Current Result	% Move	
1.1 Create learning opportunities for everyone to reach their potential through all stages of their life.				
Number of library programs/events attendance per head of municipal population <i>Level of influence: High</i> <i>Source: Public Libraries Network of Victoria, Annual Survey of Victorian Public Libraries</i>	0.5 (2019/20)	0.1 (2020/21)	- 80.00%	
Preschool participation rates (incl. non-Council services) <i>Level of influence: Medium</i> <i>Source: Department of Education, Victorian Child and Adolescent Monitoring System</i>	94.6% (2018/19)	89.0% (2019/20)	-5.92%	
1.2 Provide opportunities, and support business growth to create accessible local jobs for our diverse community.				
Number of student placements supported by Council <i>Level of influence: High</i> <i>Source: Hume City Council, CHRIS21</i>	68 (2019/20)	0 (2020/21)	-100%	
Percentage gap between the Greater Melbourne and Hume LGA unemployment rates <i>Level of influence: Low</i> <i>Source: : Hume City Council derived from Department of Employment Small Area Labour Markets</i>	4.2% (2019/20)	6.8% (2020/21)	44.76%	

Strategic Objective/Strategic Indicator	Previous Result	Current Result	% Move	
1.3 Promote a healthy, inclusive and respectful community that fosters community pride and safety.				
Participation rates in Maternal Child Health <i>Level of influence: High</i> <i>Source: Local Government Performance Reporting Framework</i>	74.7% (2019/20)	73.7% (2020/21)	-1.34%	
Percentage of community who are satisfied with their health <i>Level of influence: Low</i> <i>Source: Hume City Council, Community Indicators</i>	78.2% (2018/19)	88.8% (2020/21)	13.55%	
Percentage of community who believe it's a good thing for a society to be made up of people from different cultures <i>Level of influence: Low</i> <i>Source: Hume City Council, Community Indicators</i>	79.1% (2018/19)	85% (2020/21)	7.46%	
1.4 Strengthen community connections through local events, festivals and the arts.				
Average overall community satisfaction rating for Council led events and festivals <i>Level of influence: High</i> <i>Source: Hume City Council, Event Evaluations</i>	81.9% (2019/20)	92% (2020/21)	12.33%	

Level of influence:

High	Council can directly influence this result
Medium	Council can influence this result, however external factors outside of Council's control may also influence the result.
Low	Council's level of influence on this result is limited but monitoring this indicator assists in planning and guiding Council's priorities

Theme 2: A city that cares about our planet, is appealing and connected.

[infographic of service stats & fun facts]

Services provided

- City Amenity and Appearance
- City Development
- Facility Management/Facilities Hire
- Parks and Open Space
- Transport, Roads and Drainage
- Waste Management

Supporting Strategies and Plans

- COVID-19 Recovery and Reactivation Plan
- Greater Broadmeadows Framework Plan
- Greenhouse Action Plan 2018–2022
- Hume Bicycle Network Plan
- Hume Corridor HIGAP
- Hume Integrated Land Use and Transport Strategy 2011–2020
- Indoor Sports Plan 2021-2031
- Land and Biodiversity Plan
- Municipal Emergency Management Plan and Fire Prevention Plans
- Municipal Emergency Relief and Recovery Plan
- Municipal Fire Management Plan 2020–2023
- Municipal Flood Emergency Plan
- Municipal Strategic Statement
- Outdoor Sports Lighting Policy and Plan
- Open Space Master Plans (various)
- Road Management Plan
- Skate, Scooter & BMX Plan
- Sports Pavilion Plan
- Sunbury HIGAP
- Transport Advocacy Plan

Strategic Objective 2.1: Facilitate appropriate urban development and enhance natural environment, heritage, landscapes and rural places.

Major strategy or action	2021/22	2022/23	2023/24	2024/25
2.1.1 Review and implement improvements to further enhance the delivery of Statutory Planning and Building Control services.	●	●	●	●
<i>Council's Role: Statutory authority</i>				
2.1.2 Undertake planning to improve housing diversity (including housing design guidelines), and advocate for improvements to social housing. 🏡	●	●	●	●
<i>Council's Role: Facilitator, Advocate</i>				
2.1.3 Deliver Stage Two of the youth crisis facility needs assessment, including determining and pursuing feasible options for facilitating its delivery. 🧠	●	●	●	●
<i>Council's Role: Facilitator</i>				
2.1.4 In partnership with the Victorian Planning Authority and adjoining councils, continue to advance planning for the City consistent with the vision and directions of Council's integrated growth area	●	●	●	●

Major strategy or action	2021/22	2022/23	2023/24	2024/25
plans, including the planning for new town centres in Cloverton (Kalkallo) and Merrifield (Mickleham).				
<i>Council's Role: Facilitator</i>				
2.1.5 Support rural landowners to manage land sustainably and protect environmental assets by implementing the new Rural Engagement Program, including the Conserving our Rural Environment Grant, Primary Producer Rate Rebate, Rural Land Management Grant, and capacity building activities. 🌱	●	●	●	●
<i>Council's Role: Service Provider</i>				
2.1.6 Implement the Conservation Management Plan (CMP) Framework by progressively developing individual plans for each of the conservation reserves. 🌱	●	●	●	●
<i>Council's Role: Service Provider</i>				

Strategic Objective 2.2: Demonstrate environmentally sustainable leadership and adapt to climate change.

Major strategy or action	2021/22	2022/23	2023/24	2024/25
2.2.1 Implement programs to support environmental sustainable leadership including Enviro Champions, Gardens for Wildlife, and Environmental Scholarship programs. 🌱	●	●	●	●
<i>Council's Role: Service Provider</i>				
2.2.2 Finalise the review of the Land and Biodiversity Plan. 🌱	●	●	●	●
<i>Council's Role: Service Provider</i>				
2.2.3 Investigate options to enhance Council's response to climate change including ways to support the Hume community adapt to climate change. 🌱	●	●	●	●
<i>Council's Role: Facilitator</i>				
2.2.4 Undertake initiatives to improve stormwater harvesting, including at Cloverton, and subject to funding, Jack Roper Reserve Broadmeadows or John Ilhan Memorial Reserve Broadmeadows. 🌱	●	●	●	●
<i>Council's Role: Service Provider</i>				

Strategic Objective 2.3: Design and maintain our City with accessible spaces and a strong sense of place

Major strategy or action	2021/22	2022/23	2023/24	2024/25
2.3.1 Recommence and finalise the suburb boundary review.	●	●	●	●
<i>Council's Role: Facilitator</i>				
2.3.2 Finalise a new Open Space Strategy and continue to implement improvements to active and passive open spaces and playspaces. ♿❤🌳	●	●	●	●
<i>Council's Role: Service Provider</i>				
2.3.3 In partnership with Department of Environment, Land, Water and Planning and other stakeholders, progress the development the Jacksons Creek Regional Parkland Plan and Merri Creek Regional Parkland. ♿❤🌳	●	●	●	●
<i>Council's Role: Facilitator</i>				
2.3.4 Develop open space masterplans for Merlynston Creek and Aitken Creek. ♿❤🌳	●	●	●	●
<i>Council's Role: Service Provider</i>				
2.3.5 Finalise a 10-year waste strategy and implement initiatives to reduce the incident of illegal dumped waste in Hume City. ♿❤🌳	●	●	●	●
<i>Council's Role: Service Provider</i>				

Strategic Objective 2.4: Connect our City through efficient and effective walking, cycling and public transport and road networks.

Major strategy or action	2021/22	2022/23	2023/24	2024/25
2.4.1 Progress the construction of Yirragan Road connection to Buckland Way, Sunbury.	●	●	●	●
<i>Council's Role: Service Provider</i>				
2.4.2 Undertake initiatives to expand on, and improve connections with Hume's walking and cycling network, including a review of the Northern Regional Trails Strategy. ♿❤🌳	●	●	●	●
<i>Council's Role: Service Provider, Facilitator</i>				

Theme 2 Strategic Indicators

Strategic Objective/Strategic Indicator	Previous Result	Current Result	% Move	
2.1 Facilitate appropriate urban development and enhance natural environment, heritage, landscapes and rural places				
Percentage of Council planning decisions upheld at VCAT <i>Level of influence: Medium</i> <i>Source: Local Government Performance Reporting Framework</i>	60% (2019/20)	0% (2020/21)	-100%	
Percentage of planning applications decided within required time-frames <i>Level of influence: High</i> <i>Source: Local Government Performance Reporting Framework</i>	44.3% (2019/20)	51.3% (2020/21)	15.80%	
2.2 Demonstrate environmentally sustainable leadership and adapt to climate change.				
Percentage of kerbside waste collection diverted from landfill <i>Level of influence: High</i> <i>Source: Local Government Performance Reporting Framework</i>	35.1% (2019/20)	34.92% (2020/21)	-0.51%	
2.3 Design and maintain our City with accessible spaces and a strong sense of place.				
Net increase in street and park trees <i>Level of influence: High</i> <i>Source: Hume City Council</i>	5,043 (2019/20)	6,695 (2020/21)	32.76%	
2.4 Connect our City through efficient and effective walking, cycling and public transport and road networks.				
Community satisfaction rating with sealed local roads <i>Level of influence: High</i> <i>Source: Hume City Council, Community Indicators</i>	57 (2019/20)	64 (2020/21)	12.28%	

Theme 3: A Council that inspires leadership, is accountable and puts the community first.

[infographic of service stats & fun facts]





Services provided

- Asset Management and Infrastructure Development
- Communications and Advocacy
- Community Development
- Council and Service Planning
- Customer Service
- Finance and Procurement Services
- Governance and Associated Statutory Services
- Human Resources
- Information Technology
- Organisation and Community Intelligence

Supporting Strategies and Plans

- Asset Management Plans (various)
- Asset Management Strategy
- Business Continuity Plan
- Community Engagement Framework and Planning Guide
- Four-Year Advocacy Plan
- Information Technology Strategy
- Revenue and Rating Plan
- Risk Management Strategy
- Service Plans (various)

Strategic Objective 3.1: Empower and engage our community through advocacy and community engagement




Major strategy or action	2021/22	2022/23	2023/24	2024/25
3.1.1 Implement and support programs and advisory committees/reference groups to foster community leadership and increase community participation into Council decision making processes.   	●	●	●	●
<i>Council's Role: Service Provider</i>				
3.1.2 Finalise the development of a new Community Vision, Council Plan and Long-term Financial Plan through deliberative engagement with Hume's community, in line with the requirements under the Local Government Act 2020.	●	●	●	●
<i>Council's Role: Statutory authority</i>				
3.1.3 Undertake initiatives to enhance Council consultation and engagement practices, in line with Council's Community Engagement Policy.  	●	●	●	●
<i>Council's Role: Service Provider</i>				

Major strategy or action	2021/22	2022/23	2023/24	2024/25
3.1.4 Develop an Advocacy Strategy to inform the community, business and key stakeholders on Council's position on issues of local importance in the lead up to the 2022 State and Federal Elections, and provide opportunities to enhance participation in decision-making processes. 🏡	●	●	●	●
<i>Council's Role: Advocate</i>				

Strategic Objective 3.2: Deliver responsible and transparent governance, services and sustainable assets that respond to community needs.

Major strategy or action	2021/22	2022/23	2023/24	2024/25
3.2.1 Develop the long-term Asset Management Plan in accordance with the <i>Local Government Act 2020</i> . ♿️💙🏡	●	●	●	●
<i>Council's Role: Service Provider</i>				
3.2.2 Implement integrated corporate reporting solution/s to enhance transparency and performance accountability.	●	●	●	●
<i>Council's Role: Service Provider</i>				
3.2.3 Plan for, deliver, and undertake initiatives to improve utilisation of community infrastructure and facilities; including finalising the Community Infrastructure Plan, Community Facilities Strategic Review and Youth Facilities Review. ♿️💙🏡	●	●	●	●
<i>Council's Role: Service Provider</i>				
3.2.4 Establish processes and procedures for Gender Impact Assessments that considers the effects that new (or changes to existing) Council policies, programs or services may have on different genders of Hume City's community. This should include how gender inequality can be compounded by disadvantage or discrimination that a person may experience on the basis of other factors such as age, disability or ethnicity. ♿️💙	●	●	●	●
<i>Council's Role: Service Provider</i>				
3.2.5 Develop 'Living Local'/'Neighbourhood' community plans to improve alignment of Council services, programs and activities to the needs of local communities and to better maintain and realise the qualities of local areas. ♿️💙🏡	●	●	●	●
<i>Council's Role: Service Provider</i>				

Strategic Objective 3.3 Advance organisational high-performance through innovation and partnerships.

Major strategy or action		2021/22	2022/23	2023/24	2024/25
3.3.1	Undertake a range of initiatives and programs to enhance the skills and capabilities of Council's workforce, including developing and implementing a Future Workforce Strategy, Workforce Plan, Gender Equality Action Plan and a Workplace Diversity and Inclusion Strategy.  	●	●	●	●
<i>Council's Role: Service Provider</i>					
3.3.2	Undertake service reviews, business process improvements and initiatives to improve the Customer Experience provided across Council services, programs and activities. 	●	●	●	●
<i>Council's Role: Service Provider</i>					

Theme 3 Strategic Indicators

Strategic Objective/Strategic Indicator	Previous Result	Current Result	% Move	
3.1 Empower and engage our community through advocacy and community engagement.				
Community satisfaction with Council decisions <i>Level of influence: High</i> <i>Source: Hume City Council, Community Indicators</i>	55 (2019/20)	59 (2020/21)	7.27%	
Percentage of Council decisions made at meetings closed to the public <i>Level of influence: High</i> <i>Source: Local Government Performance Reporting Framework</i>	29.5% (2019/20)	23.64% (2020/21)	-19.86%	
Satisfaction with community consultation and engagement <i>Level of influence: High</i> <i>Source: Hume City Council, Community Indicators</i>	56 (2019/20)	56 (2020/21)	0%	
3.2 Deliver responsible and transparent governance, services and sustainable assets that respond to community needs.				
Adjusted underlying surplus as a percentage of underlying revenue <i>Level of influence: High</i> <i>Source: Local Government Performance Reporting Framework</i>	9.78% (2019/20)	5.26% (2020/21)	-46.22%	
Asset renewal and upgrade compared to depreciation <i>Level of influence: High</i> <i>Source: Local Government Performance Reporting Framework</i>	82.66% (2019/20)	74.66% (2020/21)	-9.68%	
Percentage of Council Plan Actions completed <i>Level of influence: High</i> <i>Source: : Hume City Council, Council Plan Quarterly Reports</i>	72% (2019/20)	73% (2020/21)	1.39%	
3.3 Advance organisational high-performance through innovation and partnerships.				
Employee Retention Rate <i>Level of influence: High</i> <i>Source: Local Government Performance Reporting Framework</i>	91.5% (2019/20)	92.6% (2020/21)	1.20%	
Satisfaction with Council's overall performance <i>Level of influence: High</i> <i>Source: Hume City Council, Hume Horizons 2040 Community Indicators</i>	64 (2019/20)	68 (2020/21)	6.25%	

Addendum 1: Disability Action Plan

Hume City Council's commitment to participation and wellbeing of people with disabilities has been a feature of the Council Plan since 2017.

In accordance with the *Disability Discrimination Act 1992*, the *Victorian Disability Act 2006*, and the *Charter of Human Rights and Responsibilities Act 2006*, Hume City Council has prepared the Council Plan 2017–2021 to incorporate the requirements of the Disability Action Plan.

Under Section 38(1) of the *Victorian Disability Act 2006*, a public sector body must ensure that a Disability Action Plan is prepared for the purpose of:

- a) reducing barriers to persons with a disability accessing goods, services and facilities;
- b) reducing barriers to persons with a disability obtaining and maintaining employment;
- c) promoting inclusion and participation in the community of persons with a disability;
- d) achieving tangible changes in attitudes and practices which discriminate against persons with a disability.

In accordance with Section 38(5) of the *Victorian Disability Act 2006*, the development of the Council Plan ensures “that the matters referred to in subsection (1) [outlined above] are addressed in the Council Plan prepared under the *Local Government Act 2020*”.

Since the adoption of the Hume Social Justice Charter in 2001, Hume City Council has been a leader in promoting access and inclusion for all. Integration of the Disability Action Plan into the Council Plan ensures the disability remains a priority of all Council activities and services and ensures the actions are monitored by the Council and the community.

Disability in Hume City

According to the 2016 Census, there were 7,238 Hume City residents aged 0-64 years and 5,201 residents aged 65 years or older, who identified as requiring a need for assistance with core activities. This equates to 6.3 per cent of Hume residents that have a need for assistance with day-to-day activities including self-care, mobility and communication because of a disability, long-term health condition (lasting six months or more) or old age.

In comparison to other Melbourne Metropolitan Councils, Hume City Council has the highest proportion of residents aged 0-64 years and fifth highest proportion of residents aged 65 years or older who identified as requiring a need for assistance with core activities.

The proportion of Greater Melbourne residents who identified as requiring a need for assistance with core activities is 4.9 per cent (ABS, 2016 Census).

Suburbs within Hume City with the highest proportions of population requiring a need for assistance with core activities are Coolaroo (12.1 per cent), Campbellfield (10.6 per cent), Meadow Heights (9.3 per cent), Dallas (8.5 per cent) and Broadmeadows (8.5 per cent).


While these areas typically have ageing communities, the area of Sunbury has the highest proportion of young people (aged 5-19 years) with a need for assistance with core activities at 5.0 per cent, compared to 3.4 per cent for Hume City and 2.8 per cent for Greater Melbourne.

The Australian Bureau of Statistics statistical areas (SA2s) of Broadmeadows (also includes Jacana), Campbellfield – Coolaroo (also includes Dallas and Fawkner) and Meadow Heights have the three highest proportions of residents aged 0-64 years identified as requiring a need for assistance with core activities of all SA2s in Metropolitan Melbourne.

In 2020/21, Council's Commonwealth Home Support Program was funded to provide 72,889 hours of care (personal care, domestic assistance, respite care, access and support, social support and home maintenance) to people over the age of 65.

Council continues to provide advocacy for residents who live with a temporary or permanent disability who are under the age of 65 that have been assessed as not eligible to receive funding through the National Disability Insurance Scheme (NDIS). Council will continue through funding from the State Government to provide 14,500 hours of direct support to these residents.

Council Plan Actions

It is recognised that all Council activities and services actively consider and comply with the Disability Discrimination Act 1992 and Victorian Disability Act 2006. However, the Council Plan provides a number of specific actions that directly target outcomes for people with disabilities, therefore forming the Disability Action Plan. Actions that are specifically related to the Disability Action Plan are highlighted throughout the documents with a  symbol.

2021-2025 Disability Actions:

- 1.1.1 Strengthen volunteering to enhance vocational and social learning opportunities and community connections.
- 1.1.3 Undertake an assessment of the current Children Services model and explore its ongoing feasibility in light of continued growth and changing government policy direction.
- 1.1.4 Deliver and monitor a range of parenting education programs to build the capacity of parents to support children from 0-24 years.
- 1.2.1 Provide a range of Council-led initiatives and work experiences to strengthen employment pathways and vocational education opportunities, particularly for those of diverse or disadvantaged backgrounds.
- 1.2.2 In partnership with the Victorian Government and business, progress the revitalisation of Broadmeadows and Hume Central to facilitate a vibrant town centre, places for people to work, learn, live and enjoy and advocacy for renewal of the Broadmeadows Train Station.
- 1.3.4 Advance Social Justice outcomes through delivering targeted initiatives to address barriers to access and participation.
- 1.3.8 Increase Maternal and Child Health participation rates, including for vulnerable clients, through expansion of service delivery, with a focus on exploring responsive service models such as outreach programs and flexible service hours.
- 1.3.10 Finalise and commence implementation of the Hume Health and Wellbeing Plan 2021-2025.
- 1.3.11 In partnership with local agencies, provide assistance and support to people sleeping rough within Hume City, including adopting a rough sleeping response protocol.
- 1.3.12 Continue undertaking accessibility works at Council facilities, and other public-realm improvements to support people with disabilities.
- 2.3.2 Finalise a new Open Space Strategy and continue to implement improvements to active and passive open spaces and playspaces.
- 2.3.3 In partnership with Department of Environment, Land, Water and Planning and other stakeholders, progress the development the Jacksons Creek Regional Parkland Plan and Merri Creek Regional Parkland.

- 2.3.4 Develop open space masterplans for Merlynston Creek and Aitken Creek.
- 2.4.2 Undertake initiatives to expand on, and improve connections with Hume's walking and cycling network, including a review of the Northern Regional Trails Strategy.
- 3.1.1 Implement and support programs and advisory committees/reference groups to foster community leadership and increase community participation into Council decision making processes.
- 3.1.3 Undertake initiatives to enhance Council consultation and engagement practices, in line with Council's Community Engagement Policy.
- 3.2.1 Develop the long-term Asset Management Plan in accordance with the Local Government Act 2020.
- 3.2.3 Plan for, deliver, and undertake initiatives to improve utilisation of community infrastructure and facilities; including finalising the Community Infrastructure Plan, Community Facilities Strategic Review and Youth Facilities Review.
- 3.2.4 Establish processes and procedures for Gender Impact Assessments that considers the effects that new (or changes to existing) Council policies, programs or services may have on different genders of Hume City's community. This should include how gender inequality can be compounded by disadvantage or discrimination that a person may experience on the basis of other factors such as age, disability or ethnicity.
- 3.3.1 Undertake a range of initiatives and programs to enhance the skills and capabilities of Council's workforce, including developing and implementing a Future Workforce Strategy, Workforce Plan, Gender Equality Action Plan and a Workplace Diversity and Inclusion Strategy.
- 3.3.2 Undertake service reviews, business process improvements and initiatives to improve the Customer Experience provided across Council services, programs and activities.

Addendum 2: Community Safety Action Plan

- *Almost 1 in 2 people feel safe walking alone during the night (Source: 2020/21 CIS)*
- *More than 4 out of 5 people feel safe in the community in general (Source: 2020/21 CIS)*
- *6,300 criminal incidents per 100,000 population, compared to 5,800 for Vic (Source: Crime Statistics Agency)*
- *1,700 family incidents per 100,000 population, compared to 1,400 for Vic (Source: Crime Statistics Agency)*
- *3.72 days is the average time to action animal management requests (Source: LGPRF 2020/21)*
- *100% success rate for animal management prosecutions*
- *92.8% of food premises safety assessments completed (Source: LGPRF 2020/21)*

Community safety is of great importance to people in Hume City. We have heard safety described in terms of wellbeing, low rates of crime and injury as well as feeling safe in our community throughout the Let's Shape Hume Together consultation.

Community safety is characterised by community-wide participation in developing and delivering initiatives to improve the health, safety and wellbeing of populations at the local level in order to reduce the impact of unintentional injury, crime, violence and emergency situations on communities.

Speaking with community members at Community Vision consultations, 'community safety' was identified as one of the top ten long term priorities. Our community told us that they had concerns about crime rates, wanted to see police engaging with community and looked for action so that crimes, such as family violence, were addressed. We also heard that people want Hume City to be 'a community that promotes health and safety'. Examples included connecting pathways would provide active travel as well as safety for cyclists and pedestrians off busy roads.



Hume City Council aspires to be a safe community, where individuals living, working and visiting Hume actively participate in the community without fear or risk of harm. Our commitment to community safety has been demonstrated for many years through accreditation as a World Health Organisation Safe Community since 1989 (and redesignated multiple times since).

Safe in Hume: Our Community Safety Plan has been developed to guide Council to achieve this vision. The plan aims to enhance people's feelings of safety, their perceptions of safety, prevent the likelihood of crime as well as coordinate community actions across the City.

The goal of Safe in Hume is to assist 'Hume City to be an active, harmonious, safe city where everyone who lives, works or visits participates responsibly without fear or risk of injury'. Four themes have been identified in the Plan:

1. Community Safety in the public realm
2. Safety around the home
3. Transport safety
4. Family violence and women's safety

Council's commitment to community safety is reflected in the Strategic Objective 1.3: Promote a healthy, inclusive and respectful community that fosters a sense of community pride and safety.

Council Plan Actions which reinforce Council's commitment to community safety are listed below:

- 1.2.2 In partnership with the Victorian Government and business, progress the revitalisation of Broadmeadows and Hume Central to facilitate a vibrant town centre, places for people to work, learn, live and enjoy and advocacy for renewal of the Broadmeadows Train Station.
- 1.3.1 In partnership with Victoria Police, continue to identify and deliver initiatives to improve driver/road safety, including reducing hoon driving and illegal dirt bikes.
- 1.3.2 Facilitate initiatives and partnerships to raise awareness around the impact of family violence, and support prevention of violence against women campaigns.
- 1.3.3 In partnership with the Victorian Government and other stakeholders, deliver a range of initiatives and support to respond to and recover from the COVID-19 pandemic.
- 1.3.4 Advance Social Justice outcomes through delivering targeted initiatives to address barriers to access and participation.
- 1.3.5 Establish an ongoing compliance model across Council that ensures our operational, reporting and investigation obligations, required under the Child Safe Standards and the Commission for Children and Young People (CCYP) are met.
- 1.3.6 Finalise a review of General Local Law No. 1, including community and stakeholder engagement.
- 1.3.7 Finalise and commence implementation of a new Domestic Animal Management Plan to support responsible animal management and safety.
- 1.3.9 Continue to undertake initiatives and advocacy to reduce gambling related harm and gambling reform.
- 1.3.10 Finalise and commence implementation of the Hume Health and Wellbeing Plan 2021-2025.
- 1.3.11 In partnership with local agencies, provide assistance and support to people sleeping rough within Hume City, including adopting a rough sleeping response protocol.
- 1.3.12 Continue undertaking accessibility works at Council facilities, and other public-realm improvements to support people with disabilities.
- 2.1.3 Deliver Stage Two of the youth crisis facility needs assessment, including determining and pursuing feasible options for facilitating its delivery.
- 2.3.2 Finalise a new Open Space Strategy and continue to implement improvements to active and passive open spaces and playspaces.
- 2.3.3 In partnership with Department of Environment, Land, Water and Planning and other stakeholders, progress the development the Jacksons Creek Regional Parkland Plan and Merri Creek Regional Parkland.
- 2.3.4 Develop open space masterplans for Merlynston Creek and Aitken Creek.
- 2.3.5 Finalise a 10-year waste strategy and implement initiatives to reduce the incident of illegal dumped waste in Hume City.
- 2.4.2 Undertake initiatives to expand on, and improve connections with Hume's walking and cycling network, including a review of the Northern Regional Trails Strategy.
- 3.1.1 Implement and support programs and advisory committees/reference groups to foster community leadership and increase community participation into Council decision making processes.
- 3.1.3 Undertake initiatives to enhance Council consultation and engagement practices, in line with Council's Community Engagement Policy.
- 3.2.1 Develop the long-term Asset Management Plan in accordance with the Local Government Act 2020.
- 3.2.3 Plan for, deliver, and undertake initiatives to improve utilisation of community infrastructure and facilities; including finalising the Community Infrastructure Plan, Community Facilities Strategic Review and Youth Facilities Review.
- 3.2.4 Establish processes and procedures for Gender Impact Assessments that considers the effects that new (or changes to existing) Council policies, programs or services may have on

different genders of Hume City's community. This should include how gender inequality can be compounded by disadvantage or discrimination that a person may experience on the basis of other factors such as age, disability or ethnicity.

- 3.2.5 Develop 'Living Local'/'Neighbourhood' community plans to improve alignment of Council services, programs and activities to the needs of local communities and to better maintain and realise the qualities of local areas.
- 3.3.1 Undertake a range of initiatives and programs to enhance the skills and capabilities of Council's workforce, including developing and implementing a Future Workforce Strategy, Workforce Plan, Gender Equality Action Plan and a Workplace Diversity and Inclusion Strategy.

Addendum 3: Pathways to Sustainability Framework

Hume City Council has a long history of commitment to environmental sustainability, with our first *Environmental Sustainability Framework* being adopted in 2002. Recognising the importance of community input and partnerships, following adoption of this framework, Council formed the Hume Sustainability Taskforce.

Since this time, we have developed two iterations of the *Pathways to Sustainability Framework* and supporting documents to guide environmental planning and management and to enhance our approach to key trends and issues. This iteration of *Pathways* is integrated into the Council Plan.

Sustainability is a key focus in our Community Vision, and by integrating environmental considerations in all Council and community activities, and working together, will ensure that the natural environment is protected, and negative environmental impacts are reduced.

HUME'S NATURAL ENVIRONMENT

The Traditional Owners of the Hume area are the Wurundjeri Woi Wurrung people, who maintain their connection and custodianship of the land. The environment we enjoy has been shaped by their influence and management over many thousands of years. The landscape is largely a product of past volcanic activity; mainly basalt overlaying older sediments and granite. Deeply incised waterways such as the Moonee Ponds, Jacksons, Deep and Emu creeks frame the landscape. In many areas sodic and dispersive soils occur, increasing risk of erosion and sedimentation movement.

Most of Hume's original vegetation has been removed for agricultural and urban development. The remaining scattered woodland and grassland remnants are among the most critically endangered vegetation types in Australia². Hume's waterways have all been impacted by human use and activities, including changing the natural hydrological cycle. Several sites in Hume continue to support both common (Eastern Grey Kangaroos and Black-shouldered Kites) and threatened (Platypus, Growling Grass Frog, and Golden Sun Moth) native wildlife.

A significant proportion of land in Hume is rural in nature and provides a Green Wedge set aside to retain and accommodate non-urban character, agricultural and recreational uses and strong landscape and environmental values.

LIVING SUSTAINABLY IN HUME

The goal of sustainable living is to enable people everywhere (and future generations) to enjoy a good quality of life within their fair share of the planet's resources. Council's challenge is to develop and grow the Hume community at the same time as reducing our impact on the environment. We need to work together to find ways to improve the quality of life for everyone, affordably and fairly, while living within the limits of what Earth can provide.

CLIMATE CHANGE

The *Local Government Act 2020* outlines that one of the key guiding principles for local government is that "the economic, social and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted". Climate change and its effects are already evident. Hume should expect and prepare for:

- Hotter, drier conditions.
- An increase in frequency and intensity of climatic events
- Deterioration in water quality in waterways.

² Assessing the effectiveness of Local Government Planning Scheme controls in protecting native vegetation in the Port Phillip and Westernport Region, The State of Victoria, 2009.

These impacts will create many challenges for management of our natural environment, community well-being, health and safety, and pose a significant economic burden to Council, replacing infrastructure, emergency response and recovery, insurance, environmental rehabilitation.

STRATEGIC PATHWAYS

The Pathways represent Hume's approach to and current best practice for environmental sustainability, while looking to the future.

[Graphic designer note: - develop into an infographic]

Pathway 1: demonstrate sustainability leadership
<ul style="list-style-type: none"> • Strong champions and advocates both within and beyond municipal boundaries. • Demonstrate environmental best practice. • Commitment to bold targets/goals to drive change and innovation. • Embed sustainability into organisational culture, governance, and service delivery. • Sustainability focused relationships, partnerships and initiatives with key stakeholders. • Actively engage the community in environmental sustainability activities and practices. • Integrated planning and decision-making based on both short-term and long-term impacts and opportunities.
Pathway 2: support the community to live and work sustainably
<ul style="list-style-type: none"> • Healthy people in a healthy environment connected with nature. • Circular economy community, minimal/zero waste to landfill, resource and energy efficient. • Intergenerational equity, affordable and accessible solutions. • Support localised food initiatives for positive health and wellbeing. • A resilient community able to adapt to a changing climate.
Pathway 3: provide strong environmental stewardship
<ul style="list-style-type: none"> • Biodiversity values are protected, enhanced, and well-integrated within the built environment. • Risks to both short- and long- term ecosystem health and landscape values are factored into planning and decision making. • Support the community to manage land sustainably. • Non-compliance with environmental regulations is pursued via capacity building, education and/or legal approaches. • Natural assets are valued and included in Council's asset management systems and procedures.
Pathway 4: create sustainable places
<ul style="list-style-type: none"> • Plan for sustainable communities where local employment, recreational opportunities and use of sustainable transport are supported, and biodiversity values are conserved and enhanced. • Environmentally Sustainable Design and Development (ESD) and climate resilience and adaptation principles are applied to all new and renewed built assets. • Work at the subdivisional scale to achieve community-wide outcomes and impacts.
Pathway 5: respond to the climate emergency
<ul style="list-style-type: none"> • Ensure our actions are science-based, inclusive of Aboriginal and Torres Strait Islander peoples, and consider social and environmental justice issues and outcomes. • All Council staff are accountable for embedding climate emergency response into their operations, planning, and decision-making and will act as champions of change. • Advocate and influence other levels of government, business, and the community. • Support and empower the Hume community and businesses to take positive climate actions.

<p>Pathway 6: manage waste and resources as part of the Circular Economy</p> <ul style="list-style-type: none"> • Design out waste and pollution; change our mindset to view (resource) waste as a design flaw. • Keep products, materials, and resources in use. • Regenerate natural systems: mimic natural cycles that operate in a closed loop. • Power our economy with renewable energy. • Focus our procurement on circular economy principles. • Actively engage the business community to transition our local economy to a circular, low, or no carbon economy model.
<p>Pathway 7: support self-determination and partnerships with Traditional Owners and other Aboriginal and Torres Strait Islander peoples</p> <ul style="list-style-type: none"> • Work with Traditional Owners and other Aboriginal and Torres Strait Islander peoples to share knowledge of cultural significance. • Build strong, long-term partnerships and relationships with Traditional Owners based on trust and respect. • Explore opportunities to increase the participation of Traditional Owners and other Aboriginal and Torres Strait Islander peoples in biodiversity conservation works on Council land, and in water management.
<p>Pathway 8: recognise the Rights of Nature</p> <ul style="list-style-type: none"> • Acknowledge that all life on Earth has a right to exist, thrive, and evolve in its natural habitat. • Acknowledge that there are unique species and habitats that only occur within Hume and prioritise them in our programs and policies. • Value and protect nature for its inherent worth. • Learn about ecologically sustainable custodianship from Traditional Owners and Aboriginal and Torres Strait Islander peoples and incorporate into our own practices. • Challenge the idea that nature is property. • Put the health of nature at the centre of our decision-making.

2021-2025 Sustainability Actions:

- 1.1.1 Strengthen volunteering to enhance vocational and social learning opportunities and community connections.
- 1.3.3 In partnership with the Victorian Government and other stakeholders, deliver a range of initiatives and support to respond to and recover from the COVID-19 pandemic.
- 1.3.4 Advance Social Justice outcomes through delivering targeted initiatives to address barriers to access and participation.
- 1.3.10 Finalise and commence implementation of the Hume Health and Wellbeing Plan 2021-2025.
- 1.4.2 Undertake a strategic review, and commence development of an Events and Festivals Strategy/Service Plan to strengthen access to and support of local community events and festivals.
- 2.1.2 Undertake planning to improve housing diversity (including housing design guidelines), and advocate for improvements to social housing.

- 2.1.5 Support rural landowners to manage land sustainably and protect environmental assets by implementing the new Rural Engagement Program, including the Conserving our Rural Environment Grant, Primary Producer Rate Rebate, Rural Land Management Grant, and capacity building activities.
- 2.1.6 Implement the Conservation Management Plan (CMP) Framework by progressively developing individual plans for each of the conservation reserves.
- 2.2.1 Implement programs to support environmental sustainable leadership including Enviro Champions, Gardens for Wildlife, and Environmental Scholarship programs.
- 2.2.2 Finalise the review of the Land and Biodiversity Plan.
- 2.2.3 Investigate options to enhance Council's response to climate change including ways to support the Hume community adapt to climate change.
- 2.2.4 Undertake initiatives to improve stormwater harvesting, including at Cloverton, and subject to funding, Jack Roper Reserve Broadmeadows or John Ilhan Memorial Reserve Broadmeadows
- 2.3.2 Finalise a new Open Space Strategy and continue to implement improvements to active and passive open spaces and playspaces.
- 2.3.3 In partnership with Department of Environment, Land, Water and Planning and other stakeholders, progress the development the Jacksons Creek Regional Parkland Plan and Merri Creek Regional Parkland.
- 2.3.4 Develop open space masterplans for Merlynston Creek and Aitken Creek.
- 2.3.5 Finalise a 10-year waste strategy and implement initiatives to reduce the incident of illegal dumped waste in Hume City.
- 2.4.2 Undertake initiatives to expand on, and improve connections with Hume's walking and cycling network, including a review of the Northern Regional Trails Strategy.
- 3.1.1 Implement and support programs and advisory committees/reference groups to foster community leadership and increase community participation into Council decision making processes.
- 3.1.4 Develop an Advocacy Strategy to inform the community, business and key stakeholders on Council's position on issues of local importance in the lead up to the 2022 State and Federal Elections, and provide opportunities to enhance participation in decision-making processes.
- 3.2.1 Develop the long-term Asset Management Plan in accordance with the Local Government Act 2020.
- 3.2.3 Plan for, deliver, and undertake initiatives to improve utilisation of community infrastructure and facilities; including finalising the Community Infrastructure Plan, Community Facilities Strategic Review and Youth Facilities Review.
- 3.2.5 Develop 'Living Local'/'Neighbourhood' community plans to improve alignment of Council services, programs and activities to the needs of local communities and to better maintain and realise the qualities of local areas.

REPORT NO:	GE550
REPORT TITLE:	Annual Assessment of Audit and Risk Committee performance against the Committee Charter
SOURCE:	Sheena Frost, Chief Executive Officer
DIVISION:	Chief Executive Officer
FILE NO:	HCC14/401
POLICY:	-
STRATEGIC OBJECTIVE:	5.3 Provide responsible and transparent governance, services and infrastructure which responds to and supports community needs.
ATTACHMENT:	1. <i>Audit and Risk Committee Report</i>

1. SUMMARY OF REPORT:

- 1.1 In accordance with the requirements of Council's Audit and Risk Committee Charter adopted 22 June 2020, Council Chief Executive Officer is required to table a copy of the Audit and Risk Committee's annual assessment of the Committee's performance against the Charter.
- 1.2 This report complies with the principles of the Local Government Act 2020, section 54 (4) (b).

2. RECOMMENDATION:

That Council note the report

3. LEGISLATIVE POWERS:

Local Government Act 2020.

4. FINANCIAL IMPLICATIONS:

Nil

5. ENVIRONMENTAL SUSTAINABILITY CONSIDERATIONS:

Environmental Sustainability has been considered and the recommendations of this report give no rise to any matters.

6. CLIMATE CHANGE ADAPTATION CONSIDERATIONS:

There are no considerations that impact on climate change adaptation as a result of this report.

7. CHARTER OF HUMAN RIGHTS APPLICATION:

The rights protected in the Charter of Human Rights and Responsibilities Act 2006 were considered and it was determined that no rights were engaged in this matter.

8. COMMUNITY CONSULTATION:

Community consultation is not required.

9. DISCUSSION:

- 9.1 Council's Audit and Risk Committee Charter adopted 22 June 2020, includes a requirement for Council's Chief Executive Officer to table a copy of the Audit and Risk Committee's annual assessment of the Committee's performance against the Charter (attachment 1).

REPORT NO: GE550 (cont.)

- 9.2 Audit and Risk Committee members attended Council's 6 September 2021 Strategy and Policy Briefing and were available to discuss any concerns Council may have had in relation to the self-assessment.

10. CONCLUSION:

The Audit and Risk Committee assessment of the Committee's performance against the Charter highlights that the Committee continues to operate at a very high standard.

**REPORTS – OFFICERS' REPORTS
27 AUGUST 2021****AUDIT AND RISK COMMITTEE MEETING****REPORT NO:****REPORT TITLE:**

Annual assessment of performance against Audit and Risk Committee Charter

SOURCE:

Megan Kruger, Manager Governance

DIVISION:

Corporate Services

FILE NO:

HCC14/401

POLICY:

-

STRATEGIC OBJECTIVE:

5.3 Provide responsible and transparent governance, services and infrastructure which responds to and supports community needs.

ATTACHMENTS:

1. *2020/2021 Performance Assessment Questions*
2. *Summary of Responses*
3. *Summary of Comments*

1. SUMMARY OF REPORT:

- 1.1 Under the *Local Government Act 2020* (the Act), Council's Audit and Risk Committee (Committee) is required to prepare a report on the results of the Audit and Risk Committee's annual assessment of its performance against the Audit and Risk Committee Charter.
- 1.2 Preparation of this report will comply with the principles of the *Local Government Act 2020*, section 54(4).
- 1.3 Council's Chief Executive Officer will table a copy of this report at the next Council meeting.

2. RECOMMENDATION:

- 2.1 That the Audit and Risk Committee consider and note the report.
- 2.2 That this report be provided to Council's Chief Executive officer for tabling at the next Council meeting in accordance with section 54(4)(b) of the *Local Government Act 2020*.

3. LEGISLATIVE POWERS:

Local Government Act 2020 section 54(4).

4. DISCUSSION:

- 4.1 The Audit and Risk Committee Charter includes a requirement for the Committee to perform an annual assessment of its performance against the Audit and Risk Committee Charter.
- 4.2 The review for the period 1 June 2020 – 31 May 2021 (attachment 1) was sent to each Audit and Risk Committee member for that period and those Council officers who regularly attend Committee meetings. The review was also forwarded to Claire Filson whose term as a Committee member finished in April 2021. A total of seven responses were received from a possible 11.
- 4.3 A summary of the responses received has been attached to this report as attachment 2.
- 4.4 The overall results are very positive. Of the responses received 80% recorded a rating between Excellent/Strongly Agree and Very Good/Agree.

REPORTS – OFFICERS’ REPORTS
27 AUGUST 2021

AUDIT AND RISK COMMITTEE MEETING

REPORT NO: (cont.)

4.5 A summary of the comments received has been attached to this report as attachment 3.

5. CONCLUSION:

The self-assessment has highlighted that the Committee continues to operate at a very high standard.

REPORTS – OFFICERS’ REPORTS - AUDIT
27 AUGUST 2021

Attachment 1 - 2020/2021 Performance Assessment Questions

AUDIT AND RISK COMMITTEE MEETING

**Annual Assessment of Performance
against Audit and Risk Committee Charter
1 June 2020 – 31 May 2021**

REVIEW QUESTIONS

Charter

1. Evaluate the clarity and comprehensiveness of the Committee’s Charter and responsibilities.
2. Evaluate how well the Committee has addressed its responsibilities set out in the Charter over the past 12 months.

Skills and Competencies

3. How would you rate the contribution of other members:
 - a. External
 - b. Council
4. Please rate the Committee’s commitment to competence, integrity and the fostering of a climate of trust with officers and internal auditors.
5. Given the organisation’s business and risk environment, please rate the Committee’s skills and experience to analyse and critically evaluate information presented to the Committee.
6. Please rate the Committee’s understanding of the organisation’s significant risks.
7. Please rate the Committee’s understanding of the control systems in place to mitigate the organisation’s significant risks.
8. Please rate the Committee’s understanding of financial and statutory reporting requirements.
9. Please rate the Committee’s understanding of its role vs. management’s role.

Chairmanship

10. Please rate the following in relation to the Chair:
 - a. All members encouraged to participate
 - b. The Chair allows/seeks contribution from others
 - c. Dissenting views of Committee members appropriately addressed
 - d. Has the Chair satisfied attributes of:
 - Leadership
 - Business knowledge
 - Risk management
 - Governance
 - Finance knowledge
 - Compliance

Meeting Administration

11. Please rate your agreement with the following statements:
 - a. The agenda setting process allows for all necessary matters to be included
 - b. The agenda is structured to allow sufficient time to discuss the most complex and critical issues
 - c. The Committee receive agenda items and supporting papers in sufficient time prior to meetings

REPORTS – OFFICERS' REPORTS - AUDIT**27 AUGUST 2021**

Attachment 1 - 2020/2021 Performance Assessment Questions

AUDIT AND RISK COMMITTEE MEETING

**Annual Assessment of Performance
against Audit and Risk Committee Charter
1 June 2020 – 31 May 2021**

- d. The agenda supporting papers and recommendations are of sufficient clarity and quality to enable informed decisions
 - e. Meeting papers are:
 - Too voluminous
 - Appropriate
 - Too brief
12. Please rate the presentations made to the Committee by management (i.e. nature, clarity, quality and timeliness) and what you expected to receive from management in respect of:
- a. Risk identification and assessment, including the process to identify organisational risks for possible financial reporting implications are:
 - b. The internal control framework designed by management to identify and mitigate risk, including fraud are:
 - c. The internal control framework designed by management for ensuring compliance with regulations and internal policies are:
 - d. Significant regulatory findings or notifications of regulatory non-compliance/violation are:
 - e. Providing the Committee with an understanding of key issues in the annual financial reports and performance statement:
 - f. How well is the internal Audit work plan linked to Council's strategic objectives and risk profile:
13. Who do you consider the Committee should regularly meet with in camera:
- Internal Auditors
 - External Auditors
 - CEO
 - Director Corporate Services
 - Other (specify)
14. Please rate the quality and openness of the Committee's discussions with management.

Meeting Conduct

15. Please rate the process in place to facilitate review by the Committee of urgent issues or significant transactions.
16. Please rate your agreement with the following statements:
- a. All members are considered and valued equally.
 - b. Meetings are productive.
 - c. Committee's communications to Council about the Committee's deliberations is of a quality standard (eg Committee's annual attendance at a Council dinner and Strategy and Policy briefing, Committee's annual report and forwarding Minutes of the Committee to all councillors).

Committee Outcomes

17. Please rate the Committee on adding value on behalf of the ratepayer and stakeholders.
18. Did the Committee set measurement criteria against which to evaluate internal audit's performance?
19. How would you assess the Committee's overall performance.
20. Are there any performance areas where the Committee could improve its effectiveness?

REPORTS – OFFICERS’ REPORTS - AUDIT
27 AUGUST 2021
Attachment 2 - Summary of Responses

AUDIT AND RISK COMMITTEE MEETING

Annual Assessment of Performance against Audit Committee Charter
1 June 2020 – 31 May 2021

SUMMARY OF RESPONSES

Question No	Excellent		Very Good		Adequate		Needs Improvement		N/A	
	Committee	Officers	Committee	Officers	Committee	Officers	Committee	Officers	Committee	Officers
1	1	0	4	2	0	0	0	0	0	0
2	1	0	2	2	1	0	0	0	0	0
3a	1	0	3	2	1	0	0	0	0	0
3b	1	0	4	2	0	1	0	0	0	0
4	2	1	3	1	0	0	0	0	0	0
5	0	1	3	1	2	0	0	0	0	0
6	0	1	3	1	0	0	1	0	1	0
7	0	0	2	1	2	1	0	0	0	0
8	0	1	2	1	1	0	1	0	1	0
9	1	1	4	1	0	0	0	0	0	0
12a	0	0	3	1	2	1	0	0	0	0
12b	0	0	1	1	4	1	0	0	0	0
12c	0	0	1	0	4	2	0	0	0	0
12d	0	0	2	2	2	0	0	0	1	0
12e	1	1	3	1	0	0	0	0	1	0
12f	1	0	2	2	2	0	0	0	0	0
14	1	1	2	0	1	0	0	0	0	0
15	0	0	2	0	2	2	0	0	1	0
17	1	0	2	2	1	0	1	0	1	0
19	3	3	1	2	0	0	0	0	0	0

Question No	Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree		N/A	
	Committee	Officers	Committee	Officers	Committee	Officers	Committee	Officers	Committee	Officers	Committee	Officers
10a	2	1	3	1	0	0	0	0	0	0	0	0
10b	2	1	3	1	0	0	0	0	0	0	0	0
10c	1	1	2	0	1	0	0	0	0	0	2	0
11a	1	0	4	2	0	0	0	0	0	0	0	0
11b	0	0	4	1	0	1	0	0	0	0	0	0
11c	0	2	5	0	0	0	0	0	0	0	0	0
11d	0	0	5	2	0	0	0	0	0	0	0	0
16a	1	1	4	1	0	0	0	0	0	0	0	0
16b	1	1	3	1	1	0	0	0	0	0	0	0
16c	1	0	2	2	0	0	0	0	0	0	1	0

Question No	Leadership		Business Knowledge		Risk Management		Governance		Financial Knowledge		Compliance	
	Committee	Officers	Committee	Officers	Committee	Officers	Committee	Officers	Committee	Officers	Committee	Officers
10d	5	2	5	2	2	5	2	5	2	5	2	2

REPORTS – OFFICERS’ REPORTS - AUDIT
27 AUGUST 2021

AUDIT AND RISK COMMITTEE MEETING

Attachment 2 - Summary of Responses

Annual Assessment of Performance against Audit Committee Charter
1 June 2020 – 31 May 2021

Question No	Too Voluminous		Appropriate		Too Brief		N/A	
	Committee	Officers	Committee	Officers	Committee	Officers	Committee	Officers
11e	2	1	3	1	0	0	0	0

Question No	Internal Auditors		External Auditors		CEO		Director Corporate Services		Other	
	Committee	Officers	Committee	Officers	Committee	Officers	Committee	Officers	Committee	Officers
13	5	2	3	1	3	1	1	0	0	0

Question No	Yes		No		N/A	
	Committee	Officers	Committee	Officers	Committee	Officers
18	2	2	2	0	N/A	0
20	2	0	1	2	0	0

REPORTS – OFFICERS' REPORTS - AUDIT
27 AUGUST 2021

Attachment 3 - Summary of Comments

AUDIT AND RISK COMMITTEE MEETING

Annual Assessment of Performance against
Audit Committee Charter
1 June 2020 – 31 May 2021

COMMENTS (*Verbatim*)

Charter

- The Committee annual work plan ensures we cover the responsibilities in the Charter and is available at each meeting to ensure we are adhering to it.
- Unable to comment on question 2 as I have only recently been appointed and have only attended one Committee meeting.
- There has been a changeover of the chair-one left in April and another member stepped into the role.

Skills and Competencies

- All members do understand the difference between management and committee and generally keep their questions at this level
- Questions 6, 7 and 8 difficult to assess after only one Committee meeting, but indications to date are that I would answer positively with further exposure.

Chairmanship

- Unable to comment on question C as there were no dissenting views in the meeting I have attended to date. Appreciated the opportunity to meet with the Chair prior to my first meeting.
- The current Chair is very experienced in local government matters.

Meeting Administration

- Standard practice to meet in-camera with the auditors and the Committee has met in-camera with the CEO when an issue dictated this was appropriate.
- Again, some elements of this section are difficult to respond to given minimal exposure on this Committee to date. No indications to the contrary at this stage though.

Meeting Conduct

- Reporting more regularly under the new Act.
- I have not yet been involved in processes to support Committee's communications to Council, so am unable to comment.

Areas where the Committee could improve its effectiveness

- Over recent years, a significant amount of experience has been lost to the Committee. The current committee lacks the in depth knowledge of the organisation but needs to draw on experience from outside the organisation to bring a new perspective and add value.
- I think that council should call on them as a resource more often as they have a wealth of experience.

Committee Outcomes

- I am unable to comment on questions 18 and 20 at this stage due to my short tenure on the Committee to date. Again, no indications to the contrary.

**Annual Assessment of Performance against
Audit Committee Charter
1 June 2020 – 31 May 2021**

Additional comments

- *Committee works well together and hopefully the Council is comfortable with the work of the Committee.*
- *The committee has changed its personnel over the last couple of years and the new group has yet to establish itself. This also corresponded with a change in the Governance Manager and thus new ways of working take time to bed down.*

REPORT NO:	GE551
REPORT TITLE:	Report to Council on Audit and Risk Committee Business Undertaken - 1 January 2021 - 30 June 2021
SOURCE:	Sheena Frost, Chief Executive Officer
DIVISION:	Chief Executive Officer
FILE NO:	HCC14/401
POLICY:	-
STRATEGIC OBJECTIVE:	5.3 Provide responsible and transparent governance, services and infrastructure which responds to and supports community needs.
ATTACHMENT:	1. <i>Audit and Risk Committee Business Undertaken Report</i>

1. SUMMARY OF REPORT:

In accordance with the requirements of Local Government Act 2020 and Council's Audit and Risk Committee Charter adopted 22 June 2020, a biannual report is required to be provided to Council informing the Council of business undertaken and considered by the Audit and Risk Committee.

2. RECOMMENDATION:

That Council notes the report from the Audit and Risk Committee on the activities undertaken by the Committee for the period 1 January – 30 June 2021.

3. LEGISLATIVE POWERS:

Local Government Act 2020 section 54 (5).

4. FINANCIAL IMPLICATIONS:

Nil

5. ENVIRONMENTAL SUSTAINABILITY CONSIDERATIONS:

Environmental Sustainability has been considered and the recommendations of this report give no rise to any matters.

6. CLIMATE CHANGE ADAPTATION CONSIDERATIONS:

There are no considerations that impact on climate change adaptation as a result of this report.

7. CHARTER OF HUMAN RIGHTS APPLICATION:

The rights protected in the Charter of Human Rights and Responsibilities Act 2006 were considered and it was determined that no rights were engaged in this matter.

8. COMMUNITY CONSULTATION:

Community consultation is not required.

9. DISCUSSION:

9.1 Council's Audit and Risk Committee Charter adopted 22 June 2020, includes a requirement for a biannual report to be provided to Council informing the Council of activities undertaken and considered by the Audit and Risk Committee. This is a requirement of the Local Government 2020 Section 54 (5). The Act stipulates that the Committee must prepare a report and submit it to the Chief Executive Officer for tabling at the next available Council meeting.

REPORT NO: GE551 (cont.)

- 9.2 The report at attachment 1 relates to the 6-month period 1 January to 30 June 2021. Future reports will be provided to Council on a six-monthly basis following the February and August Audit and Risk Committee meetings.

10. CONCLUSION:

The attached report reflects that Council's Audit and Risk Committee has developed a strong reporting regime to meet its requirements under its Charter. The Committee has monitored the progress of internal audit recommendations and provided guidance and high-level oversight of Council's management of financial, risk and operational matters in accordance with the Audit and Risk Committee Charter.

REPORTS – OFFICERS' REPORTS
27 AUGUST 2021**AUDIT AND RISK COMMITTEE MEETING**

REPORT NO:**REPORT TITLE:**

Audit and Risk Committee Business Undertaken 1
January 2021 - 30 June 2021

SOURCE:

Megan Kruger, Manager Governance

DIVISION:

Corporate Services

FILE NO:

HCC14/401

POLICY:

-

STRATEGIC OBJECTIVE:

5.3 Provide responsible and transparent governance, services and infrastructure which responds to and supports community needs.

ATTACHMENT:

1. *Audit and Risk Committee Business Undertaken 1
January 2021 - 30 June 2021*

1. SUMMARY OF REPORT:

- 1.1 Under the Local Government Act 2020 (the Act), Council's Audit and Risk Committee must:
 - 1.1.1 prepare a biannual audit and report that describes the activities of the Audit and Risk Committee and includes its findings and recommendations, and
 - 1.1.2 provide a copy of the biannual audit and risk report to the Chief Executive officer for tabling at the next Council meeting.
- 1.2 Preparation of this report will comply with the requirements of section 54(5) of the Act.

2. RECOMMENDATION:

- 2.1 That the Audit and Risk Committee note this report of its activities undertaken for the period 1 January 2021 – 30 June 2021.
- 2.2 That this report be provided to the Chief Executive Officer for tabling at the next Council Meeting in accordance with section 54(5)(b) of the Local Government Act 2020.

3. LEGISLATIVE POWERS:

Local Government Act 2020, section 54(5).

4. DISCUSSION:

- 4.1 The Audit and Risk Committee Charter includes a requirement for the Committee to provide Council with a copy of its meeting minutes and a biannual report. The agendas and minutes of meetings of the Committee have been provided to Councillors and Council has passed resolutions accepting and noting the minutes. This is deemed compliance with the Act in advising Council of the Committee's findings and recommendations.
- 4.2 This report relates to the period 1 January 2021 to 30 June 2021.
 - 4.2.1 Claire Filson – retired at term expiry, April 2021
 - 4.2.2 David Nairn – appointed Chair in April 2021, term expiry April 2023
 - 4.2.3 Shannon Buckley – initial term expiry April 2024
 - 4.2.4 Jenny Johanson - initial term expiry April 2025
- 4.3 Members attended all meetings they were eligible to attend, with the exception of Cr Karen Sherry who provided an apology for the 26 February 2021 meeting.

Page 1

REPORTS – OFFICERS' REPORTS**27 AUGUST 2021****AUDIT AND RISK COMMITTEE MEETING****REPORT NO: (cont.)**

- 4.4 The Committee met twice during the reporting period and the attached Work Program provides information on planned and actual reporting for the period.

5. CONCLUSION:

The Audit and Risk Committee has developed a strong reporting regime to meet its requirements under its Charter. It has monitored the progress of internal audit recommendations and provided guidance in the consideration of financial and operational matters relevant to the affairs of Hume City.

Attachment 1 - Audit and Risk Committee Business Undertaken 1 January 2021 - 30 June 2021

AUDIT AND RISK COMMITTEE MEETING

Attachment 1 - Audit and Risk Committee Business Undertaken 1 January 2021 - 30 June 2021

HUME CITY COUNCIL AUDIT AND RISK COMMITTEE WORK PROGRAM 2020/21									
	Reporting Period 1 January 2021 – 30 June 2021			Reporting Period 1 July 2021 – 31 December 2021			Comments		
	February 2021	May 2021	August 2021	November 2021					
	Planned	Actual	Planned	Actual	Planned	Planned			
Monitor the compliance of Council policies and procedures with									
- The overarching governance principles							The process of monitoring Council's compliance with the overarching governance principles is still be developed. One way this will be monitored is by including a section in the Council Report template so that Council can see which principles each Report relates to and ensure that the appropriate principles are being considered for each decision it makes.		
Legislative Compliance and Ethics Program		✓				✓	A Report is presented to the Committee annually in relation to Council's legislative compliance with all the pieces of legislation which apply to Council. Any breaches are reported to the Committee in detail covering the consequences of non-compliance, risk of non-compliance and remediation.		
- This Act and the regulations and any Ministerial directions.							*The Committee, at the December 2020 meeting, requested that the consequences and actions for the EPA Act and Dangerous Goods Regulations non-compliances should be documented and provided to the Committee at the February 2021 meeting.		

REPORTS – OFFICERS’ REPORTS - AUDIT

27 AUGUST 2021

AUDIT AND RISK COMMITTEE MEETING

Attachment 1 - Audit and Risk Committee Business Undertaken 1 January 2021 - 30 June 2021

HUME CITY COUNCIL AUDIT AND RISK COMMITTEE WORK PROGRAM 2020/21									
	Reporting Period 1 January 2021 – 30 June 2021				Reporting Period 1 July 2021 – 31 December 2021				Comments
	February 2021		May 2021		August 2021		November 2021		
	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	
Monitor Council financial and performance reporting									
Review of quarterly financial reports	✓	✓	✓	✓	✓	✓	✓	✓	
Year End Financial Reporting									
- Review the financial statements and determine whether they are complete and consistent with the information known to committee members							✓		
- Meet with management and the external auditors to review the financial statement and the results of the audit									
Local Government Performance Reporting Framework	✓	✓					✓		
10-year Financial Plan Assumptions									
- Review judgmental areas i.e. involving valuation of assets and liabilities			✓	✓					
Shell Accounts for Preparation of the 2020/21 Financial Statements									
- Review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements			✓	✓					
Monitor and provide advice on risk management and fraud prevention systems and controls									
Risk Register Update (Corporate and Departmental Risks)	✓	✓					✓		

REPORTS – OFFICERS’ REPORTS - AUDIT

27 AUGUST 2021

AUDIT AND RISK COMMITTEE MEETING

Attachment 1 - Audit and Risk Committee Business Undertaken 1 January 2021 - 30 June 2021

HUME CITY COUNCIL AUDIT AND RISK COMMITTEE WORK PROGRAM 2020/21									
	Reporting Period 1 January 2021 – 30 June 2021				Reporting Period 1 July 2021 – 31 December 2021			Comments	
	February 2021		May 2021		August 2021		November 2021		
	Planned	Actual	Planned	Actual	Planned	Actual	Planned		
- Receive reports as to the status of the risk register and the actions being taken to manage the identified risks									
- Receive reports as to the status of the risk register and the actions being taken to manage the identified risks									
Risk Register Update (Fraud Risks)									
- Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management investigation and follow up of any fraudulent acts or non-compliances.			✓	✓			✓		
Review of Fraud Control Policy and Plan								✓	
Presentation by Director or Manager on risks, responsibilities and actions within their area.	✓	Deferred to May 2021		✓				✓	The Director's presentation was deferred to the 28 May 2021 meeting, due to the responsibilities for carrying out the duties in the position of Acting Chief Executive Officer
- Gain an understanding of the current areas of greatest financial and operation risk and how management is managing these effectively.									
- Gain an understanding of the operations of Council by having each Director provide a briefing of their division									
Insurance Renewal 2021/22									
- Review the adequacy of insurance cover			✓	Deferred to August 2021			✓		

REPORTS – OFFICERS’ REPORTS - AUDIT

27 AUGUST 2021

AUDIT AND RISK COMMITTEE MEETING

Attachment 1 - Audit and Risk Committee Business Undertaken 1 January 2021 - 30 June 2021

HUME CITY COUNCIL AUDIT AND RISK COMMITTEE WORK PROGRAM 2020/21									
	Reporting Period 1 January 2021 – 30 June 2021				Reporting Period 1 July 2021 – 31 December 2021				Comments
	February 2021		May 2021		August 2021		November 2021		
	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	
Self-assessment against external agency reports (as required) - Review the findings of any examinations by regulatory agencies and monitor that they are appropriately actioned by management			✓	✓					Four Self Assessments against Agency Reports were completed in this reporting period, these being: - Privacy and Data Protection Review - Delegations Review - Planning Enforcement Review - Follow Up of Prior Internal Audit Findings Review
Business Continuity Update (testing completed every three years) - Monitor processes and practices to ensure effective business continuity	✓*	✓							* The Committee at the December 2021 meeting requested that the BCP status report, when finalised, is submitted for the February 2021 meeting. It should include lessons learned from the COVID 19 pandemic.
Legislative Compliance and Ethics Program - Ethical and statutory compliance								✓	
Oversee internal and external audit functions									
Internal audit – Strategic Plan 2020/21 Status Report	✓	✓	✓	✓		✓	✓	✓	
Internal audit – Audit Plan for 2021/22 - Review and approve the annual internal audit plan and any suggested amendments to it during the year			✓	Deferred to August 2021			✓		

REPORTS – OFFICERS’ REPORTS - AUDIT

27 AUGUST 2021

AUDIT AND RISK COMMITTEE MEETING

Attachment 1 - Audit and Risk Committee Business Undertaken 1 January 2021 - 30 June 2021

HUME CITY COUNCIL AUDIT AND RISK COMMITTEE WORK PROGRAM 2020/21									
	Reporting Period 1 January 2021 – 30 June 2021				Reporting Period 1 July 2021 – 31 December 2021				Comments
	February 2021		May 2021		August 2021		November 2021		
	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	
Attendance by internal auditors at all quarterly meetings	✓	✓	✓	✓	✓		✓		
- Monitor the effectiveness of the internal audit function on an ongoing basis									
- Determine whether there are any restrictions on the internal audit function									
Receive and review internal audit reports	✓	✓	✓	✓					
- Fire Management Review									
- Data Protection and Privacy Review	✓	✓							
- Delegations Review			✓	✓					
- Planning Enforcement Review			✓	✓					
- Follow Up Review			✓	✓					
- CEO Review (if required)									
Process for the selection of a provider of internal audit services for July 2021 and beyond	✓	✓							
- Where the internal audit function of Council is outsourced to an external service provider, before selection of the service provider is made, the proposed appointee is appropriate and has the necessary skills and experience to undertake the internal audit function to the satisfaction of the Committee.									

REPORTS – OFFICERS’ REPORTS - AUDIT

27 AUGUST 2021

AUDIT AND RISK COMMITTEE MEETING

Attachment 1 - Audit and Risk Committee Business Undertaken 1 January 2021 - 30 June 2021

HUME CITY COUNCIL AUDIT AND RISK COMMITTEE WORK PROGRAM 2020/21									
	Reporting Period 1 January 2021 – 30 June 2021				Reporting Period 1 July 2021 – 31 December 2021			Comments	
	February 2021		May 2021		August 2021		November 2021		
	Planned	Actual	Planned	Actual	Planned	Actual	Planned		
External audit - Audit Strategy - <i>Reviewing the proposed audit scope and approach and consider whether any restrictions or limitations have been placed on the scope.</i>	✓	✓							
Review the performance of the external auditors									An annual survey is provided by VAGO for Council's completion in relation to the performance of the external auditors. Another other performance issues which arise are raised by exception.
Consider the independence of the external auditor in the context of any other services provided to Council.									No additional external services were provided during this period.
External audit - Interim management letter to the Audit and Risk Committee - <i>Monitor the progress of actions proposed in relation to significant findings and recommendations made by the external auditors.</i>			✓	✓					
External audit - Management letter and closing report to the Audit and Risk Committee - <i>Discuss matters arising from the external audit with the external auditor or his agent in the absence of management at least once per year.</i>							✓		

REPORTS – OFFICERS’ REPORTS - AUDIT

27 AUGUST 2021

AUDIT AND RISK COMMITTEE MEETING

Attachment 1 - Audit and Risk Committee Business Undertaken 1 January 2021 - 30 June 2021

HUME CITY COUNCIL AUDIT AND RISK COMMITTEE WORK PROGRAM 2020/21									
	Reporting Period 1 January 2021 – 30 June 2021				Reporting Period 1 July 2021 – 31 December 2021				Comments
	February 2021		May 2021		August 2021		November 2021		
	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	
Audit and Risk Committee Work Program									
Work Program (2020/21 and 2021/22)			✓		✓				
Biannual audit and risk report that describes the activities of the Audit and Risk Committee and includes its findings and recommendations	✓	✓					✓		
Audit and Risk Committee Charter									
Annual assessment of performance against the Audit and Risk Committee Charter							✓		
Audit and Risk Committee Annual Assessment of its Performance against the Charter tabled by CEO at Council Meeting							✓		
Review the Audit and Risk Committee Charter within 12 months following a Council election (next review by October 2021)							✓		
Internal Control									
Management Status Reports – Audits	✓	✓	✓	✓	✓	✓	✓	✓	The Management Status Report for December 2020 meeting was deferred to February 2021.
- Determine whether all Directors and Managers receive and action the management information reports									
- Gain an understanding of whether internal control recommendations made by internal and external audit have been implemented by management.									

REPORTS – OFFICERS’ REPORTS - AUDIT

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AUDIT AND RISK COMMITTEE MEETING

Attachment 1 - Audit and Risk Committee Business Undertaken 1 January 2021 - 30 June 2021

HUME CITY COUNCIL AUDIT AND RISK COMMITTEE WORK PROGRAM 2020/21									
	Reporting Period 1 January 2021 – 30 June 2021				Reporting Period 1 July 2021 – 31 December 2021				Comments
	February 2021		May 2021		August 2021		November 2021		
	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	
Fraud Register Notifications (as required)									
- Consider with the internal and external auditors and management any fraud, corruption, illegal acts, deficiencies in internal control or other similar issues									
Legislative Compliance and Ethics Program									
- Review the effectiveness of the corporate governance environment established by management								✓	
Other Responsibilities									
CEO Update and Emerging Issues	✓	✓	✓	✓	✓	✓	✓	✓	
Report detailing all reimbursed of out of pocket expenses paid to Councillors (reporting to commence February 2021 and quarterly thereafter)	✓	✓	✓	✓	✓	✓	✓	✓	
The Committee shall report to Council by the provision to Council of a copy of each ordinary meeting minutes.	✓	✓	✓	✓	✓	✓	✓	✓	
Perform other oversight functions as required by Council									
- Information Communication Strategy Update	✓	Deferred to August 2021					✓		

REPORTS – OFFICERS’ REPORTS - AUDIT

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AUDIT AND RISK COMMITTEE MEETING

Attachment 1 - Audit and Risk Committee Business Undertaken 1 January 2021 - 30 June 2021

HUME CITY COUNCIL AUDIT AND RISK COMMITTEE WORK PROGRAM 2020/21									
	Reporting Period 1 January 2021 – 30 June 2021				Reporting Period 1 July 2021 – 31 December 2021		Comments		
	February 2021		May 2021		August 2021	November 2021			
	Planned	Actual	Planned	Actual	Planned	Planned			
- Information and Technology Project Update – Single View of the Customer	✓	Deferred to May 2021	✓	✓					
- Asset Management System Update	✓	✓							
Setting of Audit and Risk Committee meeting dates for 2021						✓			
Proposed Agenda outline for next Audit and Risk Committee meeting	✓	✓	✓	✓	✓	✓	✓		

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REPORT NO:	GE552
REPORT TITLE:	Proposed Minor Realignment - Mickleham/Craigieburn Suburb Boundary
SOURCE:	Megan Kruger, Manager Governance Peter Faull, Coordinator Governance & Corporate Support
DIVISION:	Corporate Services
FILE NO:	HCC21/812
POLICY:	Place Names Policy
STRATEGIC OBJECTIVE:	5.3 Provide responsible and transparent governance, services and infrastructure which responds to and supports community needs.
ATTACHMENT:	1. <i>Map - Existing and Proposed Locality Boundary Alignment</i>

1. SUMMARY OF REPORT:

- 1.1 Council officers have identified a small section of the locality (suburb) boundary between Mickleham and Craigieburn which is incorrectly aligned through the middle of 12 land parcels that are located on Malta Road, Craigieburn.
- 1.2 This report recommends that Council conducts a community consultation process that seeks the community's views on realigning the locality boundary from the middle to the back boundary of these 12 land parcels.

2. RECOMMENDATION:

- 2.1 **THAT Council approves the commencement of a community consultation process to seek the community's views on realigning part of the locality boundary between Craigieburn and Mickleham from the middle to the rear of 12 land parcels that are located on Malta Road, Craigieburn, as per Attachment 1 of this report.**

3. LEGISLATIVE POWERS:

- 3.1 *Geographic Place Names Act 1998;*
- 3.2 *The Naming Rules for Places in Victoria – Statutory Requirements for Naming Road, Features and Localities 2016 (the Naming Rules) which are given effect under that Act.*

4. FINANCIAL IMPLICATIONS:

There are no financial implications associated with a limited community consultation process, if Council were to approve this recommendation.

5. ENVIRONMENTAL SUSTAINABILITY CONSIDERATIONS:

There are no environmental sustainability implications in respect to this report.

6. CLIMATE CHANGE ADAPTATION CONSIDERATIONS:

There are no climate change adaptation implications in respect to this report.

7. CHARTER OF HUMAN RIGHTS APPLICATION:

The rights protected in the *Charter of Human Rights and Responsibilities Act 2006* were considered and it was determined that no rights are engaged in this naming proposal.

REPORT NO: GE552 (cont.)

8. COMMUNITY CONSULTATION:

- 8.1 In accordance with the Naming Rules and Hume City Council's Place Names Policy, Council is required to consult with the community when considering locality boundary realignments under the *Geographic Place Names Act 1998*. The method and extent of consultation is dependent on the significance of the feature to be named.
- 8.2 As the locality boundary realignment that is proposed in this report would not change any addresses if ultimately approved, it is recommended that the community consultation process consists of writing directly to the owners of the 12 land parcels through which the locality boundary realignment is proposed to be made, several other land owners in Gustave Ave (which intersects with Malta Road), and by the placing of a notice on Council's website and in the applicable local paper.
- 8.3 The period of community consultation would be open for 30 days.

9. DISCUSSION:

- 9.1 The Naming Rules stipulate the requirements for the alignment of locality boundaries. A locality boundary alignment through the middle of a land parcel is not compliant with the Naming Rules.
- 9.2 Council officers have identified 12 parcels of land that are located on Malta Road, Craigieburn, which have part of the locality boundary between Craigieburn and Mickleham incorrectly aligned through the middle of them.
- 9.3 It is proposed that this alignment error is rectified by moving the locality boundary between Craigieburn and Mickleham from the middle to the rear of these 12 parcels of land.
- 9.4 Attachment 1 of this report is a map showing the current boundary between Craigieburn and Mickleham that is incorrectly aligned through the 12 parcels of land in Malta Road, Craigieburn. The existing boundary is shown as a yellow line, and the proposed realigned boundary is shown as a green line.
- 9.5 If the proposed boundary realignment is ultimately made, it will not change any of the addresses of the 12 parcels of land that are located on Malta Road, Craigieburn. The green line in the map shown in Attachment 1 also realigns the locality boundary between two parcels of land in Gustave Ave (parcels 31502 and 31501), however land parcel 31501 is currently addressed to Craigieburn so the proposed boundary realignment will not change the address of this parcel of land.
- 9.6 The assessment of this proposed locality boundary realignment against the General Principles contained within the Naming Rules is provided in the table below. Only two General Principles are applicable to this proposal.

Assessment Against General Principles Contained Within Naming Rules: Proposal to Realign the Locality Boundary from the Middle to the Back Boundary of 12 Land Parcels that are Located on Malta Road, Craigieburn.	
Principle (A) Ensuring public safety	Comment Public safety is improved by the proposed locality boundary realignment which rectifies a locality boundary which is currently incorrectly aligned through the middle of 12 land parcels that are located on Malta Road, Craigieburn.
Principle (B) Recognising the public interest	Comment It is in the public interest to rectify the locality boundary which is currently incorrectly aligned through the middle of 12 land parcels that are located on Malta Road, Craigieburn, so that there are no unforeseen long-term consequence resulting from not rectifying this non-compliant boundary alignment.

REPORT NO: GE552 (cont.)

Principle (C) Linking the name to place	Comment Not applicable
Principle (D) Ensuring names are not duplicated	Comment Not applicable
Principle (E) Names must not be discriminatory	Comment Not applicable
Principle (F) Recognition and use of Aboriginal languages in naming	Comment Not applicable
Principle (G) Dual names	Comment Not applicable
Principle (H) Using commemorative names	Comment Not applicable
Principle (I) Using commercial and business names	Comment Not applicable
Principle (J) Language	Comment Not applicable
Principle (K) Directional names to be avoided	Comment Not applicable
Principle (L) Assigning extent to a road, feature or locality	Comment Not applicable

10. CONCLUSION:

It is recommended that Council approves the commencement of a community consultation process to seek the community's views on realigning part of the locality boundary between Craigieburn and Mickleham which is currently incorrectly aligned in the middle of 12 land parcels that are located on Malta Road, Craigieburn.

REPORT NO: GE552 (cont.)

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REPORT NO:	GE553
REPORT TITLE:	Arbiter Report - Moore and others & Dance
SOURCE:	Sheena Frost, Chief Executive Officer
DIVISION:	Chief Executive Officer
FILE NO:	HCC12/403
POLICY:	-
STRATEGIC OBJECTIVE:	5.3 Provide responsible and transparent governance, services and infrastructure which responds to and supports community needs.
ATTACHMENT:	1. <i>Arbitration Report - Councillors v Dance</i>

1. SUMMARY OF REPORT:

- 1.1 This Report presents to Council the Arbiter's Report in the matter of an Application by a group of Councillors, represented by Councillor Carly Moore, concerning Councillor Trevor Dance under the Councillor Code of Conduct 2016 (the Code).
- 1.2 In accordance with subclause 4.3.10 of the Code a copy of the Arbiter's findings, statement of reasons and any recommended sanctions is to be submitted to the next ordinary meeting of Council for its consideration.

2. RECOMMENDATION:

That Council considers the Arbiter's Determination and Recommendations in relation to this Application and notes:

2.1.1 The Arbiter determined that the respondent has contravened the following clauses of the Code of Conduct:

- **Clause 2.2.2(b);**
- **Clause 2.2.2(e);**
- **Clause 2.2.2(f);**
- **Clause 2.4.2(e);**
- **Clause 2.5.3; and**
- **Clause 3.4**

2.1.2 The Arbiter was satisfied that the following allegations were established:

- **Allegation 1;**
- **Allegation 2;**
- **Allegation 3;**
- **Allegation 6;**
- **Allegation 7;**
- **Allegation 8;**
- **Allegation 10; and**
- **Allegation 11**

2.1.3 The Arbiter made no findings in relation to:

- **Allegation 4;**
- **Allegation 5; and**
- **Allegation 9**

2.1.4 Pursuant to clause 5 with reference to section 81B of the Local Government Act 1989, the Arbiter makes the following recommendations regarding sanctions to Council for consideration at the next Ordinary Meeting of Council:

- I. That Council direct the respondent make an apology in a form and manner specified by Council for contravention of the above clauses of the Code of Conduct;**
- II. That where the contraventions have been as a result of behaviour towards a specific individual, that the apology include reference those individuals;**
- III. That Council direct the respondent to not attend the next two meetings of Council**

3. LEGISLATIVE POWERS:

3.1 *Local Government Act 2020* (LG Act 2020):

Section 328 – General savings - provides that a Councillor Code of Conduct adopted under section 76C of the *Local Government Act 1989* (LG Act 1989) and existing immediately before the repeal of section 76C (repealed on 24 October 2020), continues to, subject to the LG Act 2020, have the same status, operation and effect as if section 76C had not been repealed.

3.2 This Application was made for an alleged breach which occurred when Council's Councillor Code of Conduct 2016 was in place.

4. FINANCIAL IMPLICATIONS:

Council engaged Jo-Anne Mazzeo to undertake the role of Arbiter for this Application. The Arbiter's costs in relation to the Internal Arbitration Processes against Cr Dance are \$16,500. This cost does not include staff time and internal room hire costs.

5. DISCUSSION:

5.1 Background

- 5.1.1** A group of Councillors, represented by Cr Moore, submitted an Application that Cr Dance had breached the Councillor Code of Conduct 2016.
- 5.1.2** The Application was seeking a finding against the respondent for 11 contraventions of the Hume City Council Councillor Code of Conduct 2016.

5.1.3 The Application alleged contravention of the following clauses in the Code:

ALLEGATION 1:

- Clause 2.2.2(b)

ALLEGATION 2:

- Clause 1.3.1(2)(c)
- Clause 1.3.1(2)(e)
- Clause 2.2.2(b)
- Clause 2.2.2(f)

ALLEGATION 3:

- Clause 2.2.2(b)
- Clause 2.2.2(f)
- Clause 2.1 with regard to s76BA(b) of the Local Government Act 1989

ALLEGATION 4:

- Clause 3.2 with regard to s76D(2)(b) of the *Local Government Act* 1989

ALLEGATION 5:

- Clause 3.2 with regard to s76D(2)(f) of the *Local Government Act* 1989

ALLEGATION 6:

- Clause 3.2 with regard to s76D(2)(f) of the *Local Government Act* 1989

ALLEGATION 7:

- Clause 2.2.2(b)
- Clause 2.2.2(f)

ALLEGATION 8:

- Clause 1.3.1(2)(c)
- Clause 1.3.1(2)(e)
- Clause 2.2.2(f) Clause 2.2.2(b)

ALLEGATION 9:

- Clause 1.2.1 as it relates to section 3C of the Local Government Act 1989
- Clause 1.3.1 as it relates to s65 of the Local Government Act 1989

ALLEGATION 10:

- Clause 2.4.2(b)
- Clause 2.4.2(e)
- Clause 2.1 as it relates to s76BA(b) of the Local Government Act 1989

ALLEGATION 11:

- Clause 2.2.2(e)

5.2 Hearings in this matter

- 5.2.1 The Applicants did not attempt to resolve this matter in accordance with section 4.2.1 of the Code – Facilitated resolution between Parties, section 4.2.2

Mediation/Conciliation, or section 4.2.3 Dispute between Mayor and other Councillors. The Applicants applied directly for an internal resolution procedure under section 4.3 of the Code – Allegation of Breach of Councillors Code of Conduct Process.

- 5.2.2 The internal Arbitration process in this matter included two hearings, a directions hearing held on 17 June 2021 and a substantive hearing held on 12 July 2021.
- 5.2.3 Throughout the course of the internal Arbitration process the respondent repeatedly requested that the hearings not be held in person due to concerns regarding his safety and due to ongoing concerns regarding compliance with COVID-19 restrictions and social distancing requirements.
- 5.2.4 No adequate evidence was provided by the respondent which supported his contentions regarding his perceived safety risk. Despite this, and in order to encourage the respondent to attend, the Arbiter put in place specific measures to ensure the hearings would be conducted in a safe and respectful manner for all participants.
- 5.2.5 Given the nature of the complaint, both parties were requested to attend the substantive hearing on 12 July 2021 to fully explore the substance of the Application and enable the Arbiter to test the veracity of the evidence provided by both the applicant and the respondent. The Arbiter also decided that the substantive hearing needed to be held in person to ensure the process was able to be conducted fairly and privately, ensuring hearings were closed to the public (as required pursuant to the Code of Conduct).
- 5.2.6 The respondent ultimately refused to participate in the Arbitration Hearing, instead relying solely on his written response submission.

5.3 Findings of the Arbiter

- 5.3.1 The Arbiter determined that the respondent has contravened the following clauses of the Code of Conduct:
- Clause 2.2.2(b);
 - Clause 2.2.2(e);
 - Clause 2.2.2(f);
 - Clause 2.4.2(e);
 - Clause 2.5.3; and
 - Clause 3.4
- 5.3.2 The Arbiter was satisfied that 8 of the 11 allegations were established. Specifically:
- Allegation 1;
 - Allegation 2;
 - Allegation 3;
 - Allegation 6;
 - Allegation 7;
 - Allegation 8;
 - Allegation 10; and
 - Allegation 11
- 5.3.3 The Arbiter made no findings in relation to 3 of the allegations, specifically:
- Allegation 4;
 - Allegation 5; and

- Allegation 9

5.3.4 Pursuant to clause 5 with reference to section 81B of the Local Government Act 1989, the Arbiter makes the following recommendations regarding sanctions to Council for consideration at the next Ordinary Meeting of Council:

- I. That Council direct the respondent make an apology in a form and manner specified by Council for contravention of the above clauses of the Code of Conduct;
- II. That where the contraventions have been as a result of behaviour towards a specific individual, that the apology include reference those individuals;
- III. That Council direct the respondent to not attend the next two meetings of Council

5.4 Arbiter's Report

The full Arbiter's Report including details on the Determination and Recommendations; Application, including evidence; Findings and Reasons for the Arbiter's Decision is attached.

5.5 Council imposed sanction

5.5.1 Clause 5 of the Code repeats section 81AB of the *Local Government Act 1989* that specifies:

- (1) If, after an internal resolution procedure has been conducted, it is found that a Councillor has contravened the Councillor Code of Conduct, the Council may give any or all of the following written directions to the Councillor—
 - (a) direct the Councillor to make an apology in a form or manner specified by the Council;
 - (b) direct the Councillor to not attend up to, but not exceeding, 2 meetings of the Council;
 - (c) direct that, for a period of up to, but not exceeding, 2 months commencing on a date specified by the Council, the Councillor—
 - (i) be removed from any position where the Councillor represents the Council; and
 - (ii) to not chair or attend any advisory committee or special committee meeting or an assembly of Councillors or any other meeting specified in the direction.
- (2) A direction given under subsection (1)(b) must be in respect of the next scheduled meetings of the Council after the direction is made.

6. CONCLUSION:

That Council, having received the Arbiter's Report, give consideration to the Determination and Recommendation contained within.

INTERNAL ARBITRATION PROCESS - HUME CITY COUNCIL

In the matter of an Application by a group of Councillors concerning Councillor Trevor Dance

ARBITRATION PURSUANT TO 81AA OF THE LOCAL GOVERNMENT ACT 1989

Applicant's representative: Cr Carly Moore

Respondent: Cr Trevor Dance

DETERMINATION AND RECOMMENDATIONS

The Arbiter determined that the respondent has contravened the following clauses of the Code of Conduct:

- Clause 2.2.2(b);
- Clause 2.2.2(e);
- Clause 2.2.2(f);
- Clause 2.4.2(e);
- Clause 2.5.3; and
- Clause 3.4

The Arbiter was satisfied that the following allegations were established:

- Allegation 1;
- Allegation 2;
- Allegation 3;
- Allegation 6;
- Allegation 7;

- Allegation 8;
- Allegation 10; and
- Allegation 11

The Arbiter made no findings in relation to:

- Allegation 4;
- Allegation 5; and
- Allegation 9

Pursuant to clause 5 with reference to section 81B of the *Local Government Act* 1989, the Arbiter makes the following recommendations regarding sanctions to Council for consideration at the next Ordinary Meeting of Council:

- I. That Council direct the respondent make an apology in a form and manner specified by Council for contravention of the above clauses of the Code of Conduct;
- II. That where the contraventions have been as a result of behaviour towards a specific individual, that the apology include reference those individuals;
- III. That Council direct the respondent to not attend the next two meetings of Council.

STATEMENT OF REASONS FOR DECISION**The Application**

1. The applicants sent an email to the Hume City Council Principal Conduct Officer dated 22 February 2021 pursuant to clause 4.3.1 of the Hume City Council Code of Conduct for Councillors 2016 (the Code of Conduct) alleging eleven contraventions of the Code of Conduct by the respondent. The group of applicant's nominated Cr Carly Moore as their representative.
2. Specifically, the Application alleged that the respondent had contravened the following clauses of the Hume City Council Councillor Code of Conduct 2016:

ALLEGATION 1:

- Clause 2.2.2(b)

ALLEGATION 2:

- Clause 1.3.1(2)(c)
- Clause 1.3.1(2)(e)
- Clause 2.2.2(b)
- Clause 2.2.2(f)

ALLEGATION 3:

- Clause 2.2.2(b)
- Clause 2.2.2(f)
- Clause 2.1 with regard to s76BA(b) of the *Local Government Act 1989*

ALLEGATION 4:

- Clause 3.2 with regard to s76D(2)(b) of the *Local Government Act 1989*

ALLEGATION 5:

- Clause 3.2 with regard to s76D(2)(f) of the *Local Government Act 1989*

ALLEGATION 6:

- Clause 3.2 with regard to s76D(2)(f) of the *Local Government Act 1989*

ALLEGATION 7:

- Clause 2.2.2(b)
- Clause 2.2.2(f)

ALLEGATION 8:

- Clause 1.3.1(2)(c)
- Clause 1.3.1(2)(e)
- Clause 2.2.2(f)

- Clause 2.2.2(b)

ALLEGATION 9:

- Clause 1.2.1 as it relates to section 3C of the *Local Government Act 1989*
- Clause 1.3.1 as it relates to s65 of the *Local Government Act 1989*

ALLEGATION 10:

- Clause 2.4.2(b)
- Clause 2.4.2(e)
- Clause 2.1 as it relates to s76BA(b) of the *Local Government Act 1989*

ALLEGATION 11:

- Clause 2.2.2(e)

3. Given the extensive reference to the provisions in the Code of Conduct as articulated above, the Arbiter attaches at the conclusion of this Statement of Reasons the relevant provisions of the Code of Conduct.
4. The Arbiter notes that the conduct alleged occurred between November 2020 and February 2021. At this time (and as stated above), the Code of Conduct was in place.
5. The Code of Conduct provides for an internal Arbitration process pursuant to s81AA of the *Local Government Act 1989* and this Arbitration has taken place in accordance with Part Four of the Code of Conduct.

Hearings in this matter

6. The internal Arbitration process in this matter included two hearings, a directions hearing held on 17 June 2021 and a substantive hearing held on 12 July 2021.
7. Throughout the course of the internal Arbitration process the respondent repeatedly requested that the hearings not be held in person due to concerns regarding his safety and due to ongoing concerns regarding compliance with COVID-19 restrictions and social distancing requirements.
8. No adequate evidence was provided by the respondent which supported his contentions regarding his perceived safety risk. Despite this, and in order to encourage the respondent to attend, the Arbiter put in place specific measures to ensure the hearings would be conducted in a safe and respectful manner for all participants.
9. Given the nature of the complaint, both parties were requested to attend the substantive hearing on 12 July 2021 to fully explore the substance of the Application and enable the Arbiter to test the veracity of the evidence provided by

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both the applicant and the respondent. The Arbiter also decided that the substantive hearing needed to be held in person to ensure the process was able to be conducted fairly and privately, ensuring hearings were closed to the public (as required pursuant to the Code of Conduct).

10. The respondent ultimately refused to participate in the Arbitration Hearing, instead relying solely on his written response submission.

Evidence provided

11. The applicants provided written evidence submitted with the Application and supplemented this with oral evidence of the applicant's representative at the Arbitration hearing on 12 July 2021. As stated above at paragraph 9, the respondent provided written evidence via email to the Arbiter.

Evidence of the Applicant

12. The applicants provided examples of the conduct that they say contravened the Code of Conduct in relation to each of the eleven allegations and provided the Arbiter with written evidence where appropriate. A summary of the conduct in question is listed below.

ALLEGATION 1:

13. The applicants alleged that on 14 January 2021 the respondent uploaded a video to his personal Facebook page and then shared it to the Tullamarine Community Facebook Page making comments including:

"Tullamarine Public Tennis Court. What an embarrassment it is. I'm embarrassed to see it like this today. The best the Hume Council has given you is the new sign. But the rest of the facility here is third world. We need to fix this and I will"

14. When speaking to this allegation at the Arbitration hearing, the applicant's representative submitted that the post in question was an original post, not a "share" of a previous post as alleged by the respondent.
15. Furthermore, the applicant's representative submitted that when a Councillor chooses to make comments on an official "Councillor" Facebook page, they cannot then attribute the comments made as "personal".
16. The applicant's representative told the Arbiter that the post did not identify that it was a personal opinion, it was a new post referring to a previously discussed issue and was not indicative of speaking well of Council in the public domain.

ALLEGATION 2:

17. It is alleged that the respondent commented on the official Hume Civic Reception in the 8 December 2020 issue of the Sunbury Macedon Ranges Star Weekly, including comments such as referring to the Civic Reception as being "self-indulgent" and "out of touch with reality", and that the respondent's fellow Councillors were "going along for a free feed, drink and three course meal..."
18. The respondent then shared the electronic version of the article mentioned at paragraph 17 above on his Facebook page on 7 December 2020.
19. On 9 December 2020 the respondent then shared footage of an Adjournment Debate Speech given by the Victorian Legislative Council by Bernie Finn MLC on his Facebook page and to the Tullamarine Community Page with the comment "...Well glad to see the story of this recent free for all has made it to Parliament." Furthermore, in the speech Mr Finn refers to a range of private internal discussions had by Councillors and Council management, confirming that the information had been disclosed to him by the respondent.
20. The applicant's representative also submitted that the comments made by the respondent as highlighted in paragraphs 17 and 19 above are deceptive and misrepresent the nature and purpose of the function.
21. Furthermore, the applicant's representative submitted that the comments made by the respondent on his Facebook page, in the newspaper article and in the disclosures to Mr Finn were designed to embarrass and humiliate his fellow Councillors, depicting them as criminals and being in their role for their own financial and personal gain.
22. As with allegation one above, the applicant's representative submitted at the Arbitration hearing that the views expressed by the respondent were not on his personal Facebook page, but on his "Trevor Dance Councillor Jacksons Creek Ward Hume" Facebook page, and again failed to state that they were his personal views.
23. In conclusion, the applicant's representative submitted that the actions of the respondent in relation to this allegation fail to provide civic leadership, fail to effectively communicate with the community and make personal remarks that do not constitute speaking well of each other in public.

ALLEGATION 3:

24. The Application included evidence of an email sent by the respondent to the Mayor on 3 December 2020 at 7.09pm accusing him of non-compliance with COVID mask rules during an official public event.
25. The applicant's representative submitted that on the same day, and sometime after the email was sent by the respondent, a known associate of the respondent made a post on the 'Sunbury Chat' Facebook page. The Application included evidence of a Facebook post by the respondent from his personal Facebook account, responding to his "associates" post with the Victorian Governments

Coronavirus Guidelines around wearing face masks with the comment “yes this is not one of them” – implying that the Mayor did not have a valid reason not to wear a face mask.

26. The applicant’s representative submitted that the behaviour of the respondent was an attempt at humiliating the Mayor, was evidence of him not speaking well of each other in public, personalising matters when speaking of another Councillor, namely the Mayor, and also making statements that were likely to mislead or deceive others.

ALLEGATION 4:

27. The applicant’s representative submitted that on 16 February 2021 at 10.01am the respondent wrote to the Mayor advising that he had “been in contact with former Councillor Ogilvie...” on a particular matter, namely the new Chief Executive Officer Panel that had been discussed at the Strategy and Policy discussion on 15 February 2021.
28. The applicant’s representative submitted that no parts of the Strategy and Policy Briefing sessions are drafted or presented to Councillors for public release, and this includes discussions that take place during these sessions.
29. Therefore, the applicants were seeking the Arbiter make a finding as to contravention of clause 3.2 of the Code of Conduct in that the respondent disclosed confidential information to Mr Ogilvie.
30. At the Arbitration hearing the applicant’s representative withdrew this allegation, accepting the evidence of Mr Jack Ogilvie (as submitted by the respondent) produced by way of Statutory Declaration dated 24 June 2021 which in essence confirmed that the respondent had a general phone conversation with him asking about the process of Chief Executive Officer reappointment and how it worked.

ALLEGATION 5:

31. The applicant’s representative submitted that at the Ordinary Council (Town Planning) Meeting on 7 December 2020, the respondent declared a conflict of interest in relation to GE480. The applicant’s representative told the Arbiter that this matter had been considered and discussed at the Strategy and Policy Briefing session on 30 November 2020 and the respondent had not declared a conflict during that discussion.
32. The applicants sought a finding of failure to disclose a conflict of interest

ALLEGATION 6:

33. At the Ordinary Council Meeting of 21 December 2020 Council considered GE488, which related to a complaint made by the respondent in this matter against Cr Medcraft. At the Meeting, Cr Medcraft declared a conflict of interest. The

applicant's representative submitted that not only did the respondent fail to declare a conflict of interest, but he also spoke to the report and voted on it.

34. The Application included a copy of the minutes of the meeting in question to support the allegation.
35. The applicants sought a finding of failure to disclose a conflict of interest.

ALLEGATION 7:

36. At the same Ordinary Council meeting of 21 December 2020 during consideration of item GE488 (as outlined above in paragraph 33) the respondent made the following comment in response to comments made by Cr Moore:

“...to be flippant about it like I have just heard in the alternative (as stated by Cr Moore) is naïve and doesn't show a good example as a leader whatsoever”

37. Councillor Moore then called a Point of Order in relation to the comment. The Mayor then asked the respondent to withdraw the comment and he refused to do so. The Mayor again asked the respondent to withdraw the comment, and a third time specified he was seeking withdrawal pursuant to section 45.2 of the Governance Rules. It was at this point that the respondent then withdrew his comment.
38. The applicant's representative submitted that regardless of whether the comment was eventually withdrawn, it was an attempt to humiliate, embarrass and belittle Cr Moore and that furthermore it does not comply with the Code of Conduct requirement to always speak well of each other in public. In addition, the applicant submitted that the comment personalised matters and made specific and personal comments regarding another Councillor.
39. The Application included a link to the video recording of the comment made for the Arbiter to view it first-hand.

ALLEGATION 8:

40. This allegation relates to conduct at the Ordinary Council Meeting of 8 February 2021. During Notice of Motion 407 (Notice of Motion to rescind Council Resolution GE488) the respondent made the following comment in relation to the decision made by Council which did not find in favour of his complaint (also discussed in allegations six and seven above):

“...to do this allows a possibility of collusion and I use the word possibility. In simple terms many residents said it allows councillors to support each other behind the scenes if one of them breaches the Code of Conduct in

the future. That is, you vote this down tonight and if you are involved in an investigation in the future, I will return the favour.”

41. Councillor Moore then immediately called a Point of Order in relation to this comment. The Mayor advised that he was uncomfortable with the line the respondent was following and the use of the word “collusion” and the suggestion by the respondent that Councillors may be colluding together.
42. The applicant’s representative submitted that whilst the respondent did attempt to clarify his comment, he did not withdraw the comment or the accusation of collusion.
43. The applicant’s representative submitted that the comment made by the respondent was designed to embarrass and humiliate his fellow Councillors and that it contravenes multiple clauses of the Code of Conduct in relation to providing civic leadership, facilitating effective communication between Council and the community, demonstrating leadership by refraining from making personal comments regarding other Councillors and always speaking well of each other in public.
44. The Application included a link to the video recording of the comment made for the Arbiter to view it first-hand.

ALLEGATION 9:

45. Allegation nine related to conduct surrounding the annual planning weekend that involves Councillors, members of the executive team and other senior officers. The applicant’s representative submitted that this annual activity is an opportunity for Council to endeavour to achieve the best outcomes for its constituents, to provide leadership and work on the strategic objectives of Council.
46. By way of background, the applicant’s representative submitted that the planning weekend was held on 30 and 31 January 2021, and that at the time of agreeing on the date, the respondent had indicated his unavailability for 29 January 2021. To accommodate this, the weekend commenced on 30 January 2021.
47. The applicant’s representative submitted that the respondent failed to attend the event, and advised his fellow Councillors on 31 January at 8.27pm via email that the reason he failed to attend was because of:
 1. It not being endorsed by Council (despite it being funded by the Budget adopted by the former Council);
 2. The cost (despite it being funded by the Budget adopted by the former Council); and
 3. Training components being delivered (which are mandatory for all Councillors).

48. When asked by the Arbiter about the usual process, the applicant's representative submitted that the dates and relevant details regarding content went to a Strategy and Planning Meeting.
49. The applicant's representative also reiterated at the Arbitration Hearing that the particular dates had been changed (from the usual Friday night commencement to a Saturday commencement) to accommodate the respondent.
50. In response to evidence submitted by the respondent in writing, the applicant's representative said the annual planning weekend is never put before the Council Chamber, and that she had no recollection of Cr Jackson sharing the respondent's views at the weekend, despite the respondent purporting this to be the case.
51. Also in response to claims made by the respondent, the applicant's representative submitted that no Councillors received advanced notice of the Agenda, and that a calendar invite was sent to all invitees well in advance of the meeting dates.

ALLEGATION 10:

52. Allegation ten related to Facebook posts made by the respondent on his official Hume City Councillor Facebook Page titled "Trevor Dance Councillor Jacksons Creek Ward Hume" made on 13 February 2021 at 12.02.
53. The applicants allege that the comments made were a series of inflammatory statements against Mr Josh Bull MP, State Member for Sunbury, designed to cause embarrassment and offence and with no factual or evidentiary proof. Furthermore, the applicant's representative submitted that the comments were a "tirade of attacks and unsubstantiated claims that has the potential of severely damaging Council's relationship with a key State Government partner."
54. The applicant's representative noted that whilst the Facebook post was made with a disclaimer that it was a comment made by the respondent himself and not being made by Hume City Council, it was clearly posted on a page representing a Hume City Councillor, who was a representative of the entire Hume community.
55. The Application included a copy of the Facebook post in question.
56. The applicant's representative submitted that the post constitutes contravention of the Code of Conduct in that it:
 1. Does not demonstrate the respondent working with other levels of Government to achieve benefits for the community;
 2. Fails to treat other members of the community honestly and fairly and in a way that does not cause offence or embarrassment to individuals or groups; and
 3. Could have misled the community regarding comments around the "5 day circuit breaker lockdown"

ALLEGATION 11:

57. Allegation eleven is more general in nature, encompassing conduct of the respondent in terms of his general approach to working with Council officers and other Councillors. The applicant submitted that "...by his own admission he seeks to take an investigatory and accusatory stance towards Council operations and management."
58. The applicants relied on written evidence submitted with the Application to support this allegation, and in particular brought to the Arbiters attention an email chain with the last email sent dated 18 February 2021 at 4.29pm from the respondent to his fellow Councillors where he stated:
- "In the first three months of this new Council term I am totally amazed at how many matters that have been found to be faulty, incorrect and even legal opinion has been found to be wanting."
59. The applicant's representative submitted that the respondents' behaviour and words in his emails as evidenced by those submitted to the Arbiter do not demonstrate a consultative approach to solving problems, developing effective decisions and communicating outcomes that build teamwork and cooperation.
60. Accordingly, the applicants sought a finding that the respondent had contravened the Code of Conduct on this allegation.

Evidence of the Respondent

61. In his written response to the Application, the respondent submitted that the Application "...has been made in retaliation because of an allegation being lodged against Cr Moore."
62. The respondent included with his written response various email chains, Council documents, a Statutory Declaration made by a previous Councillor and a Statement made by Cr Jodi Jackson providing her commentary on the allegations against the respondent.
63. The respondent then made various written submissions regarding the allegations which have been summarised below.

ALLEGATION 1:

64. The respondent submitted that the Facebook post in question was initially made on 10 October 2020 before the respondent was elected to Council and that as such he was not bound by the requirements of the Code of Conduct at that time.

65. The respondent further submitted that the Facebook post was updated on 14 January 2021 (with an email extract from Hume City Council included in the post), showing that Hume City Council "...is currently going a master plan and even agreed that the tennis courts were in a poor condition." It is the respondent's submission that this post was a "...good news story shared" by him.

ALLEGATION 2:

66. In response to allegation 2, the respondent submitted that he posted "...a detailed personal view on a Facebook post" on 28 November 2020 that included "...an extract of the email to Hume City Council..." dated 26 November 2020 that Mr Bernie Finn subsequently referred to.
67. The respondent submitted that what another individual then does with that post, and whether he mentions it in Parliament is a matter for him pursuant to his parliamentary privilege.
68. Regarding his own Facebook post, the respondent submitted that his Facebook page states that the view raised are that of himself, and that he complied with clause 2.5.3 of the Code of Conduct which permits individual Councillors to express their personal views through the media, providing that they make it clear it is a personal view.
69. The respondent further submitted that his conduct in relation to this matter demonstrates compliance with clause 1.3.1(2)(b) of the Code of Conduct in that he was observing good governance. He submitted that he:
- "...campaigned on waste and junkets and has simply reported back to residents the facts about another function that did not need to go ahead at all, especially when so many residents were without jobs during the pandemic."
70. The respondent submitted that his conduct in relation to this matter also demonstrates compliance with clause 1.3.1(2)(e) of the Code of Conduct, in that his post was facilitating effective communication between Council and the community as he has a reach of over 15,000 residents through Facebook discussion on Council waste.
71. In conclusion, the respondent submitted that Council regularly raises the notion of transparency and what he said was an opinion about a function that was "...pure indulgence and at that time the community in general were suffering."

ALLEGATION 3:

72. In response to allegation three, the respondent was not willing to elaborate on the Facebook post by "Barry Hatchet" due to what he described as a confidential matter.
73. The respondent submitted that he cannot be held responsible for what other people post in response to his Facebook comments or what comments they make in his Facebook page.
74. Regarding his email to the Mayor and his Facebook post around the COVID facemask requirements, the respondent submitted that he posted all of the Coronavirus regulations on the Facebook page so the community could see what regulations were in place at the time, and the link also included details about not wearing a mask pursuant to a medical exemption.
75. The respondent denies that he organised for community members to make the posts in question in relation to this allegation.
76. The respondent provided the Arbiter with evidence of a further email he sent to the Mayor dated 3 December 2020 at 7.09pm where he states:

"Most disappointing that the current rules on wearing masks was not observed and now even put on Hume Council Facebook.
The page should be pulled down as not showing leadership in following government directions. Very disappointing after the many times, I have raised the issue of compliance. Speeches can still be done with a mask on."

ALLEGATION 4:

77. The respondent submitted a Statutory Declaration from Mr Jack Ogilvie dated 24 June 2021 which in essence confirmed that the respondent had a general phone conversation with him asking about the process of Chief Executive Officer reappointment and how it worked.
78. The respondent confirmed that he did communicate with former Councillor Ogilvie, whereby he sought clarification regarding the process of selecting a new Chief Executive Officer and how it had been done in the past. The respondent also noted that Mr Ogilvie had also had a similar conversation with the Mayor around the same time.
79. Regarding the relevant discussions at the Strategy and Policy Briefing Session on 15 February 2021, the respondent submitted that he was not present for this part of the Briefing and provided evidence to support this in the form of Minutes of the Strategy and Policy Briefing Session that were confirmed at the Ordinary Council Meeting on 9 March 2021 – which clearly indicate that the respondent left the

meeting at 7.52pm during discussion of item 13, whilst the resignation of the Chief Executive Officer and the recruitment process for another Chief Executive Officer was discussed at item 15.

ALLEGATION 5:

80. The respondent made several submissions in response to this allegation. The respondent confirmed that there was a "report on the proposed discontinuance and sale of R1 on LP4713 adjoining 650 Highway Craigieburn", but submitted that the report did not mention any details on the future development plans of the site other than what may be able to be built on it.
81. The respondent also submitted that the report was not discussed, and relied on the evidence as presented by the applicant to support this contention. The Arbiter was referred to the Notice of Meeting dated 21 December 2020 where under the "Items not dealt with" column the Proposed discontinuance and sale of R1 on LP4713 adjoining 650 Highway Craigieburn is clearly listed.
82. The respondent also submitted that whilst online training was available for Councillors from 24 November 2020 regarding matters including conflicts of interest, Councillors were not provided with any evidence to verify that the trainer was qualified to deliver that particular training. The respondent confirmed that he completed the training during the period of 27 November 2020 and 28 November 2020, two days prior to the Briefing session subject to this Application.
83. The respondent submitted that he did not have a conflict of interest based on all of the information available to him at the time the report was presented in order to make a well-informed decision. In addition, the respondent submitted that he sought further information from the Chief Executive Officer via email on 4 December 2020 at 10.30am to determine whether he needed to declare a conflict of interest and was provided with a response on 4 December 2020 at 12.16pm which states:

"From what I understand there will be a retail/service station, medical, hotel, childcare, commercial offices, and indoor recreation facility and warehouses."
84. The respondent submitted that based on the additional information provided, even though "it was not in any way concrete detail" he declared a potential conflict of interest at the Ordinary Council Meeting of 7 December 2020 to "err on the side of caution, whereas in reality, there was no conflict at all."

ALLEGATION 6:

85. The respondent directed the Arbiter to the recording of the Ordinary Council Meeting of 21 December 2020 (at 2 hours and 35 minutes) and submitted as follows:

1. He did not consider he had a conflict of interest;
2. If it was likely to be a conflict of interest, why did the Chief Executive Officer and the Mayor not raise any potential conflict of interest with the respondent as they did with Cr Medcraft;
3. Matters relating to failing to declare a conflict of interest should be referred to the Inspectorate as it falls outside of the Code of Conduct

86. The respondent also referred the Arbiter to clauses 1.5(1)(d), 1.5(1)(da) and 1.4.1(a) of the Code of Conduct but provided no comment, context or submission other than to make reference to these provisions.

ALLEGATION 7:

87. The respondent submitted that the applicant has misrepresented the comment he made during consideration of item GE488 Arbiter Report, claiming instead that he stated:

“...to be flippant about it like I have just heard in the alternative is naïve and does not show a good example as us as leaders in the community whatsoever.”

88. The respondent relies on clause 2.2.2(g) of the Code of Conduct in defending his comments, submitting that the comments he made reflect him holding different views and debating strongly on matters of difference whilst being united in Council decisions. Accordingly, the respondent submitted that as his comments were purely robust discussion they do not equate to contravention of the Code of Conduct.

89. The respondent further submitted that on a Point of Order the remarks were withdrawn, therefore the matter was settled in the Council Chamber and require no further action.

ALLEGATION 8:

90. The respondent highlighted typographical errors in the Application regarding the Notice of Motion and Council Resolution referenced, but ultimately did not contest that the allegation related to his comments at the Ordinary Council Meeting on 8 February 2021 regarding the Arbiter Report mentioned in allegations six and seven above in paragraphs 85-89 of this Statement of Reasons.

91. In response to this allegation, the respondent submitted that whilst Cr Moore called a Point of Order, the Mayor did not accept the Point of Order. Furthermore, the respondent submitted that the Mayor did not request the respondent withdraw his comments therefore the comments do not constitute a contravention of the Code of Conduct.
92. The respondent also submitted that the comments he made (as reflected in paragraph 40 above) were a reflection of actual public commentary and were part of a respectful discussion.

ALLEGATION 9:

93. In his written evidence, the respondent submitted that attendance at the Council planning weekend is not mandatory, and that the evidence presented in the Application was misleading and not the full email trail that shows all of the facts in relation to this matter.
94. The respondent referred the Arbiter to an email dated 11 January 2020 at 4.50pm sent by the respondent to Aida Baptista, Megan Anderson and Domenic Isola where he:
- Acknowledged that an invitation had been sent to him regarding the dates of the planning weekend;
 - Questioned the venue given the relevant briefing notes do not have that particular venue listed as an option;
 - Stated that the invite has no cost provided with it;
 - Requested the Agenda for the planning weekend because there was "...no confirmation through Council meetings process that this was occurring and hence I have organised other commitments";
 - Said that if the Agenda were to be sent to him he "...will see where I can juggle to match the more important matters if this meeting is approved by Council"; and
 - Asked for a summary of the achievements from the 2020 planning sessions and the Agenda.

95. The email also includes the following paragraph (with no context provided):

"FURTHER ACTIONS:

5.1 That Councillors provide feedback on their preferred date and options for a venue location for the Council Planning Weekend.

5.2 Following feedback on the preferred date and venue, a Council Report will be prepared for the Council to endorse the proposed Council Planning Weekend, and choice of venue. It's anticipated this report will be presented as a late report to the Council meeting on 21 December 2020.

5.3 Subject to Council endorsement, a final Council Planning Weekend Agenda will be prepared, in consultation with the Mayor and Councillors.

Briefing Provided”.

96. The respondent also referred the Arbiter to an email he sent to the Chief Executive Officer and the Mayor (with a carbon copy to Cr Jodi Jackson) dated 29 January 2021 at 10.45am where he:

- States that he is yet to receive a response to his email of 11 January (as referenced in paragraph 93 above);
- Indicates that “advice came far too late to allow me to change my prior commitments”;
- Reiterates his request for the Agenda and 2020 outcomes;
- Advised that Cr Jodi Jackson would present “...a few issues that I would like to achieve on top of improving our customer service and governance areas...”; and
- Requests the Planning Weekend be postponed for the following reasons:
 - The event was not endorsed by Council;
 - The cost of the weekend had not been disclosed to Council and Councillors had not been given the opportunity to debate the new venue option;
 - Training components had been added to what was meant to be a planning weekend.

97. The respondent then referred the Arbiter to an email he sent to all Councillors on 31 January 2021 at 8.27pm (after the planning weekend concluded) where he forwarded them the email chain he had sent to the Chief Executive Officer and the Mayor as outlined above at paragraph 95.

98. The respondent submitted the Minutes of the Ordinary Council Meeting of 21 December 2020 as evidence that there was no report presented to Council regarding the planning weekend.

99. The respondent concluded his written response to this allegation by stating that the planning weekend was never endorsed “as was required by Council’s own officers” and as such there was no contravention of the Code of Conduct as the Council never ratified the weekend.

ALLEGATION 10:

100. In response to the allegation regarding the respondent’s post to his official Hume City Councillor Facebook page, it was submitted that:

1. The post was clearly marked at the start of the post “...that it was a comment by Mr Dance and not the HCC or Cr Dance.”;
2. The post was a conversation starter;

3. The Facebook page has an ongoing disclaimer that the views are the respondents own personal views and not that of Hume City Council;
4. The post was a factual post about how the Member of Parliament does not respond to the respondent and many other residents;
5. That the allegation by the Applicant that the respondent has contravened "...clauses 2.4B and 2.4(E) of the Code of Conduct is unfounded";
6. The respondent has treated the community honestly and fairly; and
7. There has been no evidence presented by the applicant to demonstrate that there has been damage to relationships with other levels of government.

101. The Arbiter notes that the respondent included other commentary in his response to this allegation, but as it did not pertain to the allegation made against him the Arbiter has not referenced it in this Statement of Reasons.

ALLEGATION 11:

102. In response to allegation eleven, it was submitted that the email sent by the respondent was raising issues that needed to be addressed, and that Councillors should be encouraged to raise issues "...without being slammed, shamed or be in fear for doing so."

103. The respondent further submitted that he "...embarked on matters of concern with care and thought" and that he "was consultative as he always is but there is a time when the persons responsible are ignoring the issues a Councillor again then needs to raise these concerns in other places."

104. Furthermore, it was submitted that as the contents of the emails sent by the respondent demonstrate he was correct in relation to the issues, there had been no contravention of the Code of Conduct.

Findings of the Arbiter

105. The Arbiter determined that the respondent has contravened the following clauses of the Code of Conduct:

- Clause 2.2.2(b);
- Clause 2.2.2(e);
- Clause 2.2.2(f);
- Clause 2.4.2(e);

- Clause 2.5.3; and
- Clause 3.4

106. The Arbiter was satisfied that the following allegations were established:

- Allegation 1;
- Allegation 2;
- Allegation 3;
- Allegation 6;
- Allegation 7;
- Allegation 8;
- Allegation 10; and
- Allegation 11

107. The Arbiter made no findings in relation to:

- Allegation 4;
- Allegation 5; and
- Allegation 9

108. Pursuant to clause 5 with reference to section 81B of the *Local Government Act 1989*, the Arbiter makes the following recommendations regarding sanctions to Council for consideration at the next ordinary meeting of Council:

- I. That Council direct the respondent make an apology in a form and manner specified by Council for contravention of the above clauses of the Code of Conduct;
- II. That where the contraventions have been as a result of behaviour towards a specific individual, that the apology include reference those individuals;
- III. That Council direct the respondent to not attend the next two meetings of Council.

Reasons for the Arbiter's Decision

109. The Arbiter was presented with large volumes of written material from the respondent, along with a general statement responding to the allegations made. However, the Arbiter was not given the opportunity to test the veracity of the evidence provided by the respondent by way of questioning at the Arbitration hearing due to the respondents' refusal to engage in the Arbitration Hearing.
110. Furthermore, and again due to the respondents' decision not to participate in the Arbitration hearing, the Arbiter was not given the opportunity of testing the evidence presented by Cr Jackson in her statement of support for the respondent.
111. Whilst the respondent did submit extensive material to the Arbiter for consideration, very little of it provided his own commentary and justification for his actions, approaches, and the rationale for some of his decision making. Therefore, the Arbiter was left with little insight into understanding some of the contentions he put in his submissions and the context within which he was acting based on his lived experience of being on Council during what has clearly been a challenging period.
112. The applicant's representative on the other hand took part in the Arbitration hearing. She submitted herself for questioning and provided the Arbiter with her own perception of the events that took place leading up to the submission of the Application for Arbitration and findings against the respondent for contraventions of the Code of Conduct.

ALLEGATION 1:

113. This allegation related to a series of Facebook posts made by the respondent.
114. On reviewing all the available evidence, the Arbiter was not able to accept the submission of the respondent that the Facebook post was a merely an update to a previous post he had made prior to his election. The Arbiter was satisfied that the Facebook post made by the respondent on 14 January 2021 at 4.34pm on his "Trevor Dance Councillor Jacksons Creek Ward Hume" Facebook page was an original post, and whilst the Arbiter accepts that the respondent may have posted the same video previously prior to his election to Council, the post made on 14 January 2021 (with additional comments) was not in any way re-posted from a previous post.
115. The Arbiter accepts that the respondent (from his personal "Trevor Dance" Facebook page) then "shared" the post from his "Trevor Dance Councillor Jacksons Creek Ward Hume" to the "Tullamarine Community Page" on 14 January 2021 at 4.40pm.

116. The Arbiter examined the Facebook posts closely and nowhere in the evidence provided to the Arbiter has the respondent declared that the views are his own personal views. Whilst the respondent submitted in his response document that there is an ongoing disclaimer on his "Trevor Dance Councillor Jacksons Creek Ward Hume" Facebook page stating that "any views on this page are my personal ones and not Hume Council views on the post" he provided no evidence to support this submission. Furthermore, it would be reasonable for the ordinary community member to assume that any comments made by a Councillor on a Facebook page titled with reference to his role of Councillor are views made by the Councillor in the context of that role, particularly when there is no clear and visible disclaimer attached or included in each individual post.
117. The comments made by the respondent in the video that forms part of the Facebook post, and in particular the comment where he states: "...I'm embarrassed to see it like this today. The best that Hume Council has given you is the new sign. But the rest of the facility here is third world." Is not demonstrative of speaking well of Council in public. Whilst the respondent may have made the comments in the video at a time when he was not elected to Council and not bound by the Code of Conduct, he chose to post those same comments at a time when he was.
118. Accordingly, the Arbiter found that the respondent has contravened clause 2.2.2(b) of the Code of Conduct in that he failed to speak well of Council in public in the context of the Facebook posts outlined above at paragraphs 114-115 of this Statement of Reasons.

ALLEGATION 2:

119. This allegation resulted from an article in the Sunbury Macedon Ranges Star Weekly where the respondent made specific comment regarding the Official Civic Reception.
120. The Arbiter was not able to accept that on all occasions the respondent had clearly articulated that the views expressed were his own personal views. There was no such reference attributed to the comments he made to the Sunbury Macedon Ranges Star Weekly, where he made comments about his fellow Councillors such as "they are going along for a free feed, drink and a three-course meal" and "you run for Council to do a job, not to get all these freebies and go to functions. It's wrong."
121. Furthermore, in the evidence presented to the Arbiter by way of screen shots of the relevant Facebook posts, there was no mention that the views made by the respondent in his respective posts were his own personal views.

122. The Arbiter accepted the submission of the applicant's representative that the comments made by the respondent were personalised towards his fellow Councillors who decided to attend the Council event (therefore contravening clause 2.2.2(f) of the Code of Conduct).
123. Furthermore, the Arbiter agreed with the applicants that the comments made by the respondent do not demonstrate him always speaking well of not only his fellow Councillors, but also of Council in public – therefore contravening clause 2.2.2(b) of the Code of Conduct.
124. Whilst the applicants made no reference to clause 2.5.3 of the Code of Conduct in the Application, the Arbiter also determined that the conduct of the respondent in relation to this allegation was both offensive and insulting to his fellow Councillors and as stated above and lacked the clarification that the comments were his own personal views. This also constitutes contravention of the Code of Conduct, namely clause 2.5.3.

ALLEGATION 3:

125. This allegation involved Facebook posts made by the respondent in relation to potential non-compliance by the Mayor with COVID face mask requirements.
126. The Arbiter agreed with the submission made by the respondent that he cannot manage or control what other individuals post to Facebook. However, the substance of allegation three relates not to what others have written on Facebook, but on the comments made by the respondent himself.
127. The post by "Barry Hatchet" appears to list all of the exemptions to the requirement to wear a face mask, with one circled in red which stated "persons whose professions require clear enunciation or visibility of their mouth. This includes teaching or live broadcasting". It is in direct response to this post that the respondent then makes the following comment: "yes and this is not one of them Anne."
128. Whilst the respondent declined to appear at the Arbitration hearing to answer questions and give context to his response, one can reasonably infer that the follow-on comment (as stated above) refers to the Mayor (at his public function) not complying with covid regulations by not wearing a mask. Comments of this nature are likely to mislead and therefore the Arbiter was satisfied that the comment made by the respondent fails to comply with the requirements of s76BA(b) in that the comment was likely to mislead the broader community.
129. There are a range of exemptions in relation to the requirement to wear masks in accordance with the COVID public health responses and it is presumptuous for the respondent to conclude (without any evidence) that the Mayor did not fall within one of those valid exemptions. In addition to this, the comments made

demonstrate a further example of the respondent failing to speak well of his fellow Councillors in public (in contravention of clause 2.2.2(b) of the Code of Conduct) and refraining from making personal remarks regarding other Councillors as he has inferred in his Facebook post (in contravention of clause 2.2.2(f) of the Code of Conduct).

ALLEGATION 4:

130. As this allegation was withdrawn, the Arbiter made no finding in relation to this matter.

ALLEGATION 5:

131. The applicants own evidence confirms that the matter was not discussed at the Strategy and Policy Briefing on 30 November 2020 as it is listed as an item not dealt with on the relevant paperwork submitted with the Application.

132. The Arbiter accepted the submission of the respondent that the matter was not discussed at the Strategy and Policy Briefing session and therefore there was no need for the respondent to declare a conflict of interest.

133. Accordingly, there was no finding made in relation to this allegation.

ALLEGATION 6:

134. At the Ordinary Council Meeting of 21 December 2020 Council Considered GE488 Arbiter Report. The respondent in the Arbitration before me as Arbiter was also a party to that Arbitration process which resulted in the production of GE488 Arbiter Report.

135. The respondent remained in Council Chambers for the discussion of GE488, spoke to the item and chose not to declare a conflict of interest.

136. It is worth noting Cr Medcraft, who was the other party in the Arbitration process that resulted in GE488 Arbiter Report, declared a conflict of interest and excused himself during discussion of this item. The respondent in this matter remained, voting on a division at 9.48pm.

137. In his written response, the respondent submitted that his conduct in failing to declare a conflict of interest was not a breach of the conflict of interest provisions in the relevant legislation.

138. Furthermore, the respondent shifted the responsibility to the Chief Executive Officer and the Mayor, who he submitted should have reminded him to raise any potential conflict of interest. Supporting this contention, the respondent submitted that this obligation was further strengthened as they afforded the other party to the Arbitration (Cr Medcraft) the reminder to declare a potential conflict of interest.
139. In making this argument, the respondent relied on clause 1.5(1)(d) and (da) of the Code of Conduct in relation to the role of Chief Executive Officer and 1.4.1(a) in relation to the role of the Mayor.
140. Furthermore, the respondent submitted that issues regarding failing to declare conflicts of interest should be referred to the Local Government Inspectorate as they fall outside of the Code of Conduct.
141. The Arbiter notes that on examination of the Code of Conduct (at 3.4 where it discusses conflict of interest procedures) it does not specify a complaint process where alleged failure to comply with that process has occurred, other than the general internal dispute resolution process outlined in section four of the Code of Conduct.
142. Section Four of the Code of Conduct, whilst outlining the internal dispute resolution process, confirms that the internal dispute resolution process deals with alleged contraventions of the Councillor Code of Conduct. Given that conflict of interest procedures are captured in section 3.4 of the Code of Conduct, the Arbiter is satisfied that this matter is within scope of this Arbitration process. The Arbiter also notes that clause 4.3(2)(d)(i) explicitly provides for the Arbiter to consider applications alleging breach of the Code of Conduct.
143. Regarding the role of the Chief Executive Officer to provide advice to Council, this provision does not extend to providing specific unsolicited advice to individual councillors per se. The role of the Mayor (as outlined in clause 1.4.1 of the Code of Conduct) does include a function of:
- “providing guidance to Councillors about what is expected of a Councillor including in relation to the role of a Councillor under section 65, and the observation of the Councillor Conduct Principles and the Councillor Code of Conduct by Councillors under sections 76B, 76BA and 76C”.
144. As the matter before me does not relate to the Mayor and his handling of the potential conflict of interest I provide no commentary on the above Mayoral requirements.
145. Of note in clause 3.4.4(b) of the Code of Conduct, Councillors are advised that:

“whilst they may seek advice about a possible conflict of interest, the legal onus rests entirely with each Councillor. If a Councillor cannot confidently say that he or she does not have a conflict of interest, the Councillor will err on the side of caution and declare a conflict of interest and comply with the relevant requirements as if they had a conflict of interest.”

146. The Arbiter had the benefit of listening to the audio recording of the meeting in question and notes that at no time did the respondent seek advice in this instance as to whether there was a conflict of interest.
147. The Arbiter notes that whilst the Mayor has a positive obligation to provide guidance and support to Councillors, this does not surmount the individual obligations each Councillor has themselves.
148. The Arbiter was satisfied that the respondent failed to follow the conflict of interest procedures required at clause 3.4 of the Code of Conduct in a matter where he should reasonably have done so. Having said that, the respondent was early in his term of appointment and somewhat inexperienced in the role of Councillor and this must be taken into account when determining whether any further action or sanction is required.
149. Accordingly, and considering the respondents’ inexperience at the time of the conduct in question, the Arbiter recommends the respondent consider undergoing further training on declaring conflicts of interest.

ALLEGATION 7:

150. This allegation related to comments made by the respondent at approximately 2 hours and 35 minutes into the Ordinary Council Meeting of 21 December 2020. The Applicants allege that the respondents’ comments were an attempt to humiliate, embarrass and belittle Cr Moore, and that as such they constituted contravention of the Code of Conduct.
151. In her oral evidence to the Arbiter, the applicant’s representative did note that the respondent ultimately withdrew his comment after a point of order was called and two subsequent requests by the Mayor to withdrawn the comment, before the Mayor relied on section 45.2 of the Governance Rules to seek withdrawal of the comment.
152. In his written response, the respondent submitted that his comment made at the Ordinary Council Meeting of 21 December 2020 was made during a robust discussion that was ultimately withdrawn, and as such no contravention of the Code of Conduct can be established.

153. The Arbiter cannot accept the assertion that any comments made that are subsequently withdrawn do not constitute a breach of the Code of Conduct. The Code of Conduct is in place to promote a common understanding amongst Councillors regarding the expectations of conduct when representing the Council and in their dealings with the community, Council staff and one another.
154. The Arbiter also notes that after listening to the relevant recording, the respondent was asked to withdraw his comment on three separate occasions and only did so when ordered to under section 45.2 of the relevant governance rules.
155. The Arbiter was satisfied that the conduct exhibited by the respondent in relation to this allegation contravenes clauses 2.2.2(b) and 2.2.2(f) of the Code of Conduct.

ALLEGATION 8:

156. This allegation related to comments made by the respondent at the Ordinary Council Meeting of 8 February 2021 during consideration of item NOM407 Notice of Motion to Rescind Council resolution GE488.
157. This relates to the same matter discussed at allegations six and seven above. The Arbiter notes there appeared to be confusion between the parties about the exact numbering and labelling of the specific notices of motion and resolutions but agreed that they are referring to the same issue of substance.
158. In the comment made at the 36-minute mark of the recording the respondent states:
- “...to do this allows a possibility of collusion and I use the word possibility. In simple terms many residents said it allows councillors to support each other behind the scenes if one of them breaches the Code of Conduct in the future. That is, you vote this down tonight and if you are involved in an investigation in the future, I will return the favour.”
159. In her evidence to the Arbiter, the applicant’s representative did acknowledge that the respondent attempted to clarify his statement by saying *he* was not saying this had happened, but that *it could be the public perception* that it is what happened.
160. In his written submission, the respondent claimed his comments were merely relaying community views expressed to him after the December Ordinary Meeting of Council. The respondent said his comments were “a reflection of actual public commentary”.
161. The Arbiter was keen to explore the origin of such comments with the respondent to test the veracity of the evidence he was leading but was not able to do so as he

declined to attend the Arbitration hearing, and did not provide any evidence of such public commentary to the Arbiter.

162. The Arbiter found the comment made by the respondent constitutes contravention of clause 2.2.2(b) of the Code of Conduct, in that the comments made are a clear example of the respondent not speaking well of his fellow Councillors in public at the February Ordinary Council Meeting, with no evidence to support his claim that he was merely relaying public commentary.

163. The Arbiter also notes that the respondent chose to provide corroborative written evidence and statutory declarations made by members of the public and also current Councillors in relation to other aspects of this Application - but did not do so in response to this allegation.

ALLEGATION 9:

164. This allegation related to the respondents' failure to attend the annual Council planning weekend, with the applicant submitting that the conduct of the respondent amounted to contravention of clause 1.2.1 of the Code of Conduct as it relates to section 3C of the *Local Government Act 1989* and clause 1.3.1 of the Code of Conduct as it relates to s65 of the *Local Government Act 1989*.

165. The Arbiter accepted that there was a clear action identified on the Strategy and Planning Briefing Note of 14 December 2020 for an Agenda to be prepared and subject to Council endorsement, and that no such endorsement took place.

166. Whilst there were procedural abnormalities in relation to the planning of this function, Councillors were given ample notice of the dates, receiving invitations via email on 11 January 2021.

167. In her oral evidence to the Arbiter, the applicant's representative submitted that the commencement of the Council planning weekend was pushed back to accommodate the respondent, who had flagged a prior commitment for the first day of what is normally a three-day event.

168. Ultimately, the respondent waited until 29 January (the day of the function) at 10.45am to confirm that he was unable to change his prior commitments and would not be in attendance. He did this via email to the Chief Executive Officer and the Mayor at 10.45am.

169. The conduct of the respondent, whilst disappointing, does not amount to contravention of the Code of Conduct.

ALLEGATION 10:

170. This allegation related to Facebook posts made by the respondent on his "Trevor Dance Councillor Jacksons Creek Ward Hume" Facebook page.

171. The Arbiter had the benefit of being able to read the Facebook posts in question and was unable to accept the submissions of the respondent. The post was inflammatory and through an objective lens, the Arbiter saw the Facebook post as provocative, offensive and likely to cause embarrassment to Mr Bull (MP).

172. Accordingly, the Arbiter found the conduct alleged amounts to a contravention of clause 2.4.2(e) of the Code of Conduct.

ALLEGATION 11:

173. This allegation related to the approach taken by the respondent in a series of emails regarding Council policy compliance.

174. Whilst the respondent provided a written response to this allegation, his response largely reiterated why he believed the substance of his emails were correct (regarding the policy non-compliance), rather than addressing the issue in the allegation.

175. The allegation was made not because the respondent challenged or sought clarification on potential non-compliance with Council policy and/or procedure. Instead, the substance of the allegation was around the way in which the respondent sought to clarify and rectify potential non-compliance.

176. The Arbiter reviewed the lengthy email chain and found that the approach taken by the respondent was often accusatory and not written in a tone or manner that builds on teamwork, collective problem solving and fosters positive working relationships.

177. Accordingly, the Arbiter found the respondent's communication and approach in relation to this allegation contravenes clause 2.2.2(e) of the Code of Conduct.

Jo-Anne Mazzeo

Arbiter

Date: 7 September 2021

LIST OF RELEVANT CLAUSES OF THE CODE OF CONDUCT**Clause 1.2.1 with regard to section 3C of the Local Government Act 1989****1.2.1. Section 3C of the Act - Objectives of a Council**

- (1) The primary objective of a Council is to endeavour to achieve the best outcomes for the local community having regard to the long term and cumulative effects of decisions.
- (2) In seeking to achieve its primary objective, a Council must have regard to the following facilitating objectives—
 - (a) to promote the social, economic and environmental viability and sustainability of the municipal district;
 - (b) to ensure that resources are used efficiently and effectively and services are provided in accordance with the Best Value Principles to best meet the needs of the local community;
 - (c) to improve the overall quality of life of people in the local community;
 - (d) to promote appropriate business and employment opportunities;
 - (e) to ensure that services and facilities provided by the Council are accessible and equitable;
 - (f) to ensure the equitable imposition of rates and charges;
 - (g) to ensure transparency and accountability in Council decision making.

Clause 1.3.1 with regard to s65 of the Local Government Act 1989**1.3.1. Section 65 of the Act - What is the role of a Councillor?**

- (1) The role of a Councillor is—
 - a) to participate in the decision-making of the Council;
 - b) to represent the local community in that decision-making;
 - c) to contribute to the strategic direction of the Council through the development and review of key strategic documents of the Council, including the Council Plan.

Clause 1.3.1(2)(c)

- (2) In performing this role, a Councillor must —
- c) provide civic leadership in relation to the exercise of the various functions and responsibilities of the Council under this Act and other Acts;

Clause 1.3.1(2)(e)

- (2) In performing this role, a Councillor must —
- e) facilitate effective communication between the Council and the community.

Clause 2.1 with regard to s76BA(b) of the Local Government Act 1989

Section 76BA - General principles of councillor conduct as follows:

"In addition to acting in accordance with the primary principle of Councillor conduct specified in section 76B, in performing the role of a Councillor, a Councillor must:

- 2. act honestly and avoid statements (whether orally or in writing) or actions that will or are likely to mislead or deceive a person;

Clause 2.2.2(b)

2.2.2. Councillors will work collaboratively together by:

- b) Always speaking well of each other and Council in public;

Clause 2.2.2(e)

2.2.2. Councillors will work collaboratively together by:

- e) Committing to a consultative approach to solving problems, developing effective decisions and communicating outcomes that build teamwork and cooperation;

Clause 2.2.2(f)

2.2.2. Councillors will work collaboratively together by:

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- f) Demonstrating leadership by focusing on issues and refraining from personalising matters' particularly in relation to making personal remarks regarding other Councillors;

Clause 2.4.2(b)

2.4.2. Councillors will:

- b) work with other levels of government and organisations to achieve benefits for the community at both a local and regional level;

Clause 2.4.2(e)

2.4.2. Councillors will:

- e) treat all members of the community honestly and fairly and in a way which does not cause offence or embarrassment to individuals or groups.

Clause 3.2 with regard to s76D(2)(b) of the Local Government Act 1989

- (2) For the purposes of this section, circumstances involving the misuse of a position by a person who is, or has been, a Councillor or member of a special committee include—
 - (b) disclosing information that is confidential information within the meaning of section 77(2);

Clause 3.2 with regard to s76D(2)(f) of the Local Government Act 1989

- (2) For the purposes of this section, circumstances involving the misuse of a position by a person who is, or has been, a Councillor or member of a special committee include—
 - (f) failing to disclose a conflict of interest as required under this Division.

REPORT NO:	GE554
REPORT TITLE:	Arbiter Report - Dance & Haweil (1)
SOURCE:	Sheena Frost, Chief Executive Officer
DIVISION:	Chief Executive Officer
FILE NO:	HCC12/403
POLICY:	-
STRATEGIC OBJECTIVE:	5.3 Provide responsible and transparent governance, services and infrastructure which responds to and supports community needs.
ATTACHMENT:	1. <i>Arbitration Report - Dance v Haweil (1)</i>

1. SUMMARY OF REPORT:

- 1.1 This Report presents to Council the Arbiter's Report in the matter of an Application by Councillor Trevor Dance concerning Councillor Joseph Haweil under the Councillor Code of Conduct 2016 (the Code).
- 1.2 In accordance with subclause 4.3.10 of the Code a copy of the Arbiter's findings, statement of reasons and any recommended sanctions is to be submitted to the next ordinary meeting of Council for its consideration.

2. RECOMMENDATION:

That Council considers the Arbiter's Determination and Recommendations in relation to this Application and notes:

- 2.1 **The Arbiter determined that there has been no contravention of the Hume City Council Code of Conduct for Councillors 2016.**
- 2.2 **As there has been no contravention of the Hume City Council Code of Conduct for Councillors 2016, the Arbiter makes no recommendations to Council for consideration at the next Ordinary Meeting of Council.**

3. LEGISLATIVE POWERS:

- 3.1 *Local Government Act 2020* (LG Act 2020):

Section 328 – General savings - provides that a Councillor Code of Conduct adopted under section 76C of the *Local Government Act 1989* (LG Act 1989) and existing immediately before the repeal of section 76C (repealed on 24 October 2020), continues to, subject to the LG Act 2020, have the same status, operation and effect as if section 76C had not been repealed.

- 3.2 This Application was made for an alleged breach which occurred when Council's Councillor Code of Conduct 2016 was in place.

4. FINANCIAL IMPLICATIONS:

Council engaged Jo-Anne Mazzeo to undertake the role of Arbiter for this Application. The Arbiter's costs in relation to the Internal Arbitration Processes against Cr Haweil (of which there are two) are \$8,250. This cost does not include staff time and internal room hire costs.

REPORT NO: GE554 (cont.)

5. DISCUSSION:

5.1 Background

- 5.1.1 Cr Dance submitted an Application that Cr Haweil had breached the Councillor Code of Conduct 2016.
- 5.1.2 The Application was seeking a finding against the respondent for contravention of the Hume City Council Councillor Code of Conduct 2016.
- 5.1.3 The Application alleged contravention of section 18(1)(e) of the Local Government Act 2020, which states that the Mayor must:
“promote behaviour among Councillors that meets the standards of conduct set out in the Councillor Code of Conduct”
- 5.1.4 The Application was supported by an email chain as evidence of the respondents alleged contravention of the Code of Conduct, which relates to the inclusion of a third party (the then Chief Executive Officer) in an email from the respondent to the applicant where the applicant had marked the original email as “private and confidential”.

5.2 Hearings in this matter

- 5.2.1 Cr Dance did not attempt to resolve this matter in accordance with section 4.2.1 of the Code – Facilitated resolution between Parties, section 4.2.2 Mediation/Conciliation, or section 4.2.3 Dispute between Mayor and other Councillors. Cr Dance applied directly for an internal resolution procedure under section 4.3 of the Code – Allegation of Breach of Councillors Code of Conduct Process.
- 5.2.2 The internal Arbitration process in this matter included one hearing, a directions hearing held on 17 June 2021 and a telephone conversation between the Arbiter and each respective party on Friday 13 August 2021 discussing the respective Application and response documentation.

5.3 Findings of the Arbiter

- 5.3.1 The Arbiter determined that there has been no contravention of the Hume City Council Code of Conduct for Councillors 2016.
- 5.3.2 As there has been no contravention of the Hume City Council Code of Conduct for Councillors 2016, the Arbiter makes no recommendations to Council for consideration at the next Ordinary Meeting of Council.

5.4 Arbiter’s Report

The full Arbiter’s Report including details on the Determination and Recommendations; Application, including evidence; Findings and Reasons for the Arbiter’s Decision is attached.

6. CONCLUSION:

That Council, having received the Arbiter’s Report, give consideration to the Determination and Recommendation contained within.

INTERNAL ARBITRATION PROCESS - HUME CITY COUNCIL

In the matter of an Application by Councillor Trevor Dance concerning Councillor Joseph Haweil

ARBITRATION PURSUANT TO 81AA OF THE LOCAL GOVERNMENT ACT 1989

Applicant: Cr Trevor Dance

Respondent: Cr Joseph Haweil

DETERMINATION AND RECOMMENDATIONS

The Arbiter determined that there has been no contravention of the Hume City Council Code of Conduct for Councillors 2016.

As there has been no contravention of the Hume City Council Code of Conduct for Councillors 2016, the Arbiter makes no recommendations to Council for consideration at the next Ordinary Meeting of Council.

STATEMENT OF REASONS FOR DECISION

The Application

1. The Application was submitted to the Current Councillor Conduct Officer via email on 4 May 2021.
2. The Application was seeking a finding against the respondent for contravention of the Hume City Council Councillor Code of Conduct 2016.
3. The Application alleged contravention of section 18(1)(e) of the *Local Government Act 2020*, which states that the Mayor must:

“promote behaviour among Councillors that meets the standards of conduct set out in the Councillor Code of Conduct”

4. The standards of conduct as referenced in the *Local Government Act 2020* can be found in the *Local Government (Governance and Integrity) Regulations 2020* at Schedule 1.
5. These standards relate to:
 1. Treatment of others;
 2. Performing the role of Councillor;
 3. Compliance with good governance measures; and
 4. Councillor must not discredit or mislead Council or public.
6. The Arbiter notes that at the time of the alleged contravention, Council had not yet adopted its new Code of Conduct, which incorporated the new Standards of Conduct as outlined in the *Local Government (Governance and Integrity) Regulations 2020* at Schedule 1 and extracted above at paragraph 5 of this Decision.
7. The Arbiter also notes that the applicant did not specify in his Application which of the standards he alleged had been breached by the respondent, other than the reference as indicated above at paragraph 3 of this Decision.
8. In the interest of efficient use of public funds and resources in managing this Application, the Arbiter examined this Application in the context of the expectations of Councillors pursuant to the Code of Conduct that applied at

the time of the alleged behaviour, rather than rejecting it purely on the grounds of an administrative error in the way in which it was articulated.

9. Therefore, the Arbiter determined the matter based on the expectations of Councillors pursuant to the Hume City Council Councillor Code of Conduct 2016, hereafter referred to as ("the Code of Conduct").
10. The Code of Conduct provides for an internal Arbitration process pursuant to s81AA of the *Local Government Act* 1989 and this Arbitration has taken place in accordance with Part Four of the Code of Conduct.
11. The Application was supported by an email chain as evidence of the respondents alleged contravention of the Code of Conduct, which relates to the inclusion of a third party (the then Chief Executive Officer) in an email from the respondent to the applicant where the applicant had marked the original email as "private and confidential".

Hearings in this matter

12. The internal Arbitration process in this matter included one hearing, a directions hearing held on 17 June 2021 and a telephone conversation between the Arbiter and each respective party on Friday 13 August 2020 discussing the respective Application and response documentation.

Evidence provided

13. Written evidence was submitted by both the applicant and the respondent.
14. Due to the COVID-19 pandemic and the enforcement of restrictions made by the State Government and taking into account the nature of the Application, the Arbiter determined that a full (in person) hearing was not required. Instead, a decision was made based on the written evidence presented by both parties which was also supplemented by oral evidence by way of a pre-arranged telephone call.

Evidence of the Applicant

15. The applicant provided an email chain summarised below:
 - (a) An email was sent from the applicant to the respondent in his capacity as Mayor dated 5 January 2021 at 3.26pm regarding changes to Council meeting dates and whether they were done according to the Governance Rules in place at the time.

- (b) An email response was sent from the respondent dated 13 January 2021 at 9.53pm to the applicant with a carbon copy to all other Councillors clarifying the meeting date change information.
- (c) An email response was sent from a fellow Councillor dated 13 January 2021 at 11.49pm to all Councillors thanking the Mayor for clarification on the meeting date change issue.
- (d) An email response was sent from the applicant to the respondent dated 14 January 2021 marked "private and confidential" stating:

"I have made it very clear that if I email you directly then the reply is to be made back to me only. You have not done so. Totally disrespectful behaviour by the Mayor. I do not know why you keep doing this."

The email then went on to further discuss the change of meeting issue.

- (e) An email response was sent from the respondent dated 14 January 2021 at 11.09pm to the applicant with a carbon copy to the then Chief Executive Officer outlining why emails are carbon copied to other Councillors and/or Council staff.
- (f) An email response was sent from the applicant dated 15 January 2021 at 12.56am to the respondent alleging release of:

"an email that was clearly marked private and confidential to another party."
- (g) A new email was then sent from the applicant to the then Chief Executive Officer requesting that the email carbon copied to him by the respondent dated 14 January 2021 be deleted as it was marked private and confidential.
- (h) An email response was sent from the then Chief Executive Officer dated 15 January 2021 at 5.02pm confirming the email has been deleted as requested.

Evidence of the Respondent

16. The respondent made various written submissions regarding the allegations which have been summarised below:

(a) On 5 January 2021 at 7.05pm in his capacity as Mayor, the respondent sent an email to all Councillors outlining his approach to communication with Councillors.

(b) The email read as follows:

"Dear Councillors, Part of the role of the Mayor under section 18(1) of the *Local Government Act 2020* is promote behaviour among Councillors that meets the standards of conduct set out in the Councillor Code of Conduct, and to assist Councillors to understand their role. A key component of these tasks is providing advice and information to Councillors.

To ensure that any advice or information I provide is accurate and timely, I myself may seek advice and information from Council staff from time to time. When you email through a request for advice or information, and I then need to seek advice or information from Council staff, I may forward your email to them. Your email may be forwarded to Council staff to ensure that Council staff are aware of exactly what advice or information is being requested. This ensures that nothing is lost from me incorrectly translating the request myself, resulting in an incorrect response being provided to you, which is a waste of everyone's time.

When I respond to your request for advice or information or a matter you have raised, I may also copy in senior Council staff to ensure that they are aware of the advice or information being provided. This is done for a variety of reasons including ensuring that I have provided the correct information, informing the CEO or senior management of pertinent discussions, ensuring staff can provide like advice or information if similar questions arise in the future, and allowing for appropriate record keeping to occur.

I note that my forwarding of your email to Council staff may raise concerns in relation to privacy and confidentiality depending on the nature of the request. If you are emailing me information that falls into this category, it will only be forwarded onto Council staff if necessary. This may occur even if you have requested that the email not be forwarded on, or staff not copied into the email, for the reasons provided above. I take your privacy very seriously and would only do so in the scenario outlined in detail above. I note of course that Council staff are aware, and must comply with the same privacy and confidentiality legislation as Councillors. Council staff also understand that your email is only being provided to them to assist me in responding to you or for the awareness of the CEO/senior

management of pertinent matters, and is not to be distributed any further.

Please give me a call if you would like to discuss this further.”

- (c) The response provided to the applicant adheres to the process outlined in the respondent’s email of 5 January 2021 and as extracted at paragraph 5(b) above.
- (d) This approach to Councillor communication is consistent with previous ways of working by other Hume City Council Mayors and in the local government sector more broadly. This approach is also supported by Council officers at Hume City Council and no other Councillor has objected to this approach.
- (e) The information contained within the email in question does not fall within the definition of confidential information as defined in s77(2) of the *Local Government Act* 1989 and as referenced in the Code of Conduct at clause 3.3 which outlines that information is confidential if:
 - “(a) the information was provided to the Council or a special committee in relation to a matter considered by the Council or special committee at a meeting closed to members of the public and the Council or special committee has not passed a resolution that the information is not confidential; or
 - (b) the information has been designated as confidential information by a resolution of the Council or a special committee which specifies the relevant ground or grounds applying under section 89(2) and the Council or special committee has not passed a resolution that the information is not confidential; or
 - (c) the information has been designated in writing as confidential information by the Chief Executive Officer specifying the relevant ground or grounds applying under section 89(2)”.
- (f) There is no standard of conduct set out in the Code of Conduct relating to confidential information in a way that the applicant is purporting it to mean in the Application before the Arbiter.
- (g) The substance of the Application is so trivial and inconsequential in nature that it does not warrant the expenditure of significant time and effort on the part of all parties concerned and at the cost of the Hume City ratepayer.

17. Based on the submissions outlined above, the respondent submitted that the Arbiter should dismiss the Application.

Findings of the Arbiter

18. The Arbiter determined that there has been no contravention of the Hume City Council Code of Conduct for Councillors 2016.

19. As there has been no contravention of the Hume City Council Code of Conduct for Councillors 2016, the Arbiter makes no recommendations to Council for consideration at the next Ordinary Meeting of Council.

Reasons for the Arbiter's Decision

20. Whilst the applicant has made a clear request for emails sent by him to others not to be shared beyond the intended recipient, nothing in the *Local Government Act* 1989 or the Code of Conduct requires adherence to this request in the context of the correspondence that is the subject of this application.

21. The contents contained within the emails are both of relevance to other Councillors and Council staff and ought not to be withheld from them in the context of the chain of emails as presented in this Application.

22. The content within the email exchange provided in no way discusses private matters, nor does it fall within the definition of confidential information as outlined in section 77(2) of the *Local Government Act* 1989. It discusses matters of relevance to both the applicant, the respondent, and their fellow Councillors.

23. Furthermore, in the weeks prior to the email in question being sent, the respondent outlined his intended approach to Councillor communication stating that he could not provide an absolute right of confidentiality when dealing with Councillor communication, but that he would only pass on communication to other Councillors or officers if necessary to do so. Therefore, the applicant was duly advised that the mere marking of an email as "private and confidential" does not mean that it would remain as such.

24. As noted above, the matters discussed in the email exchange in question relate to Council operations and as such in the view of the Arbiter is entirely appropriate to be forwarded on to not only other Councillors, but relevant Council staff.

25. Accordingly, I find that the carbon copying of an email to the then Chief Executive Officer does not constitute contravention of the Code of Conduct.

Jo-Anne Mazzeo
Arbiter

Date: 7 September 2021

REPORT NO:	GE555
REPORT TITLE:	Arbiter Report - Dance & Haweil (2)
SOURCE:	Sheena Frost, Chief Executive Officer
DIVISION:	Chief Executive Officer
FILE NO:	HCC12/403
POLICY:	-
STRATEGIC OBJECTIVE:	5.3 Provide responsible and transparent governance, services and infrastructure which responds to and supports community needs.
ATTACHMENT:	1. <i>Arbitration Report - Dance v Haweil (2)</i>

1. SUMMARY OF REPORT:

- 1.1 This Report presents to Council the Arbiter's Report in the matter of an Application by Councillor Trevor Dance concerning Councillor Joseph Haweil under the Councillor Code of Conduct 2016 (the Code).
- 1.2 In accordance with subclause 4.3.10 of the Code a copy of the Arbiter's findings, statement of reasons and any recommended sanctions is to be submitted to the next ordinary meeting of Council for its consideration.

2. RECOMMENDATION:

That Council considers the Arbiter's Determination and Recommendations in relation to this Application and notes:

- 2.1 **The Arbiter determined that there has been no contravention of the Hume City Council Code of Conduct for Councillors 2016.**
- 2.2 **As there has been no contravention of the Hume City Council Code of Conduct for Councillors 2016, the Arbiter makes no recommendations to Council for consideration at the next Ordinary Meeting of Council.**

3. LEGISLATIVE POWERS:

- 3.1 *Local Government Act 2020* (LG Act 2020):

Section 328 – General savings - provides that a Councillor Code of Conduct adopted under section 76C of the *Local Government Act 1989* (LG Act 1989) and existing immediately before the repeal of section 76C (repealed on 24 October 2020), continues to, subject to the LG Act 2020, have the same status, operation and effect as if section 76C had not been repealed.

- 3.2 This Application was made for an alleged breach which occurred when Council's Councillor Code of Conduct 2016 was in place.

4. FINANCIAL IMPLICATIONS:

Council engaged Jo-Anne Mazzeo to undertake the role of Arbiter for this Application. The Arbiter's costs in relation to the Internal Arbitration Processes against Cr Haweil (of which there are two) are \$8,250. This cost does not include staff time and internal room hire costs.

REPORT NO: GE555 (cont.)

5. DISCUSSION:

5.1 Background

- 5.1.1 Cr Dance submitted an Application that Cr Haweil had breached the Councillor Code of Conduct 2016.
- 5.1.2 The Application was seeking a finding against the respondent for contravention of the Hume City Council Councillor Code of Conduct 2016.
- 5.1.3 The Application alleged contravention of clauses 1.4.1(c), 1.4.2(a), 2.1, 2.2, 2.2.1, 2.2.2(a), 2.2.2(b), 2.2.2(c), 2.2.2(e), 2.2.2(f) and 2.2.2(g) of the Councillor Code of Conduct 2016.

5.2 Hearings in this matter

- 5.2.1 Cr Dance did not attempt to resolve this matter in accordance with section 4.2.1 of the Code – Facilitated resolution between Parties, section 4.2.2 Mediation/Conciliation, or section 4.2.3 Dispute between Mayor and other Councillors. Cr Dance applied directly for an internal resolution procedure under section 4.3 of the Code – Allegation of Breach of Councillors Code of Conduct Process.
- 5.2.2 The internal Arbitration process in this matter included one hearing, a directions hearing held on 17 June 2021 and a telephone conversation between the Arbiter and each respective party on Friday 13 August 2021 discussing the respective Application and response documentation.

5.3 Findings of the Arbiter

- 5.3.1 The Arbiter determined that there has been no contravention of the Hume City Council Code of Conduct for Councillors 2016.
- 5.3.2 As there has been no contravention of the Hume City Council Code of Conduct for Councillors 2016, the Arbiter makes no recommendations to Council for consideration at the next Ordinary Meeting of Council.

5.4 Arbiter's Report

The full Arbiter's Report including details on the Determination and Recommendations; Application, including evidence; Findings and Reasons for the Arbiter's Decision is attached.

6. CONCLUSION:

That Council, having received the Arbiter's Report, give consideration to the Determination and Recommendation contained within.

INTERNAL ARBITRATION PROCESS - HUME CITY COUNCIL

In the matter of an Application by Councillor Trevor Dance concerning Councillor Joseph Haweil

ARBITRATION PURSUANT TO 81AA OF THE LOCAL GOVERNMENT ACT 1989

Applicant: Cr Trevor Dance

Respondent: Cr Joseph Haweil

DETERMINATION AND RECOMMENDATIONS

The Arbiter determined that there has been no contravention of the Hume City Council Code of Conduct for Councillors 2016.

As there has been no contravention of the Hume City Council Code of Conduct for Councillors 2016, the Arbiter makes no recommendations to Council for consideration at the next Ordinary Meeting of Council.

STATEMENT OF REASONS FOR DECISION**The Application**

1. The Application was submitted to the Current Councillor Conduct Officer via email on 31 March 2021.
2. The Application was seeking a finding against the respondent for contravention of the Hume City Council Councillor Code of Conduct 2016.
3. The Application alleged that the respondent had breached the following clauses of the Hume City Council Councillor Code of Conduct 2016:
 - a) Clause 1.4.1(c): supporting good working relations between Councillors;
 - b) Clause 1.4.2(a): The Mayor fosters positive relationships between Councillors. He or she must encourage cooperation among Councillors and promote unity. The Mayor must be alert to issues of bullying and intimidating behaviour and address them if they arise.
 - c) Clause 2.1 with reference to section 76B of the *Local Government Act 1989* in that a Councillor must –
 - “(b) impartially exercise his or her responsibilities in the interests of the local community; and
 - (c) not improperly seek to confer an advantage or disadvantage on any person”
 - d) Clause 2.2 with reference to s76BA of the *Local Government Act 1989* in that a Councillor must:
 - (a) avoid conflicts between his or her public duties as a Councillor and his or her personal interests and obligations;
 - (b) act honestly and avoid statements (whether orally or in writing) or actions that will or are likely to mislead or deceive a person;
 - (c) treat all persons with respect and have due regard to the opinions, beliefs, rights and responsibilities of other Councillors, Council staff and other persons;

- (f) act lawfully and in accordance with the trust placed in him or her as an elected representative; and
- (g) support and promote these principles by leadership and example and act in a way that secures and preserves public confidence in the office of Councillor”

- Clause 2.2.1: Respecting differences - Council is comprised of a group of individuals who bring to Council their own unique skills, talents, personalities, backgrounds and divergent views. All Councillors need to be understanding and accepting of the differences between Councillors and recognise that this diversity enriches Council and is reflected in the policies, strategies and decisions which are made in the best interests of the entire municipality.
- Clause 2.2.2(a): Respecting the right of each Councillor to speak and represent their views on the needs and rights of citizens;
- Clause 2.2.2(b): Always speaking well of each other and Council in public;
- Clause 2.2.2(c): Demonstrating total commitment to consult with other Councillors, within the decision making framework and with no surprises;
- Clause 2.2.2(e): Committing to a consultative approach to solving problems, developing effective decisions and communicating outcomes that build teamwork and cooperation;
- Clause 2.2.2(f): Demonstrating leadership by focusing on issues and refraining from personalising matters’ particularly in relation to making personal remarks regarding other Councillors; and
- Clause 2.2.2(g): Respecting each other’s right to hold different views and debate strongly on matters of difference while being united in representing Council decisions.

Hearings in this matter

4. The internal Arbitration process in this matter included one hearing, a directions hearing held on 17 June 2021 and a telephone conversation between the Arbiter and each respective party on Friday 13 August 2020 discussing the Application and response documentation.

Evidence provided

5. Written evidence was submitted by both the applicant and the respondent.

6. Due to the COVID-19 pandemic and the enforcement of restrictions made by the State Government and taking into account the nature of the Application, the Arbitrator determined that a full in person hearing was not required. Instead, a decision was made based on the written evidence presented by both parties which was also supplemented by oral evidence by way of a pre-arranged telephone call.

Evidence of the Applicant

7. The applicant provided an email chain summarised below:

- a) An email was sent from the applicant to a Council officer dated 15 February 2021 at 10.49pm regarding Council expense reporting and Council being "...up to 7 months behind with these policy requirements"
- b) The email sent from the applicant to a Council officer 15 February 2021 at 10.49pm regarding Council expense reporting (as indicated directly above in paragraph 7(a)) was forwarded by the applicant to all Councillors on 17 February 2021 at 11.45am.
- c) An email response from the respondent in his capacity as Mayor to all Councillors and carbon copy to two Council officers dated 17 February 2021 at 4.17pm advising that the expense reporting had been finalised but not uploaded to the Hume City Council website as it was subject to review at the Audit and Risk Committee Meeting scheduled for 26 February 2021. In this email the respondent also including the following comment "With the benefit of experience Cr Dance, I'm hopeful that you will await receipt of information before embarking upon impetuous value judgments."
- d) An email response was sent from the applicant to the respondent with a carbon copy to all parties previously copied in dated 17 February 2021 at 5.51pm flagging concern regarding what the applicant claims to be non-compliance with Council policies, with follow up questions regarding expenses. The email also noted that a separate email would be sent from the applicant to the respondent dealing with specific comments made by the respondent in his email of 17 February 2021 at 5.51pm (as referenced directly above in paragraph 7(c)).
- e) An email response was sent from the respondent to the applicant with a carbon copy to all parties previously copied in dated 17 February 2021 at 6.14pm noting that the response email of 17 February 2021 was sent on the advice of Council officers and referring the applicant to the acting Chief

Executive Officer for any further matters of an operational nature. Furthermore, the email noted that the matter was closed

- f) An email response was sent from the applicant to the respondent with a carbon copy to all parties previously copied in dated 17 February 2021 at 9.21pm refusing to accept that the matter was closed and continuing to discuss the Council expense reporting compliance.
- g) An email was sent from the applicant to a Council officer dated 18 February 2021 at 12.40pm asking for the date(s) of the audit and risk committee meeting at which the Councillor expenses for October-December 2020 were lodged.
- h) An email was sent from the applicant to all Councillors dated 18 February 2021 at 4.29pm noting that Councillor expenses up to 31 December 2020 had been uploaded to the Hume City Council website. The email sought clarification as to the review of the expenses that was to take place during the Audit and Risk Committee Meeting on 26 February 2021 and sought an apology from the respondent for the comments he made in the email of 17 February 2021.
- i) Email responses were sent from two separate Councillors to all Councillors on 18 February 2021 at 5.05pm and 5.38pm respectively (responding to the applicants email of 18 February 2021 at 4.29pm as noted above in paragraph 7(h)), both raising concerns regarding the applicant's approach in relation to the issue at hand.
- j) An email response (responding to the applicants email of 18 February 2021 as noted in paragraph 7(g) above) was sent from the Council officer to the applicant dated 19 February 2021 at 2.05pm confirming the expenses would be tabled at the upcoming meeting on 26 February 2021.
- k) An email response was sent from the applicant to the Council officer dated 19 February 2021 at 4.51pm asking whether lodging at the upcoming meeting constitutes compliance with the relevant policy.
- l) An email response was sent from the Council officer to the applicant dated 21 February 2021 at 8.43pm confirming that the procedural timeframe had not been met.

- m) A new email was sent from the applicant to all Councillors dated 22 February 2021 at 5.34pm confirming that Council had not complied with the relevant procedure for disclosure of Councillor expenses.
8. The applicant submitted that the comments made by the respondent in his email of 17 February 2021 at 4.17pm (and noted in paragraph 7(c) above) are what constitutes contravention of the Code of Conduct as outlined in the Application.
9. When asked during his telephone call with the Arbiter whether the applicant thought his own emails were inappropriate or inflammatory, the applicant submitted that his emails were “responses to attacks” and that he speaks up because “...other Councillors say nothing.”
10. Furthermore, the applicant submitted that given his point regarding the Councillor expenses “...was validated” by the Council officer in his email of 21 February 2021 (as noted in paragraph 7(l)) he clearly did not make an “impetuous value judgment” as claimed by the respondent in his email of 17 February 2021 - in that his emails were sent with due thought and consideration.

Evidence of the Respondent

11. The respondent made various written submissions regarding the allegations which have been summarised below:
- a) The Application is limited in nature and comprised largely of cut and paste extracts with highlighted sections of the Code of Conduct, with an absence of any narrative or submissions highlighting how the statement in question and the chain of emails constitute a contravention of the Code of Conduct.
- b) The substance of the respondents’ emails were based on advice provided to the respondent by senior Council officers.
- c) As a Councillor, the respondent is prohibited from engaging in operational matters and therefore any response he provided to the applicant on operational issues is on the advice of Council officers.
- d) If the Application is based on an allegation that the information provided by the applicant is factually incorrect, this would need to be pursued with Council management.

- e) Regarding the allegation that he does not support good working relationships between Councillors and promote unity, the respondent submitted that he clearly discusses the need to work both in a collegiate and cooperative manner and illustrated this point by way of evidence submitted in the form of an email he had previously sent to all Councillors.
- f) The respondent's email of 17 February 2021 states "Council should operate in a collegiate and collaborative manner and all decisions emanate from the entirety of the Council. Given what you have raised relates to the entirety of the Council it is appropriate that any correspondence should have the oversight of the entirety of Council."
- g) The respondent also noted in his submissions that the Code of Conduct (at clause 4.2.1(b)) requires parties to attempt informal resolution prior to engaging in any formal dispute resolution process such as an Arbitration, and that had the applicant approached him and attempted to resolve his grievances informally, the respondent would have retracted the comments he made in the email of 17 February 2021.
- h) The respondent also submitted that the applicant himself made reference to the respondent in various other email communications in a similar tone as the respondent did in his email "...almost identically and perhaps more egregiously".

12. Based on the submissions outlined above, the respondent submitted that the Arbiter should dismiss the Application.

Findings of the Arbiter

13. The Arbiter determined that there has been no contravention of the Hume City Council Code of Conduct for Councillors 2016.

14. As there has been no contravention of the Hume City Council Code of Conduct for Councillors 2016, the Arbiter makes no recommendations to Council for consideration at the next Ordinary Meeting of Council.

Reasons for the Arbiter's Decision

15. Considering not only the email exchange subject to the Application, but also the broader circumstances surrounding the current dynamics between Councillors which has seen considerable tension and unrest, coupled with the manner in which the applicant conveys his concerns or issues, the Arbiter is

not satisfied that the email from the respondent to the applicant constitutes a contravention of the Code of Conduct.

16.The Arbiter acknowledges that there has been a poor choice of words by the respondent when describing the applicant's approach as "...embarking upon impetuous value judgments", and that his communication style in this instance was direct and to the point. However, poor or inaccurate choice of words, or direct and to the point communication in and of themselves do not constitute a contravention of the Code of Conduct.

17.The Arbiter notes that on review of all the evidence provided the Applicant himself also wrote emails that were direct and somewhat abrupt and of the same tone as that of the respondent, yet when questioned by the Arbiter about the appropriateness of his own emails, the applicant submitted that they were appropriate and in no way offensive.

18.Accordingly, the Arbiter determined that there has been no contravention of the Hume City Council Code of Conduct for Councillors 2016.

19.As there has been no contravention of the Hume City Council Code of Conduct for Councillors 2016, the Arbiter makes no recommendations to Council for consideration at the next ordinary meeting of Council.

Jo-Anne Mazzeo

Arbiter

Date: 7 September 2021

REPORT NO:	GE556
REPORT TITLE:	Arbiter Report - Dance & Medcraft (1)
SOURCE:	Sheena Frost, Chief Executive Officer
DIVISION:	Chief Executive Officer
FILE NO:	HCC12/403
POLICY:	-
STRATEGIC OBJECTIVE:	5.3 Provide responsible and transparent governance, services and infrastructure which responds to and supports community needs.
ATTACHMENT:	1. <i>Arbitration Report - Dance v Medcraft (1)</i>

1. SUMMARY OF REPORT:

- 1.1 This Report presents to Council the Arbiter's Report in the matter of an Application by Councillor Trevor Dance concerning Councillor Jack Medcraft under the Councillor Code of Conduct 2016 (the Code).
- 1.2 In accordance with subclause 4.3.10 of the Code a copy of the Arbiter's findings, statement of reasons and any recommended sanctions is to be submitted to the next ordinary meeting of Council for its consideration.

2. RECOMMENDATION:

That Council considers the Arbiter's Determination and Recommendations in relation to this Application and notes:

- 2.1 **The Arbiter determined that there has been no contravention of the Hume City Council Code of Conduct for Councillors 2016.**
- 2.2 **As there has been no contravention of the Hume City Council Code of Conduct for Councillors 2016, the Arbiter makes no recommendations to Council for consideration at the next Ordinary Meeting of Council.**

3. LEGISLATIVE POWERS:

- 3.1 *Local Government Act 2020* (LG Act 2020):
Section 328 – General savings - provides that a Councillor Code of Conduct adopted under section 76C of the *Local Government Act 1989* (LG Act 1989) and existing immediately before the repeal of section 76C (repealed on 24 October 2020), continues to, subject to the LG Act 2020, have the same status, operation and effect as if section 76C had not been repealed.
- 3.2 This Application was made for an alleged breach which occurred when Council's Councillor Code of Conduct 2016 was in place.

4. FINANCIAL IMPLICATIONS:

Council engaged Jo-Anne Mazzeo to undertake the role of Arbiter for this Application. The Arbiter's costs in relation to the Internal Arbitration Processes against Cr Medcraft (of which there are three) are \$8,250. This cost does not include staff time and internal room hire costs.

REPORT NO: GE556 (cont.)

5. DISCUSSION:

5.1 Background

- 5.1.1 Cr Dance submitted an Application that Cr Medcraft had breached the Prescribed Standards of Conduct set out in Schedule 1 of the *Local Government (Governance and Integrity) Regulations 2020*.
- 5.1.2 The Arbiter notes that the conduct alleged occurred at the Ordinary Council Meeting of 21 December 2020. At this time (and as stated above), the Hume City Council Code of Conduct for Councillors 2016 (“the Code of Conduct”) was in place and did not include the prescribed standards as outlined in the Application.
- 5.1.3 In the interest of efficient use of public funds and resources in managing this Application, the Arbiter examined this Application in the context of the expectations of Councillors pursuant to the Code of Conduct that applied at the time of the alleged behaviour, rather than rejecting it purely on the grounds of an administrative error in the way in which it was articulated.
- 5.1.4 The Application was seeking a finding against the respondent for an alleged breach of the Prescribed Standards of Conduct set out in Schedule 1 of the Local Government (Governance and Integrity) Regulations 2020.

5.2 Hearings in this matter

- 5.2.1 Cr Dance did not attempt to resolve this matter in accordance with section 4.2.1 of the Code – Facilitated resolution between Parties, section 4.2.2 Mediation/Conciliation, or section 4.2.3 Dispute between Mayor and other Councillors. Cr Dance applied directly for an internal resolution procedure under section 4.3 of the Code – Allegation of Breach of Councillors Code of Conduct Process.
- 5.2.2 The internal Arbitration process in this matter included two hearings, a directions hearing held on 17 June 2021 and a substantive hearing held on 13 July 2021.
- 5.2.3 Throughout the course of the internal Arbitration process the applicant repeatedly requested that the hearings not be held in person due to concerns regarding his safety and due to ongoing concerns regarding compliance with COVID-19 restrictions and social distancing requirements.
- 5.2.4 No adequate evidence was provided by the applicant which supported his contentions regarding his perceived safety risk. Despite this, and in order to encourage the applicant to attend, the Arbiter put in place specific measures to ensure the hearings would be conducted in a safe and respectful manner for all participants.
- 5.2.5 Given the nature of the complaint, both parties were requested to attend the substantive hearing on 13 July 2021 to fully explore the substance of the Application and enable the Arbiter to test the veracity of the evidence provided by both the applicant and the respondent. The Arbiter also decided that the substantive hearing needed to be held in person to ensure the process was able to be conducted fairly and privately, ensuring hearings were not open to the public.
- 5.2.6 The applicant ultimately refused to participate in the Arbitration hearing.

5.3 Findings of the Arbiter

- 5.3.1 The Arbiter determined that there has been no contravention of the Hume City Council Code of Conduct for Councillors 2016.

REPORT NO: GE556 (cont.)

- 5.3.2 As there has been no contravention of the Hume City Council Code of Conduct for Councillors 2016, the Arbiter makes no recommendations to Council for consideration at the next Ordinary Meeting of Council.

5.4 Arbiter's Report

The full Arbiter's Report including details on the Determination and Recommendations; Application, including evidence; Findings and Reasons for the Arbiter's Decision is attached.

6. CONCLUSION:

That Council, having received the Arbiter's Report, give consideration to the Determination and Recommendation contained within.

REPORT NO: GE556 (cont.)

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INTERNAL ARBITRATION PROCESS - HUME CITY COUNCIL

In the matter of an Application by Councillor Trevor Dance concerning Councillor Jack Medcraft

ARBITRATION PURSUANT TO 81AA OF THE LOCAL GOVERNMENT ACT 1989

Applicant: Cr Trevor Dance

Respondent: Cr Jack Medcraft

DETERMINATION AND RECOMMENDATIONS

The Arbiter determined that there has been no contravention of the Hume City Council Code of Conduct for Councillors 2016.

As there has been no contravention of the Hume City Council Code of Conduct for Councillors 2016, the Arbiter makes no recommendations to Council for consideration at the next Ordinary Meeting of Council.

STATEMENT OF REASONS FOR DECISION**The Application**

1. The Application dated 21 January 2021 was originally made pursuant to section 143 of the *Local Government Act 2020* for an internal Arbitration and was rejected by the Principal Councillor Conduct Registrar pursuant to section 144(2) of the *Local Government Act 2020* as the Hume City Council Councillor Code of Conduct in place at that time did not include the prescribed standards of conduct.
2. The Application was then received by the Current Councillor Conduct Officer on 27 February 2021.
3. The Application was seeking a finding against the respondent for an alleged breach of the Prescribed Standards of Conduct set out in Schedule 1 of the *Local Government (Governance and Integrity) Regulations 2020*.
4. Specifically, the Application alleged breach of the following prescribed standards of conduct:
 - Clause 1: Treatment of others
 - Clause 2: Performing the role of a councillor
 - Clause 3: Compliance with good governance measures
 - Clause 4: Councillor must not discredit or mislead Council or Public
5. The Arbiter notes that the conduct alleged occurred at the Ordinary Council Meeting of 21 December 2020. At this time (and as stated above), the Hume City Council Code of Conduct for Councillors 2016 ("the Code of Conduct") was in place and did not include the prescribed standards as outlined in the Application.
6. The Code of Conduct provides for an internal Arbitration process pursuant to s81AA of the *Local Government Act 1989* and this Arbitration has taken place in accordance with Part Four of the Code of Conduct.
7. In the interest of efficient use of public funds and resources in managing this Application, the Arbiter examined this Application in the context of the expectations of Councillors pursuant to the Code of Conduct that applied at the time of the alleged behaviour, rather than rejecting it purely on the grounds of an administrative error in the way in which it was articulated.

8. The Application alleges that during the Ordinary Council Meeting of 21 December 2021 the respondent made false statements, thus misleading the public.

Hearings in this matter

9. The internal Arbitration process in this matter included two hearings, a directions hearing held on 17 June 2021 and a substantive hearing held on 13 July 2021.
10. Throughout the course of the internal Arbitration process the applicant repeatedly requested that the hearings not be held in person due to concerns regarding his safety and due to ongoing concerns regarding compliance with COVID-19 restrictions and social distancing requirements.
11. No adequate evidence was provided by the applicant which supported his contentions regarding his perceived safety risk. Despite this, and in order to encourage the applicant to attend, the Arbiter put in place specific measures to ensure the hearings would be conducted in a safe and respectful manner for all participants.
12. Given the nature of the complaint, both parties were requested to attend the substantive hearing on 13 July 2021 to fully explore the substance of the Application and enable the Arbiter to test the veracity of the evidence provided by both the applicant and the respondent. The Arbiter also decided that the substantive hearing needed to be held in person to ensure the process was able to be conducted fairly and privately, ensuring hearings were not open to the public.
13. The applicant ultimately refused to participate in the Arbitration hearing.

Evidence provided

14. The applicant provided only the evidence contained in his Application. The respondent provided written evidence via email and oral evidence at the hearing on 13 July 2021.

Evidence of the Applicant

15. The applicant provided the Arbiter with access to the online recording of the Ordinary Council Meeting in question and provided his own version of a transcript of the comments made by the respondent, as follows:

“Cr Medcraft: Yes um, Mr Mayor I’m just a bit perplexed and confused that Councillor Dance wants to have all those portfolios when he had

the opportunity to put his hand up when we met earlier. And we put the names down and we put them up for discussion. I don't know if he wasn't there or he just didn't hear it. He had the chance to talk on the night and now he wants to put his name to so many portfolios. I just query why he wants to be the portfolio holder when time is of the essence and trying to get to all those meetings and being able to handle those portfolios and the Councils, erm, I don't know whether he's got some sort of um feeling for what happening in the city. I'm just intrigued as to why he wants to be so involved and I think that we should, we look we've got it here and I think were wasting time. It's been done, we've spoken about it. I think every Councillor took the time to sit down and say yes I'll do that that that. I think really we've made the decision, its just a formality."

16. In his Application, the applicant submitted that he made it very clear at the Strategy and Planning Briefing on 30 November 2020 that he would raise his portfolio options at the Council Meeting as per proper process, and that the Mayor had confirmed that indication of preferences could be given in Council Chambers.

Evidence of the Respondent

17. The respondent provided oral evidence in response to the Application at the Arbitration hearing.
18. In response to the allegation, the respondent submitted that his comment at the Ordinary Council Meeting of 21 December 2020 was a genuine question regarding:
- The sheer volume of portfolio responsibility the applicant was seeking (he nominated for 8 separate portfolios); and
 - Why the applicant had failed to discuss his proposed options at the Strategy and Planning Meeting held on 30 November 2020, where Councillors were able to work collaboratively and in a collegiate manner to attribute portfolio responsibility taking into account all relevant considerations.

Findings of the Arbiter

19. The Arbiter determined that there has been no contravention of the Code of Conduct.
20. As there has been no contravention of the Code of Conduct for Councillors, the Arbiter makes no recommendations to Council for consideration at the next Ordinary Meeting of Council.

Reasons for the Arbiter's Decision

21. The Arbiter had the benefit of listening to the relevant audio of the Ordinary Council Meeting of 21 December 2020, coupled with speaking with the respondent about his comments at the Arbitration hearing on 13 July 2021.
22. The Arbiter accepted the evidence of the respondent and as such was satisfied that the comments made at the Ordinary Council Meeting of 21 December 2020 did not mislead Council or the public in any way and did not demonstrate contravention of any of the obligations on Councillors when exercising their functions or duties pursuant to the Code of Conduct.
23. The Arbiter also provides the observation that whilst it is not a requirement for Councillors to nominate their respective portfolio interests prior to the Ordinary Council Meeting, discussing their respective preferences at a Strategy and Planning meeting seems like a logical and appropriate way of managing the Councillors approach to decision making, with particular reference to:
 - Clause 2.2.2(c): Councillors will work collaboratively together by demonstrating total commitment to consult with other Councillors, within the decision-making framework and with no surprises; and
 - Clause 2.2.2(e): Councillors will work collaboratively together by committing to a consultative approach to solving problems, developing effective decisions and communicating outcomes that build teamwork and cooperation.

Jo-Anne Mazzeo

Arbiter

Date: 7 September 2021

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REPORT NO:	GE557
REPORT TITLE:	Arbiter Report - Dance & Medcraft (2)
SOURCE:	Sheena Frost, Chief Executive Officer
DIVISION:	Chief Executive Officer
FILE NO:	HCC12/403
POLICY:	-
STRATEGIC OBJECTIVE:	5.3 Provide responsible and transparent governance, services and infrastructure which responds to and supports community needs.
ATTACHMENT:	1. <i>Arbitration Report - Dance v Medcraft (2)</i>

1. SUMMARY OF REPORT:

- 1.1 This Report presents to Council the Arbiter's Report in the matter of an Application by Councillor Trevor Dance concerning Councillor Jack Medcraft under the Councillor Code of Conduct 2016 (the Code).
- 1.2 In accordance with subclause 4.3.10 of the Code a copy of the Arbiter's findings, statement of reasons and any recommended sanctions is to be submitted to the next ordinary meeting of Council for its consideration.

2. RECOMMENDATION:

That Council considers the Arbiter's Determination and Recommendations in relation to this Application and notes:

- 2.1 **The Arbiter determined that there has been no contravention of the Hume City Council Code of Conduct for Councillors 2016.**
- 2.2 **As there has been no contravention of the Hume City Council Code of Conduct for Councillors 2016, the Arbiter makes no recommendations to Council for consideration at the next Ordinary Meeting of Council.**

3. LEGISLATIVE POWERS:

- 3.1 *Local Government Act 2020* (LG Act 2020):

Section 328 – General savings - provides that a Councillor Code of Conduct adopted under section 76C of the *Local Government Act 1989* (LG Act 1989) and existing immediately before the repeal of section 76C (repealed on 24 October 2020), continues to, subject to the LG Act 2020, have the same status, operation and effect as if section 76C had not been repealed.

- 3.2 This Application was made for an alleged breach which occurred when Council's Councillor Code of Conduct 2016 was in place.

4. FINANCIAL IMPLICATIONS:

Council engaged Jo-Anne Mazzeo to undertake the role of Arbiter for this Application. The Arbiter's costs in relation to the Internal Arbitration Processes against Cr Medcraft (of which there are three) are \$8,250. This cost does not include staff time and internal room hire costs.

REPORT NO: GE557 (cont.)

5. DISCUSSION:

5.1 Background

- 5.1.1 Cr Dance submitted an Application that Cr Medcraft had breached the Councillor Code of Conduct 2016.
- 5.1.2 The Application was seeking a finding against the respondent for contravention of the Hume City Council Councillor Code of Conduct 2016.
- 5.1.3 The Application alleged contravention of clauses 2.1 and 2.4.2(e) of the Councillor Code of Conduct 2016.
- 5.1.4 The Application was supported by an email chain as evidence of the respondents alleged contravention of the Code of Conduct, which relates to the respondents written response to an email sent by a Hume City Council constituent regarding the state of the Christmas decorations in the municipality during the 2020 festive season.

5.2 Hearings in this matter

- 5.2.1 Cr Dance did not attempt to resolve this matter in accordance with section 4.2.1 of the Code – Facilitated resolution between Parties, section 4.2.2 Mediation/Conciliation, or section 4.2.3 Dispute between Mayor and other Councillors. Cr Dance applied directly for an internal resolution procedure under section 4.3 of the Code – Allegation of Breach of Councillors Code of Conduct Process.
- 5.2.2 The internal Arbitration process in this matter included two hearings, a directions hearing held on 17 June 2021 and a substantive hearing held on 13 July 2021.
- 5.2.3 Throughout the course of the internal Arbitration process the applicant repeatedly requested that the hearings not be held in person due to concerns regarding his safety and due to ongoing concerns regarding compliance with COVID-19 restrictions and social distancing requirements.
- 5.2.4 No adequate evidence was provided by the applicant which supported his contentions regarding his perceived safety risk. Despite this, and in order to encourage the applicant to attend, the Arbiter put in place specific measures to ensure the hearings would be conducted in a safe and respectful manner for all participants.
- 5.2.5 Given the nature of the complaint, both parties were requested to attend the substantive hearing on 13 July 2021 to fully explore the substance of the Application and enable the Arbiter to test the veracity of the evidence provided by both the applicant and the respondent. The Arbiter also decided that the substantive hearing needed to be held in person to ensure the process was able to be conducted fairly and privately, ensuring hearings were not open to the public.
- 5.2.6 The applicant ultimately refused to participate in the Arbitration hearing.

5.3 Findings of the Arbiter

- 5.3.1 The Arbiter determined that there has been no contravention of the Hume City Council Code of Conduct for Councillors 2016.
- 5.3.2 As there has been no contravention of the Hume City Council Code of Conduct for Councillors 2016, the Arbiter makes no recommendations to Council for consideration at the next Ordinary Meeting of Council.

REPORT NO: GE557 (cont.)

5.4 Arbiter's Report

The full Arbiter's Report including details on the Determination and Recommendations; Application, including evidence; Findings and Reasons for the Arbiter's Decision is attached.

6. CONCLUSION:

That Council, having received the Arbiter's Report, give consideration to the Determination and Recommendation contained within.

REPORT NO: GE557 (cont.)

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INTERNAL ARBITRATION PROCESS - HUME CITY COUNCIL

In the matter of an Application by Councillor Trevor Dance concerning Councillor
Jack Medcraft

ARBITRATION PURSUANT TO 81AA OF THE LOCAL GOVERNMENT ACT 1989

Applicant: Cr Trevor Dance

Respondent: Cr Jack Medcraft

DETERMINATION AND RECOMMENDATIONS

The Arbiter determined that there has been no contravention of the Hume City Council Code of Conduct for Councillors 2016.

As there has been no contravention of the Hume City Council Code of Conduct for Councillors 2016, the Arbiter makes no recommendations to Council for consideration at the next Ordinary Meeting of Council.

STATEMENT OF REASONS FOR DECISION**The Application**

1. The Application was submitted to the (then) Current Councillor Conduct Officer via email on 18 December 2020.
2. The Application was seeking a finding against the respondent for contravention of the Hume City Council Councillor Code of Conduct 2016 ("the Code of Conduct").
3. Specifically, the application alleged contravention of the following clauses of the Code of Conduct:
 - Clause 2.1 with reference to section 76BA(c) of the *Local Government Act 1989*: Treat all persons with respect and have due regard to the opinions, beliefs, rights and responsibilities of other Councillors, Council staff and other persons;
 - Clause 2.1 with reference to section 76BA(g) of the *Local Government Act 1989*: Support and promote these principles by leadership and example and act in a way that secures and preserves public confidence in the office of Councillor.
 - Clause 2.4.2(e): Treat all members of the community honestly and fairly and in a way which does not cause offence or embarrassment to individuals or groups.
4. The Code of Conduct provides for an internal arbitration process pursuant to s81AA of the *Local Government Act 1989* and this Arbitration has taken place in accordance with Part Four of the Code of Conduct.
5. The Application was supported by an email chain as evidence of the respondents alleged contravention of the Code of Conduct, which relates to the respondents written response to an email sent by a Hume City Council constituent regarding the state of the Christmas decorations in the municipality during the 2020 festive season.

Hearings in this matter

6. The internal Arbitration process in this matter included two hearings, a directions hearing held on 17 June 2021 and a substantive hearing held on 13 July 2021.
7. Throughout the course of the internal Arbitration process the applicant repeatedly requested that the hearings not be held in person due to concerns regarding his safety and due to ongoing concerns regarding compliance with COVID-19 restrictions and social distancing requirements.
8. No adequate evidence was provided by the applicant which supported his contentions regarding his perceived safety risk. Despite this, and in order to encourage the applicant to attend, the Arbiter put in place specific measures to ensure the hearings would be conducted in a safe and respectful manner for all participants.
9. Given the nature of the complaint, both parties were requested to attend the substantive hearing on 13 July 2021 to fully explore the substance of the Application and enable the Arbiter to test the veracity of the evidence provided by both the applicant and the respondent. The Arbiter also decided that the substantive hearing needed to be held in person to ensure the process was able to be conducted fairly and privately, ensuring hearings were not open to the public.
10. The applicant ultimately refused to participate in the Arbitration Hearing.

Evidence provided

11. The applicant provided only the evidence contained with his Application and the respondent provided oral evidence at the hearing on 13 July 2021.

Evidence of the Applicant

12. The applicant provided the Arbiter with an email chain with relevant excerpts as follows:

Email from Hume constituent (dated 12 December 2020) to both the applicant and the respondent as Councillors in the same ward –

"Guys,

Where are Sunbury's Christmas decorations? Pretty poor efforts...

We went through Glenroy and theirs are heaps better, how come Moreland can make an effort and Hume cannot? Maybe Hume could start planning earlier and make a real effort next year?

Unhappy Christmas fan..."

Email from the respondent (dated 13 December 2020) replying to both the Hume constituent and the applicant –

"Suggest you take a look at Broadmeadows for starters and haven't you seen what we have done around town with the planter boxes which are lit up and the village green. What exactly do you want?"

Evidence of the Respondent

13. The respondent provided oral evidence in response to the Application at hearing.
14. The respondent explained that he often commences emails with the absence of a salutation and is a "direct and get to the point kind of man". He further submitted that he was simply pointing out the efforts that had been made, directing the constituent to look at particular areas of the City of Hume, and then asked exactly what the constituent wanted to see.
15. The respondent confirmed the constituent is still yet to respond as to what decorations he is looking to see in the City of Hume that would lift the standard beyond that of the 2020 festive season.

Findings of the Arbiter

16. The Arbiter determined that there has been no contravention of the Code of Conduct.
17. As there has been no contravention of the Code of Conduct, the Arbiter makes no recommendations to Council for consideration at the next Ordinary Meeting of Council.

Reasons for the Arbiter's Decision

18. The Arbiter accepted the explanation provided by the respondent and finds that whilst his email was direct and to the point, it did not constitute a breach of the Code of Conduct in any way.

19. The respondent actively sought out the opinions of the constituent regarding what decorations could be obtained to “lift the standard”, therefore affording due regard to the opinions and beliefs of the said constituent.
20. On reading of the email exchange, the Arbiter was not satisfied that the email amounted to a failure to promote the principles of leadership, failure to treat constituents honestly and with respect and causing offence in any way.
21. Furthermore, as the applicant refused to attend the Arbitration hearing, the Arbiter was not afforded the opportunity to question him regarding *why* he believed the email exchange constituted a breach of the Code of Conduct.

Jo-Anne Mazzeo

Arbiter

Date: 7 September 2021

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REPORT NO:	GE558
REPORT TITLE:	Arbiter Report - Dance & Medcraft (3)
SOURCE:	Sheena Frost, Chief Executive Officer
DIVISION:	Chief Executive Officer
FILE NO:	HCC12/403
POLICY:	-
STRATEGIC OBJECTIVE:	5.3 Provide responsible and transparent governance, services and infrastructure which responds to and supports community needs.
ATTACHMENT:	1. <i>Arbitration Report - Dance v Medcraft (3)</i>

1. SUMMARY OF REPORT:

- 1.1 This Report presents to Council the Arbiter's Report in the matter of an Application by Councillor Trevor Dance concerning Councillor Jack Medcraft under the Councillor Code of Conduct 2016 (the Code).
- 1.2 In accordance with subclause 4.3.10 of the Code a copy of the Arbiter's findings, statement of reasons and any recommended sanctions is to be submitted to the next ordinary meeting of Council for its consideration.

2. RECOMMENDATION:

That Council considers the Arbiter's Determination and Recommendations in relation to this Application and notes:

- 2.1 **The Arbiter determined that there has been no contravention of the Hume City Council Code of Conduct for Councillors 2016.**
- 2.2 **As there has been no contravention of the Hume City Council Code of Conduct for Councillors 2016, the Arbiter makes no recommendations to Council for consideration at the next Ordinary Meeting of Council.**

3. LEGISLATIVE POWERS:

- 3.1 *Local Government Act 2020* (LG Act 2020):
Section 328 – General savings - provides that a Councillor Code of Conduct adopted under section 76C of the *Local Government Act 1989* (LG Act 1989) and existing immediately before the repeal of section 76C (repealed on 24 October 2020), continues to, subject to the LG Act 2020, have the same status, operation and effect as if section 76C had not been repealed.
- 3.2 This Application was made for an alleged breach which occurred when Council's Councillor Code of Conduct 2016 was in place.

4. FINANCIAL IMPLICATIONS:

Council engaged Jo-Anne Mazzeo to undertake the role of Arbiter for this Application. The Arbiter's costs in relation to the Internal Arbitration Processes against Cr Medcraft (of which there are three) are \$8,250. This cost does not include staff time and internal room hire costs.

REPORT NO: GE558 (cont.)

5. DISCUSSION:

5.1 Background

- 5.1.1 Cr Dance submitted an Application that Cr Medcraft had breached the Councillor Code of Conduct 2016.
- 5.1.2 The Application was seeking a finding against the respondent for contravention of the Hume City Council Councillor Code of Conduct 2016.
- 5.1.3 The Application alleged contravention of clauses 1.3(2)(b), 1.3(2)(e), 2.1, 2.2.2(b), 2.2.2(e), 2.2.2(f), 2.4.2(d) and 3.3 of the Councillor Code of Conduct 2016.
- 5.1.4 The Application was supported by images of Facebook posts.

5.2 Hearings in this matter

- 5.2.1 Cr Dance did not attempt to resolve this matter in accordance with section 4.2.1 of the Code – Facilitated resolution between Parties, section 4.2.2 Mediation/Conciliation, or section 4.2.3 Dispute between Mayor and other Councillors. Cr Dance applied directly for an internal resolution procedure under section 4.3 of the Code – Allegation of Breach of Councillors Code of Conduct Process.
- 5.2.2 The internal Arbitration process in this matter included two hearings, a directions hearing held on 17 June 2021 and a substantive hearing held on 13 July 2021.
- 5.2.3 Throughout the course of the internal Arbitration process the applicant repeatedly requested that the hearings not be held in person due to concerns regarding his safety and due to ongoing concerns regarding compliance with COVID-19 restrictions and social distancing requirements.
- 5.2.4 No adequate evidence was provided by the applicant which supported his contentions regarding his perceived safety risk. Despite this, and in order to encourage the applicant to attend, the Arbiter put in place specific measures to ensure the hearings would be conducted in a safe and respectful manner for all participants.
- 5.2.5 Given the nature of the complaint, both parties were requested to attend the substantive hearing on 13 July 2021 to fully explore the substance of the Application and enable the Arbiter to test the veracity of the evidence provided by both the applicant and the respondent. The Arbiter also decided that the substantive hearing needed to be held in person to ensure the process was able to be conducted fairly and privately, ensuring hearings were not open to the public.
- 5.2.6 The applicant ultimately refused to participate in the Arbitration hearing.

5.3 Findings of the Arbiter

- 5.3.1 The Arbiter determined that there has been no contravention of the Hume City Council Code of Conduct for Councillors 2016.
- 5.3.2 As there has been no contravention of the Hume City Council Code of Conduct for Councillors 2016, the Arbiter makes no recommendations to Council for consideration at the next Ordinary Meeting of Council.

5.4 Arbiter's Report

The full Arbiter's Report including details on the Determination and Recommendations; Application, including evidence; Findings and Reasons for the Arbiter's Decision is attached.

REPORT NO: GE558 (cont.)

6. CONCLUSION:

That Council, having received the Arbiter's Report, give consideration to the Determination and Recommendation contained within.

REPORT NO: GE558 (cont.)

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INTERNAL ARBITRATION PROCESS - HUME CITY COUNCIL

In the matter of an Application by Councillor Trevor Dance concerning Councillor
Jack Medcraft

ARBITRATION PURSUANT TO 81AA OF THE LOCAL GOVERNMENT ACT 1989

Applicant: Cr Trevor Dance

Respondent: Cr Jack Medcraft

DETERMINATION AND RECOMMENDATIONS

The Arbiter determined that there has been no contravention of the Hume City Council Code of Conduct for Councillors 2016.

As there has been no contravention of the Hume City Council Code of Conduct for Councillors 2016, the Arbiter makes no recommendations to Council for consideration at the next Ordinary Meeting of Council.

STATEMENT OF REASONS FOR DECISION**The Application**

1. The Application was submitted to the (then) Current Councillor Conduct Officer via email on 1 December 2020.
2. The Application was seeking a finding against the respondent for contravention of the Hume City Council Councillor Code of Conduct 2016 ("the Code of Conduct").
3. Specifically, the application alleged contravention of the following clauses of the Code of Conduct:
 - Clause 1.3(2)(b) Observe principles of good governance and act with integrity
 - Clause 1.3(2)(e) Obey the spirit and letter of the law and, in particular, the relevant statutes, regulations, local laws and instruments
 - Clause 2.1 with reference to section 76B(a) act with integrity
 - Clause 2.1 with reference to section 76BA (a), (b), (c) and (g):

"In addition to acting in accordance with the primary principle of Councillor conduct specified in section 76B, in performing the role of a Councillor, a Councillor must:

(a) avoid conflicts between his or her public duties as a Councillor and his or her personal interests and obligations;

(b) act honestly and avoid statements (whether orally or in writing) or actions that will or are likely to mislead or deceive a person;

(c) treat all persons with respect and have due regard to the opinions, beliefs, rights and responsibilities of other Councillors, Council staff and other persons;

(g) support and promote these principles by leadership and example and act in a way that secures and preserves public confidence in the office of Councillor."
 - Clause 2.2.2(b) always speaking well of each other and Council in public;

- Clause 2.2.2(e) treat all members of the community honestly and fairly and in a way which does not cause offence or embarrassment to individuals or groups;
 - Clause 2.2.2(f) demonstrating leadership by focusing on issues and refraining from personalising matters' particularly in relation to making personal remarks regarding other Councillors;
 - Clause 2.4.2(d) act in a reasonable and fair way, and in a manner which is not discriminatory;
 - Clause 3.3 with reference to section 77(1) of the *Local Government Act* 1989:

"A person who is, or has been, a Councillor or a member of a special committee, must not disclose information that the person knows, or should reasonably know, is confidential information."
4. The Code of Conduct provides for an internal arbitration process pursuant to s81AA of the Local Government Act 1989 and this Arbitration has taken place in accordance with Part Four of the Code of Conduct.
5. The Application was supported by images of Facebook posts.

Hearings in this matter

6. The internal Arbitration process in this matter included two hearings, a directions hearing held on 17 June 2021 and a substantive hearing held on 13 July 2021.
7. Throughout the course of the internal Arbitration process the applicant repeatedly requested that the hearings not be held in person due to concerns regarding his safety and due to ongoing concerns regarding compliance with COVID-19 restrictions and social distancing requirements.
8. No adequate evidence was provided by the applicant which supported his contentions regarding his perceived safety risk. Despite this, and in order to encourage the applicant to attend, the Arbiter put in place specific measures to ensure the hearings would be conducted in a safe and respectful manner for all participants.
9. Given the nature of the complaint, both parties were requested to attend the substantive hearing on 13 July 2021 to fully explore the substance of the Application and enable the Arbiter to test the veracity of the evidence provided by both the applicant and the respondent. The Arbiter also decided

that the substantive hearing needed to be held in person to ensure the process was able to be conducted fairly and privately, ensuring hearings were not open to the public.

10. The applicant ultimately refused to participate in the Arbitration hearing.

Evidence provided

11. The applicant provided only the evidence submitted with his Application. The respondent provided a written response and supplemented it with oral evidence at the hearing on 13 July 2021.

Evidence of the Applicant

12. The applicant provided the Arbiter with a series of Facebook posts, with a specific Facebook post attributed to the respondent as follows:

"It's a very sad situation when a female could feel so insecure and scared because of the tactics used by someone that she had to ask Police to help her."

13. This comment was made in response to a post made by a Facebook user named "Razz Maff" who wrote:

"...Fact 1. Trevor has not been in attendance since being elected, his supporters are not represented. Fact 2. All other represented Wards including those that have day jobs have all managed to attend planned Council meetings, Trevor is yet to attend any!

I am saddened by your support for a man whom on many occasions has shown traits of a sociopath misogynistic and a narcissist to the point of absurdity, on the off chance you haven't been privileged to information about the type of man you support – Trevor's aggressive behaviour towards a young lady within Hume which was so disgusting it was reported by members of the community and remains under investigation by the Victoria Police."

14. The applicant also stated in his Application that in a phone call with Weekly Reporter Ms Jessica Micallef, Ms Micallef told the applicant that the respondent had:

"- told her about Council Meetings

- Stated that Simmone Cottom Candidate was making a complaint about me bullying her

- Told her about my so called non-attendance at meetings
- Told her false statements about what had happened during Council Meetings."

Evidence of the Respondent

15. In his written response, the respondent submitted that the Application was:

"symptomatic of an ongoing form of harassment by the applicant which has shown up in numerous prior complaints which have all been dismissed."

16. In response to the allegations the respondent appeared at the Arbitration hearing and provided oral evidence as follows:

- (a) Confirmation that he did speak to reporter Ms Micallef and answered questions from her regarding;
 - o A potential complaint by a Councillor candidate making a complaint about the applicant; and
 - o The applicant's attendance at Council Meetings
- (b) He denied providing any information to reporter Ms Micallef regarding Council Meetings;
- (c) He denied making statements about what happened during Council Meetings to Ms Micallef.

17. In relation to the answers the respondent gave to questions from Ms Micallef, the respondent submitted that:

- (a) He confirmed to Ms Micallef that he was aware of a complaint made by a Councillor candidate against the applicant as the complainant had told him that she had lodged the complaint and he believed it to be true. This was not information he obtained in his capacity as a Councillor, but as a private citizen.
- (b) He confirmed to Ms Micallef the fact that the applicant had not attended Council Meetings face to face, and that this is public knowledge as Council Meetings are recorded and live streamed, with attendance recorded.

18. Regarding the comment on Facebook, the respondent confirmed he did make the post as described above but stated that his comment did not

mention the applicant specifically and that he was simply providing commentary on the original post by "Razz Maff" and continues to believe it is sad that a woman was so scared she had to seek police assistance, regardless of who the alleged perpetrator was.

Findings of the Arbiter

19. The Arbiter determined that there has been no contravention of the Code of Conduct.
20. As there has been no contravention of the Code of Conduct, the Arbiter makes no recommendations to Council for consideration at the next Ordinary Meeting of Council.

Reasons for the Arbiter's Decision

21. The applicant was not able to provide any evidence to support his claims that the respondent had disclosed any Council related information to Ms Micallef. As such, no finding was made on this allegation.
22. Regarding the respondent's answers to questions from reporter Ms Micallef, the Arbiter accepted the evidence of the respondent that the answers he gave to the reporter were not given in contravention of any of the requirements contained in the Code of Conduct and were answers that were already public knowledge or publicly available.
23. On reading of the Facebook posts provided and paying particular attention to the post made by the respondent, the Arbiter was not satisfied that the Facebook post amounted to contravention of the Code of Conduct. The post made was a general opinion given in response to a lengthy chain of Facebook posts and did not reference the applicant specifically or in any way that would amount to a contravention of the Code of Conduct.

Jo-Anne Mazzeo

Arbiter

Date: 7 September 2021

REPORT NO:	GE559
REPORT TITLE:	Arbiter Report - Dance & Moore
SOURCE:	Sheena Frost, Chief Executive Officer
DIVISION:	Chief Executive Officer
FILE NO:	HCC12/403
POLICY:	-
STRATEGIC OBJECTIVE:	5.3 Provide responsible and transparent governance, services and infrastructure which responds to and supports community needs.
ATTACHMENT:	1. <i>Arbitration Report - Dance v Moore</i>

1. SUMMARY OF REPORT:

- 1.1 This Report presents to Council the Arbiter's Report in the matter of an Application by Councillor Trevor Dance concerning Councillor Carly Moore under the Councillor Code of Conduct 2016 (the Code).
- 1.2 In accordance with subclause 4.3.10 of the Code a copy of the Arbiter's findings, statement of reasons and any recommended sanctions is to be submitted to the next ordinary meeting of Council for its consideration.

2. RECOMMENDATION:

That Council considers the Arbiter's Determination and Recommendations in relation to this Application and notes:

- 2.1 **The Arbiter determined that there has been no contravention of the Hume City Council Code of Conduct for Councillors 2016.**
- 2.2 **As there has been no contravention of the Hume City Council Code of Conduct for Councillors 2016, the Arbiter makes no recommendations to Council for consideration at the next Ordinary Meeting of Council.**

3. LEGISLATIVE POWERS:

- 3.1 *Local Government Act 2020* (LG Act 2020):
Section 328 – General savings - provides that a Councillor Code of Conduct adopted under section 76C of the *Local Government Act 1989* (LG Act 1989) and existing immediately before the repeal of section 76C (repealed on 24 October 2020), continues to, subject to the LG Act 2020, have the same status, operation and effect as if section 76C had not been repealed.
- 3.2 This Application was made for an alleged breach which occurred when Council's Councillor Code of Conduct 2016 was in place.

4. FINANCIAL IMPLICATIONS:

Council engaged Jo-Anne Mazzeo to undertake the role of Arbiter for this Application. The Arbiter's costs in relation to the Internal Arbitration Processes against Cr Moore are \$8,250. This cost does not include staff time and internal room hire costs.

REPORT NO: GE559 (cont.)

5. DISCUSSION:

5.1 Background

- 5.1.1 Cr Dance submitted an Application that Cr Moore had breached the Councillor Code of Conduct 2016.
- 5.1.2 Cr Dance then lodged an Application dated 3 January 2021 made pursuant to section 143 of the Local Government Act 2020 for an internal Arbitration and was rejected by the Principal Councillor Conduct Registrar pursuant to section 144(2) of the Local Government Act 2020 as the Hume City Council Councillor Code of Conduct in place at that time did not include the prescribed standards of conduct.
- 5.1.3 The original Application was seeking a finding against the respondent for contravention of the Hume City Council Councillor Code of Conduct 2016.
- 5.1.4 The Application alleged that Cr Moore had breached clauses 2.1, 2.2.1, 2.2.2(b), 2.3.3, and 3.2 of the Hume City Council Councillor Code of Conduct 2016:
- 5.1.5 In the interest of efficient use of public funds and resources in managing this Application, the Arbiter examined this Application in the context of the expectations of Councillors pursuant to the Code of Conduct that applied at the time of the alleged behaviour and as lodged at first instance in November 2020.

5.2 Hearings in this matter

- 5.2.1 Cr Dance did not attempt to resolve this matter in accordance with section 4.2.1 of the Code – Facilitated resolution between Parties, section 4.2.2 Mediation/Conciliation, or section 4.2.3 Dispute between Mayor and other Councillors. Cr Dance applied directly for an internal resolution procedure under section 4.3 of the Code – Allegation of Breach of Councillors Code of Conduct Process.
- 5.2.2 The internal Arbitration process in this matter included two hearings, a directions hearing held on 17 June 2021 and a substantive hearing held on 12 July 2021.
- 5.2.3 Throughout the course of the internal Arbitration process the applicant repeatedly requested that the hearings not be held in person due to concerns regarding his safety and due to ongoing concerns regarding compliance with COVID-19 restrictions and social distancing requirements.
- 5.2.4 No adequate evidence was provided by the applicant which supported his contentions regarding his perceived safety risk. Despite this and in order to encourage the applicant to attend, the Arbiter put in place specific measures to ensure the hearings would be conducted in a safe and respectful manner for all participants.
- 5.2.5 Given the nature of the complaint, both parties were requested to attend the substantive hearing on 12 July 2021 to fully explore the substance of the Application and enable the Arbiter to test the veracity of the evidence
- 5.2.6 provided by both the applicant and the respondent. The Arbiter also decided that the substantive hearing needed to be held in person to ensure the process was able to be conducted fairly and privately, ensuring hearings were closed to the public (as required pursuant to the Code of Conduct).
- 5.2.7 The applicant ultimately refused to participate in the Arbitration Hearing.

5.3 Findings of the Arbiter

- 5.3.1 The Arbiter determined that there has been no contravention of the Hume City Council Code of Conduct for Councillors 2016.

REPORT NO: GE559 (cont.)

- 5.3.2 As there has been no contravention of the Hume City Council Code of Conduct for Councillors 2016, the Arbiter makes no recommendations to Council for consideration at the next Ordinary Meeting of Council.

5.4 Arbiter's Report

The full Arbiter's Report including details on the Determination and Recommendations; Application, including evidence; Findings and Reasons for the Arbiter's Decision is attached.

6. CONCLUSION:

That Council, having received the Arbiter's Report, give consideration to the Determination and Recommendation contained within.

REPORT NO: GE559 (cont.)

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INTERNAL ARBITRATION PROCESS - HUME CITY COUNCIL

In the matter of an Application by Councillor Trevor Dance concerning Councillor
Carly Moore

ARBITRATION PURSUANT TO 81AA OF THE LOCAL GOVERNMENT ACT 1989

Applicant: Cr Trevor Dance

Respondent: Cr Carly Moore

DETERMINATION AND RECOMMENDATIONS

The Arbiter determined that there has been no contravention of the Hume City Council Code of Conduct for Councillors 2016.

As there have been no contraventions of the Hume City Council Code of Conduct for Councillors 2016, the Arbiter makes no recommendations to Council for consideration at the next Ordinary Meeting of Council.

STATEMENT OF REASONS FOR DECISION**The Application**

1. The applicant sent an email to Council Officer Daryl Whitfort on 30 November 2021 at 1.23pm as follows:

"Dear Daryl,

Please see attached comments made by Cr Carly Moore about Council matters to others.

- i. Discussing of the civic function should be cancelled
- ii. Bullying and slandering both Cr Jackson and myself with her comments

Please accept this as a breach of the Code of Conduct Policy adopted 4.7.2016

- i. Under section 2.1 and the general principles of councillor conduct as it refers to Section 76BA in this policy at (b), (c), (g)
- ii. Under Section 2.2.1
- iii. Under Section 2.2.2(b)
- iv. Under Section 2.3.3
- v. Section 3.2(2)(a)"

2. The applicant then lodged an Application dated 3 January 2021 made pursuant to section 143 of the *Local Government Act* 2020 for an internal Arbitration and was rejected by the Principal Councillor Conduct Registrar pursuant to section 144(2) of the *Local Government Act* 2020 as the Hume City Council Councillor Code of Conduct in place at that time did not include the prescribed standards of conduct.

3. The Application (as originally lodged in November 2020) was seeking a finding for contravention of the Hume City Council Councillor Code of Conduct 2016.

4. Specifically, the Application alleged that the respondent had breached the following clauses of the Hume City Council Councillor Code of Conduct 2016:

- Clause 2.1 with reference to section 76BA (a), (b), (c) and (g):

"In addition to acting in accordance with the primary principle of Councillor conduct specified in section 76B, in performing the role of a Councillor, a Councillor must:

(b) act honestly and avoid statements (whether orally or in writing) or actions that will or are likely to mislead or deceive a person;

(c) treat all persons with respect and have due regard to the opinions, beliefs, rights and responsibilities of other Councillors, Council staff and other persons;

(g) support and promote these principles by leadership and example and act in a way that secures and preserves public confidence in the office of Councillor."

- Clause 2.2.1 Respecting differences
- Clause 2.2.2(b) Always speaking well of each other and Council in public
- Clause 2.3.3 Councillors need to accept that their role is one of leadership, not a management or administrative role and in the interests of maintaining a high level of teamwork and encouraging good morale, there will be no personal criticism of Council staff in public by Councillors. If Councillors or Council staff wish to express any such criticism then the matter should be raised in a non-public forum.
- Clause 3.2 Misuse of position with reference to section 76(d)(2)(a) of the *Local Government Act 1989*:

"(2) For the purposes of this section, circumstances involving the misuse of a position by a person who is, or has been, a Councillor or member of a special committee include—

(a) making improper use of information acquired as a result of the position he or she held or holds";

5. The Arbiter notes that the alleged conduct occurred at the Ordinary Council Meeting of 21 December 2020. At this time (and as stated above), the Hume City Council Code of Conduct for Councillors 2016 ("the Code of Conduct") was in place.
6. The Code of Conduct provides for an internal Arbitration process pursuant to s81AA of the *Local Government Act 1989* and this Arbitration has taken place in accordance with Part Four of the Code of Conduct.
7. In the interest of efficient use of public funds and resources in managing this Application, the Arbiter examined this Application in the context of the expectations of Councillors pursuant to the Code of Conduct that applied at the time of the alleged behaviour and as lodged at first instance in November 2020.

8. The Application alleges that in a series of Facebook messenger chats, the respondent discussed the civic function and whether it should have been cancelled, and also bullies and slanders both the applicant and fellow Councillor Jackson.

Hearings in this matter

9. The internal Arbitration process in this matter included two hearings, a directions hearing held on 17 June 2021 and a substantive hearing held on 12 July 2021.
10. Throughout the course of the internal Arbitration process the applicant repeatedly requested that the hearings not be held in person due to concerns regarding his safety and due to ongoing concerns regarding compliance with COVID-19 restrictions and social distancing requirements.
11. No adequate evidence was provided by the applicant which supported his contentions regarding his perceived safety risk. Despite this and in order to encourage the applicant to attend, the Arbiter put in place specific measures to ensure the hearings would be conducted in a safe and respectful manner for all participants.
12. Given the nature of the complaint, both parties were requested to attend the substantive hearing on 12 July 2021 to fully explore the substance of the Application and enable the Arbiter to test the veracity of the evidence provided by both the applicant and the respondent. The Arbiter also decided that the substantive hearing needed to be held in person to ensure the process was able to be conducted fairly and privately, ensuring hearings were closed to the public (as required pursuant to the Code of Conduct).
13. The applicant ultimately refused to participate in the Arbitration Hearing.

Evidence provided

14. The applicant provided only the evidence contained in his Application and attached screen shots from Facebook messenger chats. The respondent provided written evidence via email and oral evidence at the hearing on 12 July 2021.

Evidence of the Applicant

15. The applicant provided the Arbiter with screen shots of a Facebook messenger conversation titled "Hume Council Gals", and alleged that membership of the group chat included both current and former Councillors as well as community members.

16. In his Application, the applicant submitted that the discussion was about himself and Cr Jackson's stance on not attending a Council Civic Reception dinner on 2 December 2020 with an expected 125 guests in attendance.

17. The applicant also submitted that the information contained in the group chat included:

"information about Council workings to non-Councillors, they show Cr Moore discussing Council processes, it shows Councillor Moore's abuse, discrimination, victimisation, showing no consideration for the diversity of interest and the ridicule of Trevor Dance.

Cr Moore's behaviour/comments have discredited Council with me being a part of this Council. These posts in fact mislead the public."

18. The following messages were authored by the respondent:

- "Yep. I don't think JJ is coming. It's too late to cancel. We will look worse if we don't do it now."
- "I don't think they could find 8 guests to invite."
- "It's a very good time not to be the Mayor"

Evidence of the Respondent

19. The respondent made various written submissions regarding the allegation. Firstly, she confirmed that she authored the posts attributed to her in the Facebook group chat but categorically refuted any contravention of the Code of Conduct had occurred.

20. Both in her written submission and during her oral evidence, the respondent acknowledged that:

"...if I were Cr Dance or Cr Jackson, I may have felt hurt or upset by those remarks had they been presented to me, and I apologise for any offence or hurt they may have felt."

21. In response to the allegation that her messages contravened section 2.2.2(b) of the Code of Conduct, the respondent submitted that the comments made by her were private comments sent to a group with three other intended participants (namely two former Councillors and one current Councillor), and inadvertently Cr Jackson who had previously been added to the group some time before the November 2020 discussion took place. As such, the

- respondent submitted that the comments were not made in public and therefore do not constitute a contravention of the Code of Conduct.
22. When asked by the Arbiter to give context to the conversation, the respondent submitted that the comment regarding "JJ" was in response to a question as to whether Cr Jackson would be attending the dinner.
23. The comment regarding the guests was a response to one of the former Councillors comment that Crs Dance and Jackson "...would have no friends to talk to". The respondent then commented that she didn't "think they could find 8 people to invite" because she believed Cr Jackson may be unable to find sufficient guests based on previous public comments she had made. The respondent submitted that Cr Jackson had publicly spoken about her small intimate team of helpers and contrasted this to other Councillors who "had an army" working on their campaigns. Evidence to support this submission was referenced by the respondent to the Ordinary Meeting of Hume Council on 12 November 2020 at the 47 minute and 30 second mark where Cr Jackson stated "I did not have an army".
24. The respondent also told the Arbiter that she had served with Cr Jackson on a previous term of Council and had recalled that at previous Civic Reception Dinners Cr Jackson had only ever brought one guest.
25. Regarding the alleged breach of confidentiality or improper use of information and with reference to clause 3.2(2)(a) of the Code of Conduct, the respondent submitted that all members of the private Facebook chat were invited guests of the event being discussed. The comments about it being too late to cancel was "simply based on the fact that the event was about to occur" and that the reason the group was discussing the event was because it had attracted a lot of community attention following a public Facebook post by the applicant on 29 November 2020 about the event whilst also attaching an email he had sent to Council (noting that this post received 48 reactions, 33 comments and 23 shares) which stated among other things- "I asked as they would not stop this wasteful event to not use my allocation but donate these funds" and " I will not be attending". The respondent submitted evidence of the applicant's Facebook posts to the Arbiter.
26. Furthermore, the respondent submitted that she was not privy to information regarding potential non-attendance because of her official capacity as a Councillor. She merely made the assumption based on the chatter about the event and the applicants publicly stated comment that he would not be attending.
27. Regarding the alleged contravention of clause 2.1 as it relates to s76BA of the *Local Government Act 1989*, the respondent submitted that all comments

made by her in the Facebook group chat were honest, with no misleading or deceptive statements made.

28. Regarding clause 2.2.1 of the Code of Conduct, the respondent submitted that she always conducts herself in a way befitting public office and respects the differences between her and her peers. The respondent acknowledged that she engages in robust and respectful debates as part of her role on Council and believes that diversity adds value to Council, allowing people to bring their own unique perspectives.
29. Regarding clause 2.3.3 the respondent submitted that as there has not been any comments made about Council staff, this clause does not apply.

Findings of the Arbiter

30. The Arbiter determined that there has been no contravention of the Code of Conduct.
31. As there has been no contravention of the Code of Conduct for Councillors, the Arbiter makes no recommendations to Council for consideration at the next Ordinary Meeting of Council.

Reasons for the Arbiter's Decision

32. In relation to clause 2.1 of the Code of Conduct with reference to s76BA(b), based on all the evidence available to the Arbiter, the Arbiter was not satisfied that the respondents' comments were dishonest or misleading in any way. The applicant did not provide any evidence to the Arbiter that demonstrated dishonesty or a likelihood to deceive.
33. In relation to clause 2.1 of the Code of Conduct with reference to s76BA(c), the comments made by the respondent in and of themselves do not constitute a contravention of the Code of Conduct. The Arbiter accepted the evidence of the respondent at hearing that the comments relating to non-attendance and not being the Mayor were simply her point of view regarding those respective matters, and the comment made with respect to invited guests was made based on previous public comments by Cr Jackson as to her small support team.
34. The Arbiter notes that both in her written submission and at the Arbitration hearing the respondent demonstrated genuine remorse for the comments she made in the Facebook group chat, and that had either the applicant or Cr

Jackson approached her directly about the comments she would have provided the context and apologised for any hurt caused.

35. In relation to clause 2.1 of the Code of Conduct with reference to s76BA(g), the Arbiter determined that the Facebook comments made by the respondent in and of themselves (and without the benefit of hearing further from the applicant regarding why he believed this clause had been contravened) did not impact on her leadership or preservation of public confidence in her role as a Councillor.
36. In relation to clause 2.2.1 of the Code of Conduct, the Arbiter determined that nothing in the comments made by the respondent demonstrated a failure to respect difference. Again, the applicant chose to lodge an Application and provide no context or submissions in support of his allegations. In the absence of any evidence of that nature, and despite repeated requests from the Arbiter to attend the Arbitration hearing and speak to his Application, the Arbiter was not satisfied that there was a contravention as alleged.
37. In relation to clause 2.2.2(b) of the Code of Conduct, the Arbiter accepted the submission of the respondent that the comments made were not public and as such do not contravene this clause of the Code of Conduct.
38. In relation to clause 2.3.3 of the Code of Conduct, the Arbiter notes that nothing in the evidence provided by the applicant demonstrated criticism of Council staff. The Arbiter accepted the submission of the respondent that the comments made do not criticize Council staff and as such there has been no contravention of this clause of the Code of Conduct.
39. In relation to clause 3.2 as it relates to s76D(2)(a) of the *Local Government Act 1989*, the applicant failed to provide any evidence to support his allegation that the respondent made improper use of information acquired as a result of her position. The comments made by the respondent (where relevant to this allegation) were all on public record in one form or another. The Arbiter notes reference in the respondent's submission to comments made by Cr Jackson regarding the size of her support team.
40. Therefore, the Arbiter accepted the evidence provided by the respondent as stated above and decided that the comments made did not mislead Council or the public in any way and were not made with improper use of information acquired as a result of her position as Councillor.

Jo-Anne Mazzeo

Arbiter

Date: 7 September 2021

8

REPORT NO:	GE560
REPORT TITLE:	Arbiter Report - Dance & Sherry
SOURCE:	Sheena Frost, Chief Executive Officer
DIVISION:	Chief Executive Officer
FILE NO:	HCC12/403
POLICY:	-
STRATEGIC OBJECTIVE:	5.3 Provide responsible and transparent governance, services and infrastructure which responds to and supports community needs.
ATTACHMENT:	1. <i>Arbitration Report - Dance v Sherry</i>

1. SUMMARY OF REPORT:

- 1.1 This Report presents to Council the Arbiter's Report in the matter of an Application by Councillor Trevor Dance concerning Councillor Karen Sherry under the Councillor Code of Conduct 2016 (the Code).
- 1.2 In accordance with subclause 4.3.10 of the Code a copy of the Arbiter's findings, statement of reasons and any recommended sanctions is to be submitted to the next ordinary meeting of Council for its consideration.

2. RECOMMENDATION:

That Council considers the Arbiter's Determination and Recommendations in relation to this Application and notes:

- 2.1 **The Arbiter determined that there has been no contravention of the Hume City Council Code of Conduct for Councillors 2016.**
- 2.2 **As there has been no contravention of the Hume City Council Code of Conduct for Councillors 2016, the Arbiter makes no recommendations to Council for consideration at the next Ordinary Meeting of Council.**

3. LEGISLATIVE POWERS:

- 3.1 *Local Government Act 2020* (LG Act 2020):
Section 328 – General savings - provides that a Councillor Code of Conduct adopted under section 76C of the *Local Government Act 1989* (LG Act 1989) and existing immediately before the repeal of section 76C (repealed on 24 October 2020), continues to, subject to the LG Act 2020, have the same status, operation and effect as if section 76C had not been repealed.
- 3.2 This Application was made for an alleged breach which occurred when Council's Councillor Code of Conduct 2016 was in place.

4. FINANCIAL IMPLICATIONS:

Council engaged Jo-Anne Mazzeo to undertake the role of Arbiter for this Application. The Arbiter's costs in relation to the Internal Arbitration Processes against Cr Sherry are \$8,250. This cost does not include staff time and internal room hire costs.

REPORT NO: GE560 (cont.)

5. DISCUSSION:

5.1 Background

- 5.1.1 Cr Dance submitted an Application that Cr Sherry had breached the Prescribed Standards of Conduct set out in Schedule 1 of the *Local Government (Governance and Integrity) Regulations 2020*.
- 5.1.2 The Application alleges that during the Ordinary Council Meeting of 21 December 2021 the respondent made false statements, thus misleading the public.
- 5.1.3 The Application was seeking a finding against the respondent for an alleged breach of the Prescribed Standards of Conduct set out in Schedule 1 of the Local Government (Governance and Integrity) Regulations 2020.
- 5.1.4 The Arbiter notes that the conduct alleged occurred at the Ordinary Council Meeting of 21 December 2020. At this time (and as stated above), the Hume City Council Code of Conduct for Councillors 2016 (“the Code of Conduct”) was in place and did not include the prescribed standards as outlined in the Application.
- 5.1.5 In the interest of efficient use of public funds and resources in managing this Application, the Arbiter examined this Application in the context of the expectations of Councillors pursuant to the Code of Conduct that applied at the time of the alleged behaviour, rather than rejecting it purely on the grounds of an administrative error in the way in which it was articulated.

5.2 Hearings in this matter

- 5.2.1 Cr Dance did not attempt to resolve this matter in accordance with section 4.2.1 of the Code – Facilitated resolution between Parties, section 4.2.2 Mediation/Conciliation, or section 4.2.3 Dispute between Mayor and other Councillors. Cr Dance applied directly for an internal resolution procedure under section 4.3 of the Code – Allegation of Breach of Councillors Code of Conduct Process.
- 5.2.2 The internal Arbitration process in this matter included two hearings, a directions hearing held on 17 June 2021 and a substantive hearing held on 13 July 2021.
- 5.2.3 Throughout the course of the internal Arbitration process the applicant repeatedly requested that the hearings not be held in person due to concerns regarding his safety and due to ongoing concerns regarding compliance with COVID-19 restrictions and social distancing requirements.
- 5.2.4 No adequate evidence was provided by the applicant which supported his contentions regarding his perceived safety risk. Despite this and in order to encourage the applicant to attend, the Arbiter put in place specific measures to ensure the hearings would be conducted in a safe and respectful manner for all participants.
- 5.2.5 Given the nature of the complaint, both parties were requested to attend the substantive hearing on 13 July 2021 to fully explore the substance of the Application and enable the Arbiter to test the veracity of the evidence provided by both the applicant and the respondent. The Arbiter also decided that the substantive hearing needed to be held in person to ensure the process was able to be conducted fairly and privately, ensuring hearings were closed to the public (as required pursuant to the Code of Conduct).
- 5.2.6 The applicant ultimately refused to participate in the Arbitration Hearing.

REPORT NO: GE560 (cont.)

5.3 Findings of the Arbiter

- 5.3.1 The Arbiter determined that there has been no contravention of the Hume City Council Code of Conduct for Councillors 2016.
- 5.3.2 As there has been no contravention of the Hume City Council Code of Conduct for Councillors 2016, the Arbiter makes no recommendations to Council for consideration at the next Ordinary Meeting of Council.

5.4 Arbiter's Report

The full Arbiter's Report including details on the Determination and Recommendations; Application, including evidence; Findings and Reasons for the Arbiter's Decision is attached.

6. CONCLUSION:

That Council, having received the Arbiter's Report, give consideration to the Determination and Recommendation contained within.

REPORT NO: GE560 (cont.)

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INTERNAL ARBITRATION PROCESS - HUME CITY COUNCIL

In the matter of an Application by Councillor Trevor Dance concerning Councillor
Karen Sherry

ARBITRATION PURSUANT TO 81AA OF THE LOCAL GOVERNMENT ACT 1989

Applicant: Cr Trevor Dance

Respondent: Cr Karen Sherry

DETERMINATION AND RECOMMENDATIONS

The Arbiter determined that there has been no contravention of the Hume City Council Code of Conduct for Councillors 2016.

As there have been no contraventions of the Hume City Council Code of Conduct for Councillors 2016, the Arbiter makes no recommendations to Council for consideration at the next Ordinary Meeting of Council.

STATEMENT OF REASONS FOR DECISION**The Application**

1. The Application dated 21 January 2021 was originally made pursuant to section 143 of the *Local Government Act 2020* for an internal Arbitration and was rejected by the Principal Councillor Conduct Registrar pursuant to section 144(2) of the *Local Government Act 2020* as the Hume City Council Councillor Code of Conduct in place at that time did not include the prescribed standards of conduct.
2. The Application was then received by the Current Councillor Conduct Officer on 15 March 2021.
3. The Application was seeking a finding against the respondent for an alleged breach of the Prescribed Standards of Conduct set out in Schedule 1 of the *Local Government (Governance and Integrity) Regulations 2020*.
4. Specifically, the application alleged breach of the following Prescribed Standards of Conduct:
 - Clause 1: Treatment of others
 - Clause 2: Performing the role of a councillor
 - Clause 3: Compliance with good governance measures
 - Clause 4: Councillor must not discredit or mislead Council or Public
5. The Arbiter notes that the alleged conduct occurred at the Ordinary Council Meeting of 21 December 2020. At this time (and as stated above), the Hume City Council Code of Conduct for Councillors 2016 ("the Code of Conduct") was in place and did not include the prescribed standards as outlined in the applicant's Application.
6. The Code of Conduct provides for an internal Arbitration process pursuant to s81AA of the *Local Government Act 1989* and this Arbitration has taken place in accordance with Part Four of the Code of Conduct.
7. In the interest of efficient use of public funds and resources in managing this Application, the Arbiter examined this Application in the context of the expectations of Councillors pursuant to the Code of Conduct that applied at the time of the alleged behaviour, rather than rejecting it purely on the grounds of an administrative error in the way in which it was articulated.

8. The Application alleges that during the Ordinary Council Meeting of 21 December 2021 the respondent made false statements, thus misleading the public.

Hearings in this matter

9. The internal Arbitration process in this matter included two hearings, a directions hearing held on 17 June 2021 and a substantive hearing held on 13 July 2021.
10. Throughout the course of the internal Arbitration process the applicant repeatedly requested that the hearings not be held in person due to concerns regarding his safety and due to ongoing concerns regarding compliance with COVID-19 restrictions and social distancing requirements.
11. No adequate evidence was provided by the applicant which supported his contentions regarding his perceived safety risk. Despite this, and in order to encourage the applicant to attend, the Arbiter put in place specific measures to ensure the hearings would be conducted in a safe and respectful manner for all participants.
12. Given the nature of the complaint, both parties were requested to attend the substantive hearing on 13 July 2021 to fully explore the substance of the Application and enable the Arbiter to test the veracity of the evidence provided by both the applicant and the respondent. The Arbiter also decided that the substantive hearing needed to be held in person to ensure the process was able to be conducted fairly and privately, ensuring hearings were closed to the public (as required pursuant to the Code of Conduct).
13. The applicant ultimately refused to participate in the Arbitration hearing.

Evidence provided

14. The applicant provided only the evidence contained in his Application. The respondent provided written evidence via email and oral evidence at the hearing on 13 July 2021.

Evidence of the Applicant

15. The applicant provided the Arbiter with access to the online recording of the Ordinary Council Meeting in question and provided his own version of a transcript of the comments made by the respondent, as follows:

"Cr Sherry: Ah, n-no well look just I'm just a little bit perplexed that um Cr Dance ah is indicating now I just feel that he could have let us

know and spoken with us ah because he had the in-ah just its good manners ah prior to the meeting that he was actually going to do this that's all thank you."

16. In his Application, the applicant submitted that he made it very clear at the Strategy and Planning Briefing on 30 November 2020 that he would raise his portfolio options at the Council meeting as per proper process, and that the Mayor had confirmed that indication of preferences could be given in Council Chambers.

Evidence of the Respondent

17. The respondent made various written submissions regarding the allegation, denying any contravention of the Code of Conduct and supplemented her written submissions with oral evidence.
18. In summary, the respondent acknowledged she made comments regarding the applicant's decision not to declare his intentions regarding portfolio nominations at a prior Strategy and Planning Meeting, instead choosing to announce his intentions publicly at the Ordinary Council Meeting.
19. The respondent submitted that the comments made did not in any way discredit the applicant or mislead Council or the public, rather that she was just perplexed as to why he chose not to "indicate before a meeting that they wish to work with yourself or another councillor in a portfolio, thus to build a working relationship of respect and trust."
20. The respondent conceded that it is not a legal requirement that Councillors give an indication before a Council meeting as to how they are going to vote, but that in the spirit of collaborative activity and teamwork between Councillors an open and transparent conversation in a Strategy and Planning Meeting prior to the Ordinary Council Meeting facilitates trust, builds teamwork and cooperation.
21. The respondent also directed the Arbiter to the following clauses of the Code of Conduct, indicating that her comments were made taking into account the requirements of each of the respective clauses:
 - Clause 2.2.2(c): Demonstrating total commitment to consult with other councillors with the decision making framework with no surprises; and
 - Clause 2.2.2(e): Committing to a consultative approach to solving problems, developing effective decisions and communicating outcomes that build teamwork and cooperation.

Findings of the Arbiter

22. The Arbiter determined that there has been no contravention of the Code of Conduct.
23. As there has been no contravention of the Code of Conduct for Councillors, the Arbiter makes no recommendations to Council for consideration at the next Ordinary Meeting of Council.

Reasons for the Arbiter's Decision

24. The Arbiter had the benefit of listening to the relevant audio of the Ordinary Council Meeting of 21 December 2020, coupled with speaking with the respondent about her comments at the Arbitration hearing on 13 July 2021.
25. At no time did the respondent mislead the public in any way, she simply indicated her view that she believed it was "good manners" to discuss the matters in question prior to the formal process in Council Chambers.
26. Therefore, the Arbiter accepted the evidence provided by the respondent as stated above in paragraphs 16 through to 20 and decided that the comments made did not mislead Council or the public in any way and did not demonstrate contravention of any of the obligations on Councillors when exercising their functions or duties pursuant to the Code of Conduct. The comments were made with a genuine intention to want to work collaboratively with the respondent both prior to and at the Ordinary Council Meeting in question.

Jo-Anne Mazzeo

Arbiter

Date: 7 September 2021

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REPORT NO:	GE561
REPORT TITLE:	Performance Statement 2020/21
SOURCE:	Manoja Ratnayake, Coordinator Council and Service Planning Joel Farrell, Manager Organisational Performance & Engagement
DIVISION:	Communications, Engagement and Advocacy
FILE NO:	HCC15/412
POLICY:	-
STRATEGIC OBJECTIVE:	5.3 Provide responsible and transparent governance, services and infrastructure which responds to and supports community needs.
ATTACHMENTS:	1. <i>Performance Statement 2020-21</i> 2. <i>Governance and Management Checklist 2020-21</i> 3. <i>LGPRF Materiality Guidelines 2020-21</i>

1. SUMMARY OF REPORT:

This report is to provide to Council the final Performance Statement 2020/21 that includes the indicators and requirements of the Local Government Performance Reporting Framework (LGPRF). The Performance Statement 2020/21 and LGPRF information has been provided to the Auditor General's agent, RSD Audit and reviewed by the Audit Committee on Friday 27 August 2021.

Council is required to pass a resolution giving its approval in principle to the Performance Statement prior to submission of the statement to the Auditor General. Council must also authorise two Councillors to certify the statement in its final form after any recommended changes have been made and agreed to by the Auditor General.

2. RECOMMENDATION:

- 2.1 That Council resolves to approve in principal the Performance Statement (Attachment One) for the financial year ending 30 June 2021 and note the associated Governance and Management Checklist (Attachment Two).**
- 2.2 That the Mayor, Councillor Joseph Haweil and Councillor Trevor Dance be authorised to certify the statements in their final form after any recommended changes have been made and agreed to by the Auditor General.**
- 2.3 Council note the Materiality Guidelines (Attachment Three) that are used in the preparation of the Performance Statement and LGPRF reporting in accordance with Local Government Victoria Best Practice Guidelines.**

3. LEGISLATIVE POWERS:

Local Government Act 1989

Local Government Amendment (Performance Reporting and Accountability) Act 2014.

4. FINANCIAL IMPLICATIONS:

Nil.

5. ENVIRONMENTAL SUSTAINABILITY CONSIDERATIONS:

Nil.

REPORT NO: GE561 (cont.)

6. CLIMATE CHANGE ADAPTATION CONSIDERATIONS:

Nil.

7. CHARTER OF HUMAN RIGHTS APPLICATION:

The collection and provision of information for the Performance Statement 2020/21, including the requirements of the Local Government Performance Reporting Framework is conducted within the policy context of the *Hume City Council Social Justice Charter (2014)* and the *Charter of Human Rights and Responsibilities Act 2006*.

8. COMMUNITY CONSULTATION:

Nil.

9. DISCUSSION:

9.1 In February 2014, the Victorian Government approved legislation to introduce a mandatory Local Government Performance Reporting Framework, the Local Government Amendment (Performance Reporting and Accountability) Act 2014. This Act came into effect on 18 April 2014.

9.2 This report and attachments provide data on the sixth financial year of formal reporting for the LGPRF as part of the preparation of the Performance Statement for the 2020/21 Annual Report.

9.2.1 Attachment One is the Draft Performance Statement 2020/21 in the format prescribed by Local Government Victoria (LGV). The Act requires that Council's Annual Report contain an Audited Performance Statement including the prescribed indicators of the LGPRF and results for each indicator. These indicators measure Council's service performance, financial performance and sustainable capacity.

9.2.2 Attachment Two is the Governance and Management Checklist required for the LGPRF and Council's Annual Report. Information submitted in this checklist is used to determine whether Council has strong governance and management frameworks in place covering community engagement, planning, monitoring, reporting and decision-making.

9.2.3 Attachment Three is Materiality Guidelines that have been developed in accordance with the LGV Better Practice Guide. Hume City Council first adopted Materiality Guidelines (Attachment Two) for the preparation of the Performance Statement in 2015/16 and reporting to the Know Your Council Website. Materiality thresholds for service performance, financial performance and sustainable capacity indicators take into account both quantitative and qualitative factors and circumstances specific to each service indicator. These figures are reviewed annually.

9.3 The Performance Statement 2020/21, Governance and Management Checklist, Materiality Guidelines and all information required for the Local Government Performance Reporting Framework (LGPRF) have been provided to the Auditor General's agent, RSD Audit.

REPORT NO: GE561 (cont.)

- 9.4 A report and the attachments (accompanying this report) were provided to the Audit Committee on Friday 27 August 2021 with the following recommendations:
- (a) That the Audit Committee recommend that Council provide in-principal approval of the Performance Statement 2020/21.
 - (b) That the Audit Committee note the 2020/21 Governance and Management Checklist, service performance information and indicator results, comparisons to previous year's results and material variation comments.
- 9.5 Following in principal approval of the final Performance Statement, RSD Audit will forward the signed Performance Statement 2020/21 to the Victorian Auditor General's Office.
- 9.6 Subject to the clearance arising from a quality review by the Victorian Auditor General's Office, it is anticipated that by late September 2021, Council will receive the Auditor General's opinion on the Performance Statement 2020/21.
- 9.7 The Performance Statement will be included in the Annual Report 2020/21 and submitted to the Minister for Local Government as required by the *Local Government Act 1989*.
- 9.8 Final submission and approval of all Hume City Council's LGPRF information (including the Governance and Management Checklist and service performance information) to the *Know Your Council Website* is required by 30 September 2021.
- 9.8.1 The Know Your Council Website with comparative LGPRF data for all Victorian Councils for the 2020/21 Financial Year is expected to go live in November 2021 (date to be confirmed by Local Government Victoria).

10. CONCLUSION:

- 10.1 Council has collected and reported information for the preparation and presentation of the Performance Statement 2020/21 and Governance and Management Checklist including meeting all the requirements of the Local Government Performance Reporting Framework.
- 10.2 The documents have been reviewed by RSD Audit and presented to the Audit Committee on 27 August 2021. The Audit Committee has recommended to Council that it resolve to approve in principle the Performance Statement for the year ended 30 June 2021 and to authorise two Councillors to certify the statement in its final form.
- 10.3 Following certification, the Performance Statement and Governance and Management Checklist will be provided for inclusion in Council's Annual Report 2020/21 and the LGPRF data will be submitted to the Know Your Council Website.

REPORT NO: GE561 (cont.)

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Performance Statement

For the year ended 30 June 2021

Reg. R17(1)	<p>Description of municipality</p> <p>Hume City is located just 15 kilometres north of Melbourne and is one of the fastest growing and most culturally diverse communities in Australia.</p> <p>Spanning a total area of 504 square kilometres, it is built around the suburbs of Broadmeadows, Tullamarine and Gladstone Park in the south, the residential suburbs of Craigieburn, Greenvale, and Roxburgh Park in the north-east and Sunbury in the north-west.</p> <p>The municipality is made up of a mix of contrasts including new and established residential areas, major industrial and commercial precincts, and vast expanses of rural areas.</p> <p>Hume City is home to major road transit routes including the Tullamarine Freeway, Western Ring Road, Hume Highway, and the Craigieburn Bypass.</p> <p>Hume is bound by the local government areas of Moreland, Whittlesea, Brimbank, Macedon Ranges, Melton, and Mitchell.</p> <p>Home to 241,188 residents (ABS estimated resident population - 30 June 2020), Hume City's population is expected to grow to 372,627 by the year 2041. Hume residents come from more than 156 different countries and speak over 150 languages.</p> <p>In comparison to metropolitan Melbourne, Hume City residents are relatively younger in age, and there is a higher proportion of 'family households'.</p> <p>Much of this can be attributed to the important role Hume City plays within the Melbourne housing market. The area is known for its affordable home ownership opportunities, attracting existing and prospective families.</p> <p>In the five years between 2011 and 2016, almost 28,000 new residents moved to Hume. In this period, Moreland City was the largest contributor of new residents from within Australia – about 5,400 moved into Hume from Moreland. This was followed by almost 3,600 residents who moved to Hume from interstate and almost 6,700 residents who came from Whittlesea, Moonee Valley, Darebin and Brimbank.</p> <p>From outside Australia, some 13,300 residents moved from overseas and chose to call Hume home. With a population of just 93,000 in 1988, the area now known as Hume City has developed into one of the fastest and largest growth municipalities in Melbourne.</p> <p>Overview of 2020/21 year</p> <p>This year, the coronavirus has had an enormous impact on everyone in our community. Governments around the world have implemented a range of measures to slow the spread of COVID-19, to reduce the impact on the health system, and to save lives.</p> <p>Council responded to impacts by continuing to deliver on our positive plan for the future, while maintaining Council's services and practices that build on good governance, sound financial management, principles of social justice and environment sustainability.</p> <p>To help support Hume City's community through this challenging time, Council established a \$11.5 million support package as part of the 2020/21 Council Plan and Budget, and our COVID-19 Recovery Plan. This package aimed to provide targeted support local businesses, sporting clubs, community groups and ratepayers with a stimulus package that responds directly to the impacts of the coronavirus.</p> <p>Throughout 2020/21, COVID-19 lockdowns and restrictions had a significant impact on the delivery of Council services. This included a number of services covered by the Local Performance and Reporting Framework such as aquatic facilities, libraries, maternal child health and food safety. Council services continued to innovate and change their service delivery options in response to providing COVID-Safe programs, including the introduction of telehealth services, virtual and online fitness and wellbeing classes, and the Hume Library Express home delivery service and 'click and collect'. The commentary associated with this year's reporting highlights some of the impacts as they relate to Council's performance in various service areas.</p>
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Sustainable Capacity Indicators

For the year ended 30 June 2021

	Indicator / measure	Results				Material Variations
		2018	2019	2020	2021	
R15(3) Sch3 R16(1) R17(2)	Population <i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$1,118.52	\$1,166.83	\$1,187.28	\$1,273.72	Council expenses continue to rise greater than population growth. There are a number of reasons for this including: - Cost of materials and services associated with the maintenance of existing, and development of new infrastructure (particularly in relation to open space and sporting and community facilities), exceeds the growth in both in the Consumer Price Index (CPI) and population. - The rate of depreciation for Council's extensive capital works program and developer contributed assets is higher than population growth.
	<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$7,263.89	\$8,061.68	\$8,776.62	\$9,460.46	The value of infrastructure assets has been increasing at a higher level than the population growth as a result of Council's extensive investment in capital works, the level of developer contributed assets and the revaluation increase of infrastructure assets.
	<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	164.51	164.36	167.06	170.57	Increase is in line with the increase in population due to growth in the municipality.
	Own-source revenue <i>Own-source revenue per head of municipal population</i>	\$1,088.11	\$1,066.79	\$1,034.71	\$1,013.66	The COVID-19 pandemic has forced the closure of some of Council's services, including income generating services such as leisure centres and the

<i>Indicator / measure</i>	Results				Material Variations
	2018	2019	2020	2021	
<i>[Own-source revenue / Municipal population]</i>					hiring of community facilities. While opportunities for income generation were decreased during this time, in many cases Council continued to have ongoing expenses related to the services and facilities affected.
Recurrent grants					
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$217.09	\$225.99	\$215.12	\$233.37	Recurrent grants have increased in 2020/21 mainly due to the advance payment of the 2021/22 Victorian Grants Commission (VGC) funding.
Disadvantage					
<i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic Disadvantage by decile]	2.00	2.00	2.00	2.00	The SEFIA Relative Socio-Economic Disadvantage score is measured every five years, and continues to demonstrate that Hume is one of the most disadvantaged communities in Victoria. Despite our disadvantage, Hume has a strong and resilient community, proud of its diversity and sense of local community.
Workforce turnover					
<i>Percentage of staff turnover</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	8.2%	9.6%	8.5%	7.4%	The Workforce turnover was lower for the 2020/21 financial year due to the impact of COVID-19 restrictions and lockdowns on the retention of staff.

	<i>Indicator / measure</i>	Results			Material Variations
		2018	2019	2020	
BP	Definitions				
	"adjusted underlying revenue" means total income other than:				
	(a) non-recurrent grants used to fund capital expenditure; and				
	(b) non-monetary asset contributions; and				
	(c) contributions to fund capital expenditure from sources other than those referred to above				
	"infrastructure" means non-current property, plant and equipment excluding land				
	"local road" means a sealed or unsealed road for which the council is the responsible road authority under the Road Management Act 2004				
	"population" means the resident population estimated by council				
	"own-source revenue" means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)				
	"relative socio-economic disadvantage", in relation to a municipality, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipality is located according to the Index of Relative Socio-Economic Disadvantage (Catalogue Number 2033.0.55.001) of SEIFA				
	"SEIFA" means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet website				
	"unrestricted cash" means all cash and cash equivalents other than restricted cash.				

Service Performance Indicators

For the year ended 30 June 2021

	Service / indicator / measure	Results				Material Variations
		2018	2019	2020	2021	
R15(1) Sch3 R16(1)	Aquatic facilities Utilisation Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	5.49	6.16	4.37	2.44	Due to COVID-19 restrictions, the leisure centres were closed for a total of 163 days for the 2020/21 financial year, compared to 93 the previous year. This has had a significant impact on the performance of this indicator, and resulted in a 44% reduction in utilisation rates due to the service closures and capacity restrictions. Normal programming including learn to swim, group fitness activities, gymnasium/aquatic visits were all impacted.
	Animal management Health and safety Animal management prosecutions [Number of successful animal management prosecutions]	New in 2020	New in 2020	100%	100%	The indicator was changed in 2019/20 to measure proportion of successful animal management prosecutions. Reduction in prosecutions were due to courts being closed for long periods of time due to COVID-19 restrictions. All matters prosecuted were successful in 2020/21.
	Food safety Health and safety Critical and major non-compliance outcome notifications [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	97.02%	96.91%	99.34%	98.00%	Council's response to major-critical non-compliances has remained consistent in 2020/21, with a continued focus to ensure that staff actively respond to critical and major non-compliance notifications in a timely manner.

Service / Indicator / measure	Results				Material Variations
	2018	2019	2020	2021	
Governance					
Satisfaction <i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	56.00	60.00	55.00	59.00	Community feedback suggests that by providing more information on decisions that have been made and how consultation has informed decision making may improve satisfaction.
Libraries Participation <i>Active library borrowers in municipality</i> [Number of active library borrowers in the last three years / The sum of the population for the last three years] x100	9.67%	9.55%	9.58%	7.89%	Active library borrowers has decreased due to the impact of COVID-19, which resulted in lengthy library branch closures. The indicator was changed in 2019/20 to active library borrowers rather than members. Data from previous years is not directly comparable with 2019/20 and 2020/21.
Maternal and child health Participation <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	70.93%	72.06%	74.73%	73.66%	Participation rates in the MCH service remain high despite the impact of COVID-19. Innovative strategies such as telehealth have been implemented to maintain engagement within Government restrictions. It must be acknowledged that participation in the Maternal and Child Health Service is not compulsory and participation rates generally drop as children age. This is consistent across Universal MCH programs.
Participation <i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	60.22%	69.48%	69.10%	67.25%	Participation rates in Councils Aboriginal Engagement Outreach service remains high despite the impact of COVID-19.

Service / Indicator / measure	Results				Material Variations
	2018	2019	2020	2021	
Roads					
Satisfaction					The condition of sealed local roads is just one factor in this indicator result. As in previous years, community members who provided a poor satisfaction rating with sealed local roads identified concerns about narrow streets and lack of adequate parking as considerations influencing their rating. It is likely that COVID-19 restrictions may have also influenced the results, with lockdowns resulting in a reduction of local street traffic.
<i>Satisfaction with sealed local roads</i>	64.00	59.00	57.00	64	
[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]					
Statutory Planning					The number of decisions made by VCAT during 2020/21 was significantly lower than previous years given the difficulty of holding hearings during COVID-19. Whilst no Council decisions were upheld by the tribunal, it is important to note that only 4 decisions were issued by the tribunal over the past year, this is compared to 15 decisions in the previous reporting period (of which 60% were upheld).
Decision making					
<i>Council planning decisions upheld at VCAT</i>	53.85%	40.00%	60.00%	0.00%	
[Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100					
Waste Collection					
Waste diversion					The tonnages collected across general waste and recycling have increased throughout 2020/21 resulting in a plateau with the diversion rate. The tightening of recycling markets has also resulted in materials now being placed in the general waste bin.
<i>Kerbside collection waste diverted from landfill</i>	35.09%	34.39%	35.10%	34.92%	
[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100					
Definitions					
"Aboriginal child" means a child who is an Aboriginal person					
"Aboriginal person" has the same meaning as in the Aboriginal Heritage Act 2006					
"active library borrower" means a member of a library who has borrowed a book from the library					
"annual report" means an annual report prepared by a council under sections 131, 132 and 133 of the Act					
"class 1 food premises" means food premises, within the meaning of the <i>Food Act 1984</i> , that have been declared as class 1 food premises under section 19C of that Act					
"class 2 food premises" means food premises, within the meaning of the <i>Food Act 1984</i> , that have been declared as class 2 food premises under					

BP

Service / Indicator / measure	Results			Material Variations
	2018	2019	2020	
<p>section 19C of that Act</p> <p>"critical non-compliance outcome notification" means a notification received by council under section 19N(3) or (4) of the <i>Food Act 1984</i>, or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health</p> <p>"food premises" has the same meaning as in the <i>Food Act 1984</i></p> <p>"local road" means a sealed or unsealed road for which the council is the responsible road authority under the <i>Road Management Act 2004</i></p> <p>"major non-compliance outcome notification" means a notification received by a council under section 19N(3) or (4) of the <i>Food Act 1984</i>, or advice given to council by an authorized officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken</p> <p>"MCH" means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age</p> <p>"population" means the resident population estimated by council</p> <p>"WorkSafe reportable aquatic facility safety incident" means an incident relating to a council aquatic facility that is required to be notified to the Victorian WorkCover Authority under Part 5 of the <i>Occupational Health and Safety Act 2004</i>.</p>				

Financial Performance Indicators

For the year ended 30 June 2021

	Dimension / indicator / measure	Results				Forecasts				Material Variations
		2018	2019	2020	2021	2022	2023	2024	2025	
R15(2) Sch3	Efficiency									
R16(1)	Expenditure level									
R16(2)	Expenses per property	\$2,841.54	\$2,967.46	\$3,141.59	\$3,327.13	\$3,495.10	\$3,305.40	\$3,456.81	\$3,464.32	Over the reporting period, this indicator is increasing marginally, in line with growth in the municipality and increases in expenditure as a result of price increases for contracts, materials, utilities and EBA.
R17(2)	assessment									
R17(3)	[Total expenses / Number of property assessments]									
	Revenue level									
	Average rate per property assessment	New in 2020	New in 2020	\$1,981.26	\$1,999.46	\$2,010.56	\$2,044.95	\$2,084.97	\$2,130.92	Over the reporting period, this indicator is increasing marginally, in line with the expected rate increases (within the rate cap) and forecast growth within the municipality.
	[General rates and Municipal charges /									
	Number of property assessments]									

Dimension / indicator / measure	Results				Forecasts				Material Variations
	2018	2019	2020	2021	2022	2023	2024	2025	
Liquidity									
Working capital									
Current assets compared to current liabilities	449.09%	515.45%	496.02%	426.03%	389.98%	281.75%	236.98%	260.60%	Compared to the 2019/20 financial year, the reduction in this ratio is mainly due to the increase in trade payables (included in current liabilities) in 2020/21 as a result of a higher level of accrued expenses and unearned income from the receipt of capital grants.
[Current assets / Current liabilities] x100									In the forecast period, this ratio is reducing in line with a lower cash balance as a result of Council's investment in the City's capital works program.

Dimension / indicator / measure	Results				Forecasts				Material Variations
	2018	2019	2020	2021	2022	2023	2024	2025	
Unrestricted cash <i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	-56.47%	-31.44%	10.14%	17.65%	165.10%	76.35%	47.08%	50.01%	Unrestricted cash includes cash holdings in at call investments and term deposits with an original maturity of 90 days or less (cash in term deposits with an original maturity of greater than 90 days is classified as other financial assets in the Balance Sheet), referred to as 'cash and cash equivalents'. This figure is adjusted for items which are considered restricted including the amount required to complete the prior financial year's capital works program, statutory reserves and unspent grants; the result of which is referred to as unrestricted cash. In 2020/21, the numerator in this equation (unrestricted cash) increased by a larger amount than the increase in the current liabilities (the denominator) mainly due to the proportion of cash held in at call investments and term deposits with an original maturity of 90 days or less. This has resulted

Dimension / indicator / measure	Results				Forecasts				Material Variations
	2018	2019	2020	2021	2022	2023	2024	2025	
									in a higher ratio in 2020/21 compared to 2019/20.
									The reason for the reducing ratio during the forecast period is due to the cash outflow for the delivery of Developer Contribution Plan (DCP) and Infrastructure Contribution Plan (ICP) assets ahead of the receipt of the corresponding developer contributions.
Obligations									
Loans and borrowings									
Loans and borrowings compared to rates	0.32%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	Council is currently debt free.
[Interest and principle repayments on Interest bearing loans and borrowings / Rate revenue] x100									
Loans and borrowings									
Loans and borrowings repayments compared to rates	0.74%	0.31%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	Council is currently debt free.
[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100									

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Dimension / indicator / measure	Results					Forecasts			Material Variations
	2018	2019	2020	2021	2022	2023	2024	2025	
Indebtedness Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100	12.74%	15.94%	17.49%	16.82%	16.04%	15.33%	14.62%	13.87%	This ratio is reducing in line with the increase in Council's own source revenue at a higher rate than the increase in Council's non-current liabilities over the reporting period. Council's own source revenue is increasing in line with the rate cap and the growth in population and households which impacts income from user and statutory fees.
Asset renewal and upgrade Asset renewal and upgrade compared to depreciation [Asset renewal and upgrade expense / Asset depreciation] x100	New in 2020	New in 2020	82.66%	74.66%	126.78%	98.26%	109.05%	82.94%	The reason for the reduction in this ratio in 2020/21 is due to some renewal projects being delayed as a result of a disruption in the supply chain and lockdowns caused by the COVID-19 pandemic.

Dimension / indicator / measure	Results				Forecasts			Material Variations
	2018	2019	2020	2021	2022	2023	2024	2025
Operating position								
Adjusted underlying result								
Adjusted underlying surplus (or deficit)	24.16%	19.33%	9.78%	5.26%	-0.74%	5.95%	3.93%	5.33%
[Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100								
<p>The 2020/21 financial year has been heavily impacted by the COVID-19 pandemic which has forced the shutdown of some non-essential services several times during the year including all Aquatic and Leisure Centres, Hume Global Learning Centres,</p> <p>Hume Libraries, Landfills to residents, Senior Citizens Centres, Youth Centres, Community Centres, Sports Stadiums and Maternal and Child Health Centres. In response to the pandemic Council invested \$11.5 million to support local businesses, sporting clubs, community groups and its rate payers with a stimulus package that responds directly to the impacts of the COVID-19 pandemic.</p> <p>Council received additional grants relating to COVID-19 including the Working</p>								

Dimension / indicator / measure	Results				Forecasts				Material Variations
	2018	2019	2020	2021	2022	2023	2024	2025	
									for Victoria (WV) initiative to assist Council to employ Victorian jobseekers, including people who have lost their jobs as a result of COVID-19, in roles that support our community and for grants to support COVID safe outdoor dining and entertainment areas. In 2021/22, the result is negative due to a one-off payment to developers for the additional value of the works in kind (WIK) / land in kind (LIK) projects that they have provided.

Dimension / indicator / measure	Results				Forecasts				Material Variations
	2018	2019	2020	2021	2022	2023	2024	2025	
Stability									
Rates concentration									
<i>Rates compared to adjusted underlying revenue</i>	54.35%	56.43%	63.14%	62.33%	63.09%	63.34%	63.08%	63.50%	This ratio is stable in line with the expected increase in the rate cap and the adjusted underlying revenue.
[Rate revenue / Adjusted underlying revenue] x100									
Rates effort									
<i>Rates compared to property values</i>	0.37%	0.36%	0.38%	0.37%	0.36%	0.36%	0.36%	0.37%	The increase is in line with increases in rates revenue and property value movements.
[Rate revenue / Capital improved value of rateable properties in the municipality] x100									
Former measures									
Service / indicator / measure	2018	2019	2020	2021	Comments				
Animal management									
<i>Animal management prosecutions</i>	24.00	14.00	Retired in 2020	Retired in 2020	This measure was replaced by <i>Animal management prosecutions</i> [Number of successful animal management prosecutions] from 1 July 2019.				
[Number of successful animal management prosecutions]									
Efficiency									
Revenue level									
<i>Average residential rate per residential property assessment</i>	\$1,544.73	\$1,627.60	Retired in 2020	Retired in 2020	This measure was replaced by <i>Average rate per property assessment</i> [General rates and Municipal charges / Number of property assessments] from 1 July 2019.				
[Residential rate revenue / Number of residential property assessments]									

Dimension / indicator / measure	Results				Forecasts				Material Variations
	2018	2019	2020	2021	2022	2023	2024	2025	
Obligations									
Asset renewal									
Asset renewal compared to depreciation	59.62%	63.42%	Retired in 2020	Retired in 2020	This measure was replaced by Asset renewal and upgrade compared to depreciation [Asset renewal and asset upgrade expense / Asset depreciation] x100 from 1 July 2019.				
[Asset renewal expense / Asset depreciation] x100									
BP	<p>Definitions</p> <p>"adjusted underlying revenue" means total income other than:</p> <ul style="list-style-type: none"> (a) non-recurrent grants used to fund capital expenditure; and (b) non-monetary asset contributions; and (c) contributions to fund capital expenditure from sources other than those referred to above <p>"adjusted underlying surplus (or deficit)" means adjusted underlying revenue less total expenditure</p> <p>"asset renewal expenditure" means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability</p> <p>"current assets" has the same meaning as in the AAS</p> <p>"current liabilities" has the same meaning as in the AAS</p> <p>"non-current assets" means all assets other than current assets</p> <p>"non-current liabilities" means all liabilities other than current liabilities</p> <p>"non-recurrent grant" means a grant obtained on the condition that it be expended in a specified manner and is not expected to be received again during the period covered by a council's Strategic Resource Plan</p> <p>"own-source revenue" means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)</p> <p>"population" means the resident population estimated by council</p> <p>"rate revenue" means revenue from general rates, municipal charges, service rates and service charges</p> <p>"recurrent grant" means a grant other than a non-recurrent grant</p> <p>"residential rates" means revenue from general rates, municipal charges, service rates and service charges levied on residential properties</p> <p>"restricted cash" means cash and cash equivalents, within the meaning of the AAS, that are not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year</p> <p>"unrestricted cash" means all cash and cash equivalents other than restricted cash.</p>								

Other Information

For the year ended 30 June 2021

BP	<p>1. Basis of preparation</p> <p>Council is required to prepare and include a performance statement within its annual report. The performance statement includes the results of the prescribed sustainable capacity, service performance and financial performance indicators and measures together with a description of the municipal district and an explanation of material variations in the results. This statement has been prepared to meet the requirements of the <i>Local Government Act 1989</i> and Local Government (Planning and Reporting) Regulations 2014.</p> <p>Where applicable the results in the performance statement have been prepared on accounting bases consistent with those reported in the Financial Statements. The other results are based on information drawn from council information systems or from third parties (e.g. Australian Bureau of Statistics).</p> <p>The performance statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by the council's strategic resource plan. The Local Government (Planning and Reporting) Regulations 2014 requires explanation of any material variations in the results contained in the performance statement. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.</p> <p>The forecast figures included in the performance statement are those adopted by council in its Annual Budget on 28 June 2021. Detailed information on the actual financial results is contained in the General Purpose Financial Statements.</p> <p>2. Implications of the COVID-19 pandemic</p> <p>On 16 March 2020 a state of emergency was declared in Victoria due to the global pandemic COVID-19 virus, known as coronavirus. A state of disaster was subsequently declared on 2 August 2020. While the impacts of the pandemic have abated somewhat through the 2020/21 year, Council has noted the following significant impacts on its financial operations:</p> <p>COVID-19 has forced the shutdown of some services and facilities including all leisure centres and community facilities throughout the year.</p> <p>In response to this pandemic Council invested \$11.5 million to support local businesses, sporting clubs, community groups and its rate payers with a stimulus package that responds directly to the impacts of the COVID-19 pandemic, including:</p> <ul style="list-style-type: none"> • Rates wavier of up to \$50 for residential and rural properties where the property was the rate payers principal place of residence; • Council ceased charging interest on outstanding rates balances from 1 June 2020 until 30 June 2021; • Funding for food parcels and essential goods for families in extreme financial hardship; • Doubling of the Community Grants Program; • Grants for small and medium sized businesses; • Waiver of Food Act registrations in the 2020/21 year; • Waiver of all outdoor dining area permit fees and licence fees for 2020/21; • Grants and fee waivers for local sporting clubs; • Rent relief for tenants occupying Council facilities;
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- Reduced Council facilities hire rates;
- Setting discretionary penalties for parking infringements at the minimum for 2020/21;
- Establishing an employment grants program;
- Multiversity resident scholarships for tertiary study;
- Energy Savvy program targeting financially vulnerable households to conduct energy efficiency home upgrades to improve thermal comfort, physical health and reduce bill stress;
- Deliver additional infrastructure in upgrades to open spaces and play spaces including installing more seats, table settings, water fountains, signage and recreation equipment e.g. basketball/netball towers in local parks.

Council received additional grants relating to COVID-19 including the Working for Victoria (WV) initiative to assist Council to employ Victorian jobseekers, comprising people who have lost their jobs as a result of COVID-19, in roles that support our community and for grants to support COVID safe outdoor dining and entertainment areas.

The liquidity and obligation measures outlined in the Financial Performance Indicators have highlighted that Council has been able to take these measures without the need for new borrowings, while at the same time continuing to maintain the financial sustainability of Council.

Certification of the Performance Statement

R18(1) In my opinion, the accompanying performance statement has been prepared in
R18(2) accordance with the *Local Government Act 1989* and the Local Government (Planning and Reporting) Regulations 2014 (as per the transitional provisions of the *Local Government Act 2020*).

Fadi Srour, B.Bus (Acc), CA, AICD

Principal Accounting Officer

Dated:

In our opinion, the accompanying performance statement of the (council name) for the year ended 30 June 2021 presents fairly the results of council's performance in accordance with the *Local Government Act 1989* and the Local Government (Planning and Reporting) Regulations 2014 (as per the transitional provisions of the *Local Government Act 2020*).

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

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

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

Cr Trevor Dance

Councillor

Dated:

Cr Joseph Haweil

Mayor

Dated:

Sheena Frost

Chief Executive Officer

Dated:

Governance and management checklist

The following are the results in the prescribed form of council's assessment against the prescribed governance and management checklist.

Governance and Management Items	Assessment	
1. Community engagement policy (policy under section 55 of the Act outlining Council's commitment to engaging with the community on matters of public interest)	Adopted in accordance with section 55 of the Act Date of adoption: 22 February 2021	✓
2. Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Date of operation: 27 June 2011	✓
3. Financial Plan (plan under section 91 of the Act outlining the financial and non-financial resources required for at least the next 10 financial years)	No - New Financial Plan is scheduled to be completed in October 2021 in-line with the Local Government Act 2020.	
4. Asset Plan (plans under section 92 of the Act setting out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	No - In accordance with S92 of the Act, the Asset Plan is not scheduled to be completed until 2022. Council however has the following asset plans in place: Road Asset Management Plan - 12/08/2019 Building Asset Management Plan - 5/8/2010 Parks and Open Space - 10/9/2012	
5. Revenue and Rating Plan (plan under section 93 of the Act setting out the rating structure of council to levy rates and charges)	Adopted in accordance with section 93 of the Act Date of adoption: 28 June 2021	✓
6. Annual budget (plan under section 94 of the Act setting out the services to be provided and initiatives to be undertaken during the budget year and the funding and other resources required)	Adopted in accordance with section 94 of the Act Date of adoption: 28 June 2021	✓
7. Risk policy (policy outlining council's commitment and approach to minimising the risks to council's operations)	Date of commencement of current policy: 27 April 2020	✓
8. Fraud policy (policy outlining council's commitment and approach to minimising the risk of fraud)	Date of commencement of current policy: 17 December 2018	✓
9. Municipal emergency management plan (plan under section 20 of the Emergency Management Act 1986 for emergency mitigation, response and recovery)	Prepared and maintained in accordance with section 20 of the <i>Emergency Management Act 1986</i> Date of preparation: 5 May 2020	✓

Governance and Management Items	Assessment	
10. Procurement policy (policy under section 108 of the Act outlining the principles, processes and procedures that will apply to the purchase of goods and services by the Council)	No - under S108 of the Act, the new Procurement Policy is scheduled to be completed in October 2021. Council's current Procurement Policy, which was developed in accordance with Local Government Act 1989, remains valid until the new policy is developed.	
11. Business continuity plan (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)	Date of approval: 16 February 2021	✓
12. Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Date of approval: 13 February 2018	✓
13. Risk management framework (framework outlining council's approach to managing risks to the council's operations)	Date of commencement of current framework: 28 February 2020	✓
14. Audit and Risk Committee (see sections 53 and 54 of the Act)	Established in accordance with section 53 of the Act Date of establishment: 28 August 2020	✓
15. Internal audit (independent accounting professionals engaged by the council to provide analyses and recommendations aimed at improving council's governance, risk and management controls)	Date of engagement of current provider: 28 February 2020	✓
16. Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act)	Date of operation of current framework: 22 February 2021	✓
17. Council Plan reporting (report reviewing the performance of the council against the council plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	Date of reports: 22 February 2021 Council Plan progress is reported and adopted quarterly. Six month progress was reported on 22 February 2021.	✓
18. Financial reporting (quarterly statements to council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	Reports presented in accordance with section 138(1) of the <i>Local Government Act 1989</i> . Date reports presented: 7 September 2020, 7 December 2021, 8 February 2021 and 10 May 2021	✓

Governance and Management Items	Assessment	
19. Risk reporting (six-monthly reports of strategic risks to council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Date of reports: 28 August 2020 and 26 February 2021	✓
20. Performance reporting (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Act)	Date of reports: 24 August 2020 and 24 February 2021	✓
21. Annual report (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial and performance statements)	Presented at a meeting of the Council in accordance with section 134 of the Act Date statements presented: 10 October 2020	✓
22. Councillor Code of Conduct (Code under section 139 of the Act setting out the standards of conduct to be followed by Councillors and other matters)	Reviewed and adopted in accordance with section 139 of the Act Date reviewed: 22 February 2021	✓
23. Delegations (documents setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff, in accordance with sections 11 and 47 of the Act)	Reviewed in accordance with section 11(7) of the Act and a register kept in accordance with sections 11(8) and 47(7) of the Act Date of review: 22 March 2021	✓
24. Meeting procedures (Governance Rules under section 60 of the Act governing the conduct of meetings of Council and delegated committees)	Governance Rules adopted in accordance with section 60 of the Act. Date adopted: 26 April 2021	✓
<p>I certify that this information presents fairly the status of council's governance and management arrangements.</p> <p>_____</p> <p>Sheena Frost Chief Executive Officer Dated:</p> <p>_____</p> <p>Joseph Haweil Mayor Dated:</p>		

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Materiality Guidelines

2020-21 Reporting Period

Hume City Council has established materiality thresholds for Service Performance, Financial Performance and Sustainability Capacity indicators, taking into account both quantitative and qualitative factors and circumstances specific to each service indicator.

In considering materiality thresholds, a standard variance of 10% between the current year and previous year's result has generally been applied, however reference to the current and previous year's result and 2014/15 benchmark data has also been considered against each indicator. Where appropriate, alternative thresholds have been applied to some indicators as the standard 10% variance isn't applicable or appropriate. The table below provides greater detail of the materiality thresholds applied to each indicator.

Service Performance Indicators		
Service/indicator/measure	Measure expressed as:	Materiality threshold:
Aquatic Facilities		
Service standard Health inspections of aquatic facilities	Number of health inspections per council aquatic facility	Movement of +/- 1
Utilisation Utilisation of aquatic facilities	Number of visits to aquatic facilities per head of municipal population	Movement of +/- 0.25
Service cost Cost of aquatic facilities	\$ direct cost less any income received of providing aquatic facilities per visit	Movement of +/- 10% from previous year's result
Animal Management		
Timeliness Time taken to action animal requests	Number of days taken to action animal requests	Movement of +/- 1 day
Service standard Animals reclaimed	% of collected animals reclaimed	Movement of +/- 3%
Animals rehomed*	% of animals rehomed	New Indicator
Service cost Cost of animal management service	\$ direct cost of the animal management service per population	Movement of +/- 10% from previous year's result
Health and safety Animal management prosecutions	Number of successful prosecutions	Movement of +/- 5 prosecutions
Food Safety		
Timeliness Time taken to action food complaints	Number of days taken to action food complaints	Movement of +/- 1 day
Service standard Food safety assessments	% of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment	Movement of +/- 10% from previous year's result

* New Indicator from 2019/20

Service Performance Indicators		
Service/indicator/measure	Measure expressed as:	Materiality threshold:
Service cost Cost of food safety service	\$ direct cost of the food safety service per registered food premises	Movement of +/- 10% from previous year's result
Health and safety Critical and major non-compliance notifications	% of critical and major non-compliance outcome notifications that are followed up by council	Movement of +/- 10% from previous year's result
Governance		
Transparency Council resolutions at meetings closed to the public	% of council resolutions made at meetings closed to the public	Movement of +/- 10% from previous year's result
Consultation and engagement Satisfaction with community consultation and engagement	Satisfaction rating out of 100	Movement +/- greater than 5
Attendance Council attendance at council meetings	% of council attendance at ordinary and special council meetings	Movement of +/- 5%
Service cost Cost of elected representation	\$ direct cost of the governance service per Councillor	Movement of +/- 10% from previous year's result
Decision making Satisfaction with council decisions	Satisfaction rating out of 100	Movement +/- greater than 5
Home and Community Care – Removed as of 2016-17 Indicators		
Libraries		
Utilisation Physical library collection usage	Number of physical library collection item loans per physical library collection item	Movement of +/- 0.5 loans
Resource standard Recently purchased library collection	% of the library collection that has been purchased in the last 5 years	Movement of +/- 5%
Service cost Cost of library service	\$ direct cost of the library service per population	Movement of +/- 10% from previous year's result
Participation Active library borrowers	% of the municipal population that are active library borrowers in the last three years	Movement of +/- 10% from previous year's result
Maternal and Child Health		
Service standard Infant enrolments in the MCH service	% of infants enrolled in the MCH service	Movement of +/- 5%
Service standard Infant enrolments in the MCH service	% of infants enrolled in the MCH service	Movement of +/- 5%
Service cost Cost of the MCH service	\$ cost of the MCH service per hour of service delivered	Movement of +/- 10% from previous year's result
Participation Participation in MCH service	% of children enrolled who participate in the MCH services	Movement of +/- 10% from previous year's result

* New Indicator from 2019/20

Service Performance Indicators		
Service/indicator/measure	Measure expressed as:	Materiality threshold:
Participation in MCH service by Aboriginal children	% of Aboriginal children enrolled who participate in the MCH service	Movement of +/- 10% from previous year's result
Satisfaction Participation in 4-week Key Age and Stage visit*	% of infants enrolled in the MCH service who attend the 4-week Key Age and Stage visit	New Indicator
Roads		
Satisfaction of use Sealed local road requests	Number of sealed local road requests per 100 kilometres of sealed local road	Movement of +/- 10% from previous year's
Condition Sealed local roads below the intervention level	% of sealed local roads that are below the renewal intervention level	Movement of +/- 5%
Service cost Cost of sealed local road reconstruction	\$ direct reconstruction cost per square metre of sealed local roads reconstructed	Movement of +/- 10% from previous year's result
Cost of sealed local road resealing	\$ direct resealing cost per square metre of sealed local roads resealed	Movement of +/- 10% from previous year's result
Satisfaction Satisfaction with sealed local roads	Satisfaction rating out of 100	Movement +/- greater than 5
Statutory Planning		
Timeliness Time taken to decide planning applications	Days between receipt of a planning application and a decision on the application	Movement of +/- 10% from previous year's result
Service standard Planning applications decided within 60 days	% of planning application decisions made within 60 days	Movement of +/- 10% from previous year's result
Service cost Cost of statutory planning service	\$ direct cost of the statutory planning service per planning application	Movement of +/- 10% from previous year's result
Decision making Planning decisions upheld at VCAT	% of decisions subject to review by VCAT that were not set aside	Movement of +/- 5%
Waste Collection		
Satisfaction Kerbside bin collection requests	Number of kerbside bin collection requests per 1000 kerbside bin collection households	Movement of +/- 10% from previous year's result
Service standard Kerbside collection bins missed	Number of kerbside collection bins missed per 10,000 scheduled kerbside collection bin lifts	Movement of +/- 10% from previous year's result
Service cost Cost of kerbside garbage collection service	\$ direct cost of the kerbside garbage bin collection service per kerbside garbage collection bin	Movement of +/- 10% from previous year's result

* New Indicator from 2019/20

Service Performance Indicators		
Service/indicator/measure	Measure expressed as:	Materiality threshold:
Cost of kerbside recyclables collection service	\$ direct cost of the kerbside recyclables collection service per kerbside recyclables collection bin	Movement of +/- 10% from previous year's result
Waste diversion Kerbside collection waste diverted from landfill	% of garbage, recyclables and green organics collected from kerbside bins that is diverted from landfill	Movement of +/- 3%

Service/indicator/measure	Measure expressed as:	Materiality threshold:
Efficiency		
Average rate per property assessment	Total rate revenue (\$) per property assessments	Movement of +/- 10% from previous year's result
Expenses per property assessment	Total expenses (\$) per property assessment	Movement of +/- 10% from previous year's result
Liquidity		
Current assets compared to current liabilities	Current assets as a percentage of current liabilities	Movement of +/- 10% from previous year's result
Unrestricted cash compared to current liabilities	Unrestricted cash as a percentage of current liabilities	Movement of +/- 10% from previous year's result
Obligations		
Asset renewal and asset upgrade compared to depreciation	Asset renewal expense as a percentage of depreciation	Movement of +/- 10% from previous year's result
Loans and borrowings compared to rates	Interest bearing loans and borrowings as a percentage of rate revenue	Movement of +/- 10% from previous year's result
Loans and borrowings repayments compared to rates	Interest and principal repayments on interest bearing loans and borrowings as a percentage of rate revenue	Movement of +/- 10% from previous year's result
Non-current liabilities compared to own source revenue	Non-current liabilities as a percentage of own source revenue	Movement of +/- 10% from previous year's result
Operating position		
Adjusted underlying surplus (or deficit)	Underlying surplus (or deficit) as a percentage of adjusted underlying revenue	Movement of +/- 10% from previous year's result
Stability		
Rates compared to adjusted underlying revenue	Rate revenue as a percentage of adjusted underlying revenue	Movement of +/- 10% from previous year's result

* New Indicator from 2019/20

<i>Service/indicator/measure</i>	<i>Measure expressed as:</i>	<i>Materiality threshold:</i>
Rates compared to property values	Rate revenue as a percentage of the capital improved value of rateable properties in the municipality	Movement of +/- 10% from previous year's result

Sustainability Capacity Indicators		
<i>Service/indicator/measure</i>	<i>Measure expressed as:</i>	<i>Materiality threshold:</i>
Expenses per head of municipal population	Total expenses (\$) per head of municipal population	Movement of +/- 10% from previous year's result
Infrastructure per head of municipal population	Value of infrastructure (\$) per head of municipal population	Movement of +/- 10% from previous year's result
Population density per length of road	Municipal population per kilometre of local road	Movement of +/- 5% from previous year's result
Own-source revenue per head of municipal population	Own-source revenue (\$) per head of municipal population	Movement of +/- 10% from previous year's result
Recurrent grants per head of municipal population	Recurrent grants (\$) per head of municipal population	Movement of +/- 10% from previous year's result
Relative Socio-Economic Disadvantage	The relative Socio-Economic Disadvantage of the municipality (Index of relative Socio-Economic Disadvantage by decile)	Movement of +/-1
Resignations and terminations compared to average staff	The number of permanent staff resignations and terminations as a percentage of the average number of permanent staff	If less than 5% or greater than 15% for year

* New Indicator from 2019/20

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REPORT NO:	GE562
REPORT TITLE:	Financial Report 2020/21
SOURCE:	Fadi Srour, Chief Financial Officer Robert Costa, Coordinator Finance
DIVISION:	Corporate Services
FILE NO:	HCC18/805
POLICY:	-
STRATEGIC OBJECTIVE:	5.3 Provide responsible and transparent governance, services and infrastructure which responds to and supports community needs.
ATTACHMENTS:	1. <i>Financial Statements 2020/21</i> 2. <i>Final Management Letter 2020/21</i>

1. SUMMARY OF REPORT:

- 1.1 The 2020/21 Financial Statements have been completed by officers and provided to the Auditor-General's agent, RSD and were reviewed by the Audit and Risk Committee on Friday 27 August 2021.
- 1.2 Council is required to pass a resolution giving its approval in principle to the Financial Statements prior to submission of the report to the Auditor General. Council must also authorise two Councillors to certify the Financial Statements in their final form in accordance with section 131 of the *Local Government Act 1989* (the Act) after any recommended changes have been made and agreed to by the Auditor-General. It has been the practice in the past to authorise the Mayor and the Finance Portfolio Councillor to certify the Financial Statements in their final form.

2. RECOMMENDATION:

- 2.1 That Council resolves to approve in principle the Financial Statements for the year ended 30 June 2021.
- 2.2 That the Mayor, Councillor Joseph Haweil and Councillor Carly Moore be authorised to certify the Financial Statements in their final form after any recommended changes have been made and agreed to by the Auditor-General.

3. FINANCIAL IMPLICATIONS:

The 2020/21 version of the Local Government Model Financial Report (Model Report) was used to produce Hume City Council's Financial Statements which represents the preferred presentation of Local Government Victoria.

3.1 Financial Statements

As outlined in the Financial Statements (attachment 1), Council continues to have a strong financial position with the key working capital ratio remaining strong and the budget to actual comparisons being favourable.

The attached Comprehensive Income Statement outlines a favourable surplus compared to budget for the financial year.

3.1.1 Income Statement

- (a) The surplus for the year was \$133.63m against a budget of \$118.77m, a favourable variance of \$14.86m.

REPORT NO: GE562 (cont.)

- (b) The adjusted underlying surplus as per Council's Performance Statement, which excludes one-off items, was \$17.07m which is a \$19.44m favourable variance to budget.
- (c) In comparison to budget, major variances are:
- (i) Rates and charges
\$2.21m favourable due to higher than expected supplementary rates income.
- (ii) Statutory fees and fines
\$1.52m unfavourable predominantly the result of a contraction in activity due to the COVID-19 pandemic, setting discretionary penalties for parking infringements at the minimum for 2020/21 and a slowdown in subdivisional activity.
- (ii) User fees
The \$7.18m unfavourable variance is primarily due to the forced shutdown of some services and facilities including leisure centres and community facilities throughout the year as a result of the COVID-19 pandemic. Also contributing to this variance is a reduction in the proportion of full-fee paying children compared to subsidised placements for early childhood services; offset by subsidies (grants) from the Department of Education and Training.
- (iii) Grants – operating
\$15.84m favourable primarily due to:
- The advance payment of 50% of the 2021/22 Victorian Local Government Grants Commission - Financial Assistance Grant of \$9.41m;
 - Additional funding in Family, Youth and Children Services of \$3.7m for the higher than expected 4-year-old enrolments, additional teachers supplement, early start, early years management, 3-year-old Kindergarten Inclusion Support Program funding, the increased proportion of subsidised placements compared to full-fee paying children and additional free kinder grants received which were linked to the pandemic; and
 - Additional COVID-19 related funding including the Outdoor Dining Program.
- (iv) Grants – capital
\$9.03m unfavourable primarily due to:
- A number of grants which are now expected to be received in 2021/22, including grants for the Jacksons Creek Regional Park, the multi-deck carpark at Evans Street Sunbury and Langama Park Pavilion 2; and
 - The accounting treatment of grants received where the performance obligation has not been met, including grants for the Cloverton Southern Active Open Space pavilion and Kalkallo Central Community Hub.

REPORT NO: GE562 (cont.)

- (v) Contributions – monetary
\$4.68m favourable predominantly due to a higher level of developer contributions as a result of continued growth in the north of the municipality including Lockerbie, Greenvale and Sunbury. It should be noted that this income gives rise to future infrastructure obligations that Council must deliver including roads and community facilities.
- (vi) Contributions – non-monetary assets
\$4.21m favourable due to a higher level of developer contributed assets in the form of land, land-under-roads, roads, footpaths and drainage contributions. In 2020/21, Council received contributed assets from 56 subdivisions; the total length of the road and footpath networks increased by 17km and 38km respectively.
- (vii) Net gain on disposal of property, plant, equipment and infrastructure
\$2.66m favourable due to the sale of a section of Craigieburn Rd to VicRoads as part of the Craigieburn Rd widening project.
- (viii) Fair Value adjustments for investment property
\$0.24m favourable variance is due to the revaluation increment for investment properties being higher than expected.
- (vix) Employee costs
\$11.14m favourable primarily as a result of staff vacancies and the shutdown of non-essential services and facilities due to COVID-19, partially offset by an unfavourable variance in agency staff (included under materials and services).
- (x) Materials and services
\$3.14m unfavourable primarily due to agency staff used to temporary backfill vacant positions during the recruitment process. It is the practice of Council to budget for a full complement of staff and not for agency staff.

In addition, the COVID lockdowns have resulted in a number of non-essential services being temporarily shutdown which has resulted in favourable variances in utilities of \$0.7m and supplies and consumables of \$1.44m.
- (xi) Depreciation and amortisation
\$3.10m unfavourable variance is primarily due to the higher than budgeted 2019/20 contributed assets and the 2019/20 asset revaluation, all of which impacts on the 2020/21 financial year.
- (xii) Bad and doubtful debts
\$0.68m unfavourable as it is Council's policy not to budget for bad debts as all attempts are made to recover outstanding amounts.
- (xiii) Financing costs
\$0.34m favourable variance primarily due to the movement in the inflation rate and discount rate used to calculate the net present value (accounting entry) of Council's provisions resulting in a net unwinding interest income for the provisions rather than an unwinding interest expense as budgeted for in 2020/21.

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(xiv) Other expenses

\$5.02m unfavourable mainly due to the write-off of the remaining written down value (accounting entry) of infrastructure assets which were renewed during the year of \$7.3m – e.g. roads and footpaths.

In 2020/21, the following write-offs occurred:

- \$3.14m for road reconstructions and the local road asphalt program;
- \$2.1m for open space assets; and
- \$1.21m relating to the footpath rehabilitation program.

Offsetting this are favourable variances in the timing of payments for contributions and grants.

(xv) Reimbursement to developer for LIK/WIK projects

\$2.37m favourable due to the timing of reimbursements to developers funded from Council's Developer Infrastructure Levy reserves. Council has received cash contributions from other developers to fund this reimbursement.

(xvi) Impairment loss on financial assets

\$0.3m favourable variance is due to the recognition of an impairment loss to Council's investment in Regional Kitchen Pty Ltd in 2019/20 (rather than in 2020/21 when it was budgeted) based on the recoverable amount as at 30 June 2020.

3.2 Balance sheet

3.2.1 Cash and cash equivalents and other financial assets

Cash and cash equivalents include cash on hand and term deposits with a maturity term less than 90 days. As at 30 June 2021 this equated to \$271.64m. Also, as at 30 June 2021, Council had term deposits of \$80.28m which had a maturity term of greater than 90 days and therefore were classified as other financial assets. Therefore, total cash and term deposits were \$351.92m as at 30 June 2021.

3.2.2 Non-current assets held for sale

As at 30 June 2021 Council had three land parcels which were held for sale totalling \$0.94m associated with the compulsory acquisition of sections of Craigieburn Rd as part of the road widening project.

3.2.3 Property, plant, equipment and infrastructure

During the year the value of these assets increased by \$225.3 million and is primarily due to developer contributed assets of \$108.8m, capital works of \$79.4m, a revaluation increment of \$93.2m less depreciation of \$56.9m.

3.2.4 Asset revaluation reserve

An asset revaluation occurred during the year for land and land under roads (\$28.2m), buildings (\$0.2m), land improvements (\$9.0m) and infrastructure (\$55.8m).

3.2.5 Provisions – landfill and annual/long-service leave entitlements

- (a) Note 5.4 in the Financial Statements contains information relating to Council's provisions for landfill and annual/long-service leave which have increased by \$2.08m in total. The amounts reflect the net present

REPORT NO: GE562 (cont.)

value (NPV) of these provisions which are impacted by changes in the inflation and discount (interest) rates.

- (b) The increase in the annual leave and long service leave provisions is due to fewer staff taking leave during the year as a result of the COVID restrictions.

3.3 Financial ratios

3.3.1 The key financial ratios, as reported in Council's Performance Statement are within Council's set financial parameters.

3.3.2 The key working capital ratio is 4.26:1 which is well above Council's target of 1.10:1.

3.4 Cash Flow Statement

3.4.1 The Cash Flow Statement identifies cash at the end of the financial year of \$271.64m. This figure excludes term deposits of \$80.28m with an original maturity over 90 days classified as financial assets in the Balance Sheet. Therefore, total cash and term deposits were \$351.92m as at 30 June 2021. This is a \$136.61m favourable variance to budget and the key points are:

- (a) The net cash position provided by operating activities is favourable to budget for the following reasons:
 - (i) variances as outlined in the Income Statement
 - (ii) commencing the year with a higher than expected cash balance primarily due to a higher level of carried forward capital works.
- (b) Payments for capital works in 2020/21 were below expectations primarily due to a larger than expected level of carried forward works which will be completed in 2021/22. In addition, the COVID-19 pandemic has impacted the delivery of the capital works program as the movement of people has been restricted and the supply chain has been disrupted.
- (c) Some projects were not able to be started during the year and some were started but have not yet been completed. The key projects that this relates to include the Evans Street multi-deck carpark, the Broadmeadows 'Loop road' multi-deck carpark, construction of several community centres comprising Merrifield West Northern Community Hub, Kalkallo Community Centre, Kalkallo Central Community hub and Greenvale West Community Centre (Stage 1 & 2), works at the Mt Aitken District Recreation Reserve, rehabilitation works and leachate management upgrade at Riddell Road landfill to meet EPA requirements and several road projects including the construction of Somerton Road and Section Road intersection, the Wildwood Road South reconstruction, the Aitken Boulevard duplication and the Roxburgh Park Drive duplication.

3.5 COVID-19 Impacts

3.5.1 On 16 March 2020 a state of emergency was declared in Victoria due to the COVID-19 pandemic and a state of disaster was subsequently declared on 2 August 2020. As a consequence, there has been an impact on Council's operations with the forced shutdown of some non-essential services and facilities at times during the year including all Aquatic and Leisure Centres, Hume Global Learning Centres, Hume Libraries, Landfills to residents, Senior Citizens Centres, Youth Centres, Community Centres, Sports Stadiums and Maternal and Child Health Centres.

Additionally, in response to the pandemic, Council invested \$11.5 million to support local businesses, sporting clubs, community groups and its rate payers with a stimulus package that included:

REPORT NO: GE562 (cont.)

- (a) Rates waivers of up to \$50 for residential and rural properties where the property was the rate payers principal place of residence;
- (b) Council ceased charging interest on outstanding rates balances from 1 June 2020 until 30 June 2021;
- (c) Funding for food parcels and essential goods for families in extreme financial hardship;
- (d) Doubling of the Community Grants Program;
- (e) Grants for small and medium sized businesses;
- (f) Waiver of Food Act registrations in the 2020/21 year;
- (g) Waiver of all outdoor dining area permit fees and licence fees for 2020/21;
- (h) Various grants and fee waivers for local sporting clubs;
- (i) Rent relief for tenants occupying Council facilities;
- (j) Reduced Council facilities hire rates;
- (k) Setting discretionary penalties for parking infringements at the minimum for 2020/21;
- (l) Establishing an employment grants program;
- (m) Multiversity resident scholarships for tertiary study;
- (n) Energy Savvy program targeting financially vulnerable households to conduct energy efficiency home upgrades to improve thermal comfort, physical health and reduce bill stress; and
- (o) Delivering additional infrastructure in upgrades to open spaces and play spaces including installing more seats, table settings, water fountains, signage and recreation equipment e.g. basketball/netball towers in local parks.

4. DISCUSSION

- 4.1 The Financial Statements are substantially complete and have been provided to RSD for review.
- 4.2 These Financial Statements have been prepared on the accrual and going concern basis and complies with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.
- 4.3 In accordance with paragraph 4.2 of the Audit and Risk Committee Charter, the Audit and Risk Committee reviewed the Financial Statements and determined that they are complete. This now allows Council to provide in principle approval of the Financial Statements for the year ending 30 June 2021.
- 4.4 In addition, RSD will need to forward to the Auditor-General a key deliverables package, including:
 - 4.4.1 audited Financial Statements and Performance Statement;
 - 4.4.2 recommended audited opinion on the Financial Statements and Performance Statement; and
 - 4.4.3 explanations of material variances (+ or – 10%) between 2019/20 and 2020/21 and any new or unusual items relating to the financial statements.
- 4.5 Subject to the clearance of all outstanding matters, including those arising from a quality review by VAGO it is anticipated that by late September 2021, Council will receive the Auditor-General's opinion on the financial statements.

REPORT NO: GE562 (cont.)

- 4.6 The final management letter containing observations and recommendations which have been cleared by management was provided to the Audit Committee on 27 August 2021 (attachment 2).

5. CONCLUSION:

The Financial Report has been completed and reviewed by the Audit and Risk Committee. The Audit and Risk Committee has recommended to Council that it resolve to agree in principle to the Financial Report for the year ended 30 June 2021 and to authorise two Councillors to certify the Financial Report in its final form.

REPORT NO: GE562 (cont.)

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**Hume City Council
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

Hume City Council
2020/2021 Financial Report

Certification of the Financial Report

Statement by Principal Accounting Officer

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

Fadi Srour, B.Bus(Acc), CA, AICD
Principal Accounting Officer

Date: 13 September 2021
Melbourne

Statement by Councillors and Chief Executive Officer

In our opinion the accompanying financial statements present fairly the financial transactions of Hume City Council for the year ended 30 June 2021 and the financial position of the Council as at that date.

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

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

Cr Carly Moore
Councillor
Date: 13 September 2021
Melbourne

Cr Joseph Hawell
Mayor
Date: 13 September 2021
Melbourne

Sheena Frost
Chief Executive Officer
Date: 13 September 2021
Melbourne

Hume City Council
2020/2021 Financial Report

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Hume City Council
2020/2021 Financial Report
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Hume City Council
2020/2021 Financial Report

Comprehensive Income Statement
For the Year Ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
Income			
Rates and charges	3.1	202,129	194,002
Statutory fees and fines	3.2	12,632	14,285
User fees	3.3	16,926	23,036
Grants - operating	3.4	63,159	48,605
Grants - capital	3.4	9,166	4,080
Contributions - monetary	3.5	15,240	15,494
Contributions - non-monetary assets	3.5	108,786	162,141
Net gain on disposal of property, plant, equipment and infrastructure	3.6	5,435	56
Net gain on property development	3.7	-	26
Fair value adjustments for investment property	6.3	1,376	2,971
Other income	3.8	5,986	7,198
Total income		440,835	471,894
Expenses			
Employee costs	4.1	(125,442)	(114,495)
Materials and services	4.2	(105,721)	(91,972)
Depreciation and amortisation	4.3	(56,984)	(51,298)
Bad and doubtful debts	4.4	(679)	(637)
Financing costs	4.5	(28)	(821)
Other expenses	4.6	(13,842)	(14,261)
Reimbursement to developers for LIK/WIK projects	4.7	(4,511)	(3,401)
Impairment loss on financial assets	4.8	-	(310)
Total expenses		(307,207)	(277,195)
Surplus for the year		133,628	194,699
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment	9.1	93,202	200,272
Total comprehensive result		226,830	394,971

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

Hume City Council
2020/2021 Financial Report

Balance Sheet
As at 30 June 2021

	Note	2021 \$'000	2020 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1	271,638	215,465
Other financial assets	5.1	80,284	110,478
Trade and other receivables	5.1	41,134	33,314
Non-current assets classified as held for sale	6.1	942	2,778
Other assets	5.2	3,580	1,602
Total current assets		397,578	363,637
Non-current assets			
Trade and other receivables	5.1	80	81
Property, plant, equipment and infrastructure	6.2	4,090,154	3,864,846
Right-of-use assets	5.7	537	770
Investment property	6.3	34,825	46,622
Intangible assets	5.2	15,127	16,640
Total non-current assets		4,140,723	3,928,959
Total assets		4,538,301	4,292,596
Liabilities			
Current liabilities			
Trade and other payables	5.3	56,493	37,427
Trust funds and deposits	5.3	2,917	3,060
Provisions	5.4	33,715	32,504
Lease liabilities	5.7	196	320
Total current liabilities		93,321	73,311
Non-current liabilities			
Trust funds and deposits	5.3	7,882	9,781
Provisions	5.4	32,869	32,000
Lease liabilities	5.7	359	464
Total non-current liabilities		41,110	42,245
Total liabilities		134,431	115,556
Net assets		4,403,870	4,177,040
Equity			
Accumulated surplus		2,164,977	2,055,288
Asset revaluation reserve	9.1	2,058,675	1,965,473
Other reserves	9.1	180,218	156,279
Total equity		4,403,870	4,177,040

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

Hume City Council
2020/2021 Financial Report

Statement of Changes in Equity
For the Year Ended 30 June 2021

	Note	Total 2021 \$'000	Accumulated Surplus 2021 \$'000	Asset Revaluation Reserve 2021 \$'000	Other Reserves 2021 \$'000
2021					
Balance at beginning of the financial year		4,177,040	2,055,288	1,965,473	156,279
Surplus for the year		133,628	133,628	-	-
Net asset revaluation increment	9.1	93,202	-	93,202	-
Transfers to other reserves	9.1	-	(46,262)	-	46,262
Transfers from other reserves	9.1	-	22,323	-	(22,323)
Balance at end of the financial year		4,403,870	2,164,977	2,058,675	180,218

		Total 2020 \$'000	Accumulated Surplus 2020 \$'000	Asset Revaluation Reserve 2020 \$'000	Other Reserves 2020 \$'000
2020					
Balance at beginning of the financial year		3,783,951	1,875,205	1,765,201	143,545
Impact of change in accounting policy - AASB 1058 Income of Not-for-Profit Entities		(1,882)	(1,882)	-	-
Adjusted opening balance		3,782,069	1,873,323	1,765,201	143,545
Surplus for the year		194,699	194,699	-	-
Net asset revaluation increment	9.1	200,272	-	200,272	-
Transfers to other reserves	9.1	-	(46,717)	-	46,717
Transfers from other reserves	9.1	-	33,983	-	(33,983)
Balance at end of the financial year		4,177,040	2,055,288	1,965,473	156,279

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

Hume City Council
2020/2021 Financial Report

Statement of Cash Flows
For the Year Ended 30 June 2021

		2021	2020
		Inflows/ (Outflows)	Inflows/ (Outflows)
	Note	\$'000	\$'000
Cash flows from operating activities			
Rates and charges		199,100	191,782
Statutory fees and fines		11,615	13,680
User fees		17,534	22,309
Grants - operating		63,744	49,634
Grants - capital		21,655	8,864
Contributions - monetary		14,663	14,545
Interest received		1,827	6,101
Trust funds and deposits taken		28,820	26,075
Other receipts		3,709	2,343
Net GST refund		14,767	14,530
Employee costs		(125,184)	(112,751)
Materials and services		(123,502)	(105,619)
Short-term, low value and variable lease payments		(745)	(476)
Trust funds and deposits repaid		(30,862)	(22,858)
Other payments		(10,334)	(10,257)
Net cash provided by operating activities	9.2	86,807	97,901
Cash flows from investing activities			
Payments for property, plant, equipment and infrastructure		(68,779)	(68,045)
Payments for investments		(80,284)	(110,478)
Proceeds from sale of property, plant, equipment and infrastructure		8,304	647
Proceeds from investments		110,478	255,423
Proceeds from property development		-	24
Net cash generated from / (used in) investing activities		(30,281)	77,570
Cash flows from financing activities			
Interest paid - lease liability		(28)	(39)
Repayment of lease liabilities		(325)	(303)
Net cash used in financing activities		(353)	(342)
Net increase in cash and cash equivalents		56,173	175,130
Cash and cash equivalents at the beginning of the financial year		215,465	40,335
Cash and cash equivalents at the end of the financial year	5.1	271,638	215,465
Financing arrangements	5.6		
Restrictions on cash assets	5.1		

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

Hume City Council
2020/2021 Financial Report

Statement of Capital Works
For the Year Ended 30 June 2021

	2021	2020
	\$'000	\$'000
Property		
Land	5,408	-
Land improvements	11,469	11,407
Buildings	22,683	24,755
Total property	39,560	36,162
Plant and equipment		
Heritage	125	79
Plant and equipment	5,134	5,523
Furniture and equipment	5,539	3,815
Total plant and equipment	10,798	9,417
Infrastructure		
Roads	22,609	14,418
Bridges	172	338
Footpaths and cycleways	3,979	3,497
Car parks	744	2,162
Drainage	1,491	1,626
Total infrastructure	28,995	22,041
Total capital works expenditure	79,353	67,620
Represented by:		
New asset expenditure	32,355	20,712
Asset renewal expenditure	27,852	29,470
Asset expansion expenditure	5,826	6,026
Asset upgrade expenditure	13,320	11,412
Total capital works expenditure	79,353	67,620

The total capital works expenditure includes an amount of \$5.80m in 2020/21 (\$3.60m in 2019/20) of expenditure on assets not owned by Council or on assets which did not meet Council's asset recognition threshold as outlined in note 6.2.

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

**Hume City Council
Notes to the Financial Report
For the Year Ended 30 June 2021**

Overview**Introduction**

The Hume City Council was established by an Order of the Governor in Council on 15 December 1994 and is a body corporate. The Council's main office is located at 1079 Pascoe Vale Rd, Broadmeadows.

Statement of compliance

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

(a) Basis of accounting

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

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

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

- the fair value of land, buildings, plant and equipment and infrastructure (refer to note 6.2).
- the determination of depreciation for buildings, plant and equipment and infrastructure (refer to note 6.2).
- the determination of employee and landfill provisions (refer to note 5.4).
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of the Australian Accounting Standards Board (AASB) 15 Revenue from Contracts with Customers or AASB 1058 Income of Not-for-Profit Entities (refer to Note 3)
- the determination, in accordance with AASB 16 Leases, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value (refer to Note 5.7).

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with current presentation (except where transitional requirements of AASB 15 Revenue from Contracts with Customers, AASB 16 Leases and AASB 1058 Income of Not-for-Profit Entities do not require restatement of comparatives under the modified retrospective approach adopted by the Council), and disclosure has been made of any material changes to comparatives.

**Hume City Council
Notes to the Financial Report
For the Year Ended 30 June 2021**

Overview (cont.)

(b) Rounding

Unless otherwise stated, amounts in the financial report have been rounded to the nearest thousand dollars. Figures in the financial statement may not equate due to rounding.

(c) COVID-19 pandemic

On 16 March 2020 a state of emergency was declared in Victoria due to the global pandemic COVID-19 virus, known as coronavirus. A state of disaster was subsequently declared on 2 August 2020. While the impacts of the pandemic have abated somewhat through the 2020/21 year, Council has noted the following significant impacts on its financial operations:

COVID-19 has forced the shutdown of some services and facilities including all leisure centres and community facilities throughout the year.

In response to this pandemic Council invested \$11.5 million to support local businesses, sporting clubs, community groups and its rate payers with a stimulus package that responds directly to the impacts of the COVID-19 pandemic, including:

- Rates waiver of up to \$50 for residential and rural properties where the property was the rate payers principal place of residence;
- Council ceased charging interest on outstanding rates balances from 1 June 2020 until 30 June 2021;
- Funding for food parcels and essential goods for families in extreme financial hardship;
- Doubling of the Community Grants Program;
- Grants for small and medium sized businesses;
- Waiver of Food Act registrations in the 2020/21 year;
- Waiver of all outdoor dining area permit fees and licence fees for 2020/21;
- Grants and fee waivers for local sporting clubs;
- Rent relief for tenants occupying Council facilities;
- Reduced Council facilities hire rates;
- Setting discretionary penalties for parking infringements at the minimum for 2020/21;
- Establishing an employment grants program;
- Multiversity resident scholarships for tertiary study;
- Energy Savvy program targeting financially vulnerable households to conduct energy efficiency home upgrades to improve thermal comfort, physical health and reduce bill stress;
- Deliver additional infrastructure in upgrades to open spaces and play spaces including installing more seats, table settings, water fountains, signage and recreation equipment e.g. basketball/netball towers in local parks.

Hume City Council
Notes to the Financial Report
For the Year Ended 30 June 2021

Note 1 Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variances. Council has adopted a materiality threshold of 10 percent or \$1 million where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures detailed below are those adopted by Council on 27 July 2020. The budget was based on assumptions that were relevant at the time of adoption of the budget. Council set guidelines and parameters for revenue and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term.

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

1.1 Income and expenditure

	Budget 2021 \$'000	Actual 2021 \$'000	Variance 2021 \$'000	%	Ref
Income					
Rates and charges	199,924	202,129	2,205	1%	1
Statutory fees and fines	14,151	12,632	(1,519)	(11%)	2
User fees	24,101	16,926	(7,175)	(30%)	3
Grants - operating	47,315	63,159	15,844	33%	4
Grants - capital	18,192	9,166	(9,026)	(50%)	5
Contributions - monetary	10,565	15,240	4,675	44%	6
Contributions - non-monetary assets	104,567	108,786	4,219	4%	7
Net gain on disposal of property, plant, equipment and infrastructure	2,779	5,435	2,656	96%	8
Fair value adjustments for investment property	1,139	1,376	237	21%	9
Other income	5,489	5,986	497	9%	
Total income	428,222	440,835	12,613		
Expenses					
Employee costs	136,577	125,442	11,135	8%	10
Materials and services	102,584	105,721	(3,137)	(3%)	11
Depreciation and amortisation	53,910	56,984	(3,074)	(6%)	12
Bad and doubtful debts	-	679	(679)	(100%)	13
Financing costs	368	28	340	92%	14
Other expenses	8,826	13,842	(5,016)	(57%)	15
Reimbursement to developers for LIK/WIK projects	6,878	4,511	2,367	34%	16
Impairment loss to financial assets	310	-	310	100%	17
Total expenses	309,453	307,207	2,246		
Surplus for the year	118,769	133,628	14,859		

Hume City Council
Notes to the Financial Report
For the Year Ended 30 June 2021

Note 1 Performance against budget (cont.)**1.1 Income and Expenditure (cont.)****Explanation of variations greater than 10% or \$1 million.**

Ref	Item	Explanation
1	Rates and charges	The favourable variance is due to higher than expected supplementary rates income.
2	Statutory fees and fines	The unfavourable variance is predominantly the result of the contraction of activities due to the COVID-19 pandemic, setting discretionary penalties for parking infringements at the minimum for 2020/21 and a slowdown in subdivisional activity.
3	User fees	The unfavourable variance is primarily due to the forced shutdown of some services and facilities including leisure services and community facilities as a result of the COVID-19 pandemic. Also contributing to this variance is a reduction in the proportion of full-fee paying children compared to subsidised placements for early childhood services; offset by subsidies (grants) from the Department of Education and Training.
4	Grants - operating	The favourable variance relates to: <ul style="list-style-type: none"> • The advance payment of 50% of the 2021/22 Victorian Local Government Grants Commission - Financial Assistance Grant of \$9.41m; • Additional funding in Family, Youth and Children Services of \$3.7m for the higher than expected 4-year-old enrolments, additional teachers supplement, early start, early years management, 3-year-old Kindergarten Inclusion Support Program funding, the increased proportion of subsidised placements compared to full-fee paying children and additional free kinder grants received which were linked to the pandemic; and • Additional COVID-19 related funding including the Outdoor Dining program.
5	Grants - capital	The unfavourable variance relates to: <ul style="list-style-type: none"> • A number of grants which are now expected to be received in 2021/22, including grants for the Jackson Creek Regional Park, the multi-deck carpark at Evans Street Sunbury, Langama Park Pavilion 2; and • The accounting treatment of grants received where the performance obligation has not been met, including grants for the Cloverton Southern Active Open Space pavilion and Kalkallo Central Community Hub.
6	Contributions - monetary	The favourable variance is primarily due to a higher level of developer contributions as a result of continued growth in the north of the municipality including Lockerbie, Greenvale and Sunbury. It should be noted that this income gives rise to future infrastructure obligations that Council must deliver including roads and community facilities.
7	Contributions - non-monetary assets	The favourable variance is due to a higher level of developer contributed assets in the form of land, land under roads, roads, footpaths and drainage contributions. In 2020/21, Council received contributed assets from 56 subdivisions; the total length of the road and footpath network increased by 17km and 38km respectively.
8	Net gain on disposal of property, plant, equipment and infrastructure	The favourable variance is due to the sale of a section of Craigieburn Rd to VicRoads as part of the Craigieburn Rd widening project.
9	Fair value adjustments for investment property	The favourable variance is due to the revaluation increment for investment properties being higher than expected.
10	Employee costs	The favourable variance is primarily the result of staff vacancies and the shutdown of non-essential services and facilities due to COVID-19, partially offset by an unfavourable variance in agency staff (included under materials and services).
11	Materials and services	The unfavourable variance primarily relates to agency staff used to temporarily backfill vacant positions during the recruitment process. It is the practice of Council to budget for a full complement of staff and not for agency staff.
12	Depreciation and amortisation	The variance is primarily due to the higher than budgeted 2019/20 contributed assets and the 2019/20 asset revaluation, all of which impacts on the 2020/21 financial year.
13	Bad and doubtful debts	Council does not budget for bad debts as all attempts are made to recover outstanding amounts.
14	Financing costs	The variance is primarily due to the movement in the inflation and discount rate used to calculate the net present value (accounting entry) of Council's provisions resulting in a net unwinding interest income for the provisions rather than an unwinding interest expense as budgeted for in 2020/21.
15	Other expenses	The unfavourable variance primarily relates to the write-off of the remaining written down value (accounting entry) of infrastructure assets which were renewed during the year e.g. roads and footpaths.
16	Reimbursement to developers for LIK/WIK projects	The favourable variance relates to the timing of reimbursements to developers funded from Council's Developer Infrastructure Levy reserves. Council has received cash contributions from other developers to fund this reimbursement.
17	Impairment loss to financial assets	The favourable variance is due to the recognition of an impairment loss to Council's investment in Regional Kitchen Pty Ltd in 2019/20 (rather than in 2020/21 when it was budgeted) based on the recoverable amount as at 30 June 2020.

Hume City Council
Notes to the Financial Report
For the Year Ended 30 June 2021

Note 1 Performance against budget (cont.)

1.2 Capital works

	Budget 2021 \$'000	Actual 2021 \$'000	Variance 2021 \$'000	%	Ref
Property					
Land	6,325	5,408	917	14%	1
Land improvements	41,805	11,469	30,336	73%	2
Buildings	43,495	22,683	20,812	48%	3
Total property	91,625	39,560	52,065		
Plant and equipment					
Heritage	342	125	217	63%	4
Plant and equipment	7,737	5,134	2,603	34%	5
Furniture and equipment	5,224	5,539	(315)	-6%	
Total plant and equipment	13,303	10,798	2,505		
Infrastructure					
Roads	34,280	22,609	11,671	34%	6
Bridges	576	172	404	70%	7
Footpaths and cycleways	5,738	3,979	1,759	31%	8
Car parks	12,057	744	11,313	94%	9
Drainage	3,014	1,491	1,523	51%	10
Total infrastructure	55,665	28,995	26,670		
Total capital works expenditure	160,593	79,353	81,241		
Represented by:					
New asset expenditure	73,874	32,355	41,519		
Asset renewal expenditure	43,058	27,852	15,206		
Asset expansion expenditure	12,906	5,826	7,080		
Asset upgrade expenditure	30,755	13,320	17,435		
Total capital works expenditure	160,593	79,353	81,241		

Explanation of variations greater than 10% or \$1 million.

Ref	Item	Explanation
1	Land	<p>The variance predominantly relates to the acquisition of land for Seabrook Reserve Access and Carparking which did not occur during the year.</p> <p>Unspent funds have been carried forward into and are expected to be spent in the 2021/22 financial year.</p>
2	Land improvement	<p>The variance predominantly relates to a number of incomplete projects including:</p> <ul style="list-style-type: none"> • Works at Mt Aitken District Recreation Reserve; • Open space and play space upgrade; • Rehabilitation works and leachate management upgrade at Riddell Road landfill to meet EPA requirements; • Works for several master plans including Sunbury Park, Greenvale Recreation Reserve, Progress Reserve, Derby Street Reserve, Willowbrook Recreation Reserve and Bolinda Road Open Space; • Construction of the rugby pitches at The Bridges Recreation Reserve in Craigieburn and contribution to Northern Thunder rugby pitch at Seabrook Reserve in Broadmeadows; • Sports ground lighting audit and upgrade program; • Maffra Street Depot renewal works; • Merri Creek Regional Park; and • Hume Central public realm works. <p>Funds for these projects have been carried forward into and are expected to be spent in the 2021/22 financial year.</p> <p>The resource recovery facility leachate management upgrade at Bolinda Road project has been deferred and re-budgeted in future years.</p>

Notes to the Financial Report
For the Year Ended 30 June 2021

Note 1 Performance against budget (cont.)

1.2 Capital works (cont.)

3	Buildings	<p>The variance predominantly relates to a number of incomplete projects including:</p> <ul style="list-style-type: none"> • Construction works of several community centres including the Merrifield West Northern Community Hub, the Kalkallo Community Centre, the Kalkallo Central Community hub and the Greenvale West Community Centre (Stage 1 & 2); • Pavilion works at Langama Park, Cloverton Southern active open space, Gladstone Park Reserve, Mt Aitken District Recreation Reserve and Pavilions 1 and 2 on the northern sports fields at Merrifield West; • Broadmeadows global learning centre redevelopment and tenancy landlord works; • the public toilet program; • the Bolinda Rd resource recovery centre upgrade; and • the Jackson Hill Arts and Cultural Precinct. <p>Funds for these projects have been carried forward into and are expected to be spent in the 2021/22 financial year.</p> <p>The Macedon St new office redevelopment project has been deferred and re-budgeted in future years.</p>
4	Heritage	<p>The variance relates to two incomplete projects including:</p> <ul style="list-style-type: none"> • Public Art Project; and • Natural Heritage Interpretation Action Plan. <p>Funds for these projects have been carried forward into and are expected to be spent in the 2021/22 financial year.</p>
5	Plant and equipment	<p>The variance predominantly relates to the incomplete fleet replacement program due to the supply chain issues caused by the COVID-19 impact.</p> <p>Funds for this project have been carried forward into and are expected to be spent in the 2021/22 financial year.</p>
6	Roads	<p>The variance predominantly relates to a number of incomplete road construction projects including:</p> <ul style="list-style-type: none"> • Wildwood Road South reconstruction; • Somerton Road & Section Road intersection construction; • Aitken Boulevard duplication; • Yirrangon Road, Jacksons Hill to Watsons Road; • Settlement Road East widening • Elizabeth Drive construction of new service road; and • Bicknell Court reconstruction. <p>Funds for these projects have been carried forward into and are expected to be spent in the 2021/22 financial year.</p>
7	Bridges	<p>The variance predominantly relates to the incomplete pedestrian footbridge over Moonee Ponds Creek and savings achieved due to efficiencies obtained in combining similar small scale projects for the 2020/21 completed bridge repair projects.</p> <p>Funds for the incomplete project have been carried forward into and are expected to be spent in the 2021/22 financial year.</p>
8	Footpaths and cycleways	<p>The variance predominantly relates to two incomplete projects including:</p> <ul style="list-style-type: none"> • construction of the trail network at Mt Holden Reserve in Sunbury; and • incomplete works in the annual walking and cycling program. <p>Funds for these projects have been carried forward into and are expected to be spent in the 2021/22 financial year.</p>
9	Car parks	<p>The variance predominantly relates to a number of incomplete projects including:</p> <ul style="list-style-type: none"> • Multi-Deck Carpark at Evans St, Sunbury; • Carpark construction at Broadmeadows Town Centre; • Seabrook Reserve access and carparking; and • indented parking on narrow streets. <p>Funds for these project have been carried forward into and are expected to be spent in the 2021/22 financial year.</p>
10	Drainage	<p>The variance predominantly relates to two incomplete projects including:</p> <ul style="list-style-type: none"> • the annual drainage rehabilitation works; and • servicing infrastructure - Hume Central implementation. <p>Funds for these projects have been carried forward into and are expected to be spent in the 2021/22 financial year.</p>

Hume City Council
Notes to the Financial Report
For the Year Ended 30 June 2021

Note 2 Analysis of Council's results by program

Council delivers its functions and activities through the following programs.

2.1 (a) Communications, Engagement and Advocacy

Communications, Engagement and Advocacy lead Council's corporate planning and strategic decision making processes and reviews of Council services. It undertakes community engagement and consultation, leads Council's advocacy on behalf of the Hume community and is responsible for communication and the promotion of Council and Hume City. This division is responsible for recruiting, training and payroll supporting Council's staff, and for directing and guiding organisational change and development. It also operates three customer service centres, provides community facilities and delivers Council's major events.

Planning and Development

Planning and Development is responsible for Council's land use planning portfolio, including statutory and strategic planning, subdivisional development, economic development, building control services and urban and open space planning. This multidisciplinary division focuses on the sustainable development of Hume, fostering economic prosperity through investment attraction and business growth, facilitating development through Council's statutory and strategic town planning functions, promoting urban design excellence and recreation planning.

Corporate Services

Corporate Services is responsible for managing corporate support and governance to ensure compliance with corporate business obligations. This includes risk management, local laws and domestic animal management, environmental health, financial planning and management, property development, contracts, procurement and knowledge management. This division is also responsible for Council leisure centres and recreation facilities, information technology and telecommunications support.

Sustainable Infrastructure and Services

Sustainable Infrastructure and Services is responsible for managing a diverse range of community infrastructure and services for Council and the users of Council's infrastructure. Services include project management of Council's capital works program, waste management and municipal emergency management. Community infrastructure includes roads, parks, bridges, buildings and landfills. The division is also responsible for managing environmental and natural heritage planning and driving Council's environmental sustainability agenda.

Community Services

Community Services advocates, plans and provides support, services and programs that enhance community wellbeing, promote healthy living and provide opportunities to participate in the life of the City. This includes community services such as maternal and child health, immunisation, preschool, childcare, libraries, learning programs, youth services, aged and disability support services and arts and cultural program. This division is also responsible for community safety, social and community planning as well as emergency recovery.

Hume City Council
Notes to the Financial Report
For the Year Ended 30 June 2021

Note 2.1 Analysis of Council's results by program

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

	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2021					
Communications, Engagement and Advocacy	2,208	15,115	(12,907)	522	43
Planning and Development	48,717	22,494	26,223	3,596	23,653
Corporate Services	245,291	72,208	173,083	20,124	724,163
Sustainable Infrastructure and Services	104,760	142,432	(37,672)	11,412	3,636,716
Community Services	39,859	54,958	(15,099)	36,671	153,726
	440,835	307,207	133,628	72,325	4,538,301

	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2020					
Communications, Engagement and Advocacy	1,705	14,904	(13,199)	-	54
Planning and Development	48,823	20,420	28,403	640	14,464
Corporate Services	240,656	66,306	174,350	19,243	681,567
Sustainable Infrastructure and Services	144,407	122,850	21,557	820	3,444,859
Community Services	36,303	52,715	(16,412)	31,982	151,652
	471,894	277,195	194,699	52,685	4,292,596

Hume City Council
Notes to the Financial Report
For the Year Ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
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Note 3 Funding for the delivery of our services

3.1 Rates and charges

Council uses the Capital Improved Value (CIV) as the basis for valuation of all properties within the municipal district. The CIV is an assessment of the market value of a property on a specific date.

The valuation base used to calculate general rates for 2020/21 was \$54.087 billion (2019/20 - \$51.372 billion). The 2020/21 rate in the CIV dollar was 0.33216 (2019/20 - 0.33056).

Residential	138,362	134,389
Commercial	9,261	8,465
Industrial	23,944	21,928
Rural	9,900	9,134
Organic waste fees	3,248	2,844
Interest on rates	-	577
Revenue in lieu of rates	17,414	16,665
Total rates and charges	202,129	194,002

The increase in rates and charges is primarily due to a rate increase of 2.0% together with the raising of supplementary rates during the year as a result of continued growth throughout the municipality.

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2021, and the valuation will be first applied in the rating year commencing 1 July 2021.

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

As part of Council's response to supporting our community through the COVID-19 pandemic, Council ceased charging interest on outstanding rates for the 2020/21 financial year and provided a rates waiver of up to \$50 for residential and rural properties where the property was the rate payers principal place of residence.

3.2 Statutory fees and fines

Land information certificates	236	222
Building fines and infringements	2,935	2,778
Registrations and permits	1,429	2,464
Subdivisions	2,900	3,347
Traffic / Fines Victoria / animals	3,201	3,836
Town planning	1,563	1,551
Other / miscellaneous	368	87
Total statutory fees and fines	12,632	14,285

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

The COVID-19 pandemic has resulted in a decrease year-on-year in subdivisional activities and the level of Traffic / Fines Victoria / animals income compared to 2019/20.

Hume City Council
Notes to the Financial Report
For the Year Ended 30 June 2021

Note 3 Funding for the delivery of our services (cont.)

	Note	2021 \$'000	2020 \$'000
3.3 User fees			
Landfill / garbage		2,704	2,619
Recreational facilities		5,624	9,566
Community services		3,048	4,672
Building		1,843	1,555
General and supplementary valuation data		710	745
Cemetery fees		138	453
Town planning		428	526
Human resources		1,141	734
Community facilities		503	892
Other / miscellaneous		787	1,274
Total user fees		16,926	23,036

User fees are recognised as revenue at a point in time, or over time, when (or as) the performance obligation is satisfied. Recognition is based on the underlying contractual terms.

The reduction in user fees is largely due to the impact of the COVID-19 pandemic which has resulted in the forced shutdown of some services and facilities including leisure centres and community facilities throughout the year.

3.4 Funding from other levels of government

Grants were received in respect of the following:

Summary of grants

Commonwealth funded grants	31,555	26,525
State funded grants	40,770	26,160
Total grants received	72,325	52,685

(a) Grants - operating

Recurrent - Commonwealth Government

Financial Assistance Grant - general purpose	15,274	13,124
Financial Assistance Grant - local roads	2,861	2,548
Aged and disability services	4,803	5,624
Family, youth and children's services	3,537	3,081
Community strengthening	267	268
Other	126	239

Recurrent - State Government

Family, youth and children's services	16,866	14,684
Maternal and child health	4,761	3,704
Aged and disability services	492	1,399
Community strengthening	2,072	1,540
City laws	586	580
Economic development	905	335
Sustainable environment	454	83
Parks	-	189
Population health	527	248
Other	1,137	959

Total recurrent operating grants

54,668	48,605
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Non-recurrent - State Government

Information and technology	399	-
Technical services	270	-
Landfill	256	-
Community strengthening	465	-
Human resources	209	-
Strategic communications	186	-
Sustainable environment	2,710	-
Parks	2,056	-
City amenity	815	-
Urban and open space planning	500	-
Customer service, events and venues	128	-
Leisure centres and sport	130	-
Waste and resource recovery	185	-
Other	182	-
Total non-recurrent operating grants	8,491	-

The non-recurrent State Government grants relate to the Working for Victoria initiative to assist Council to employ Victorian jobseekers, including people who have lost their jobs as a result of COVID-19, in roles that support our community and for grants to support COVID safe outdoor dining and entertainment areas.

Total grants - operating	63,159	48,605
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<p style="text-align: center;"><i>Hume City Council</i> Notes to the Financial Report For the Year Ended 30 June 2021</p>			
Note 3 Funding for the delivery of our services (cont.)			
	Note	2021	2020
		\$'000	\$'000
3.4 Funding from other levels of government (cont.)			
<i>(b) Grants - capital</i>			
Recurrent - Commonwealth Government			
Roads to recovery		1,618	1,618
Total recurrent capital grants		1,618	1,618
Non-recurrent - Commonwealth Government			
Roads		2,446	139
Footpaths and cycleways		40	-
Buildings		180	-
Land improvements		122	-
		2,788	139
Non-recurrent - State Government			
Buildings		3,558	1,730
Roads		218	351
Footpaths and cycleways		40	-
Car parks		-	27
Land improvements		915	186
Furniture and equipment		29	29
		4,760	2,323
Total non-recurrent capital grants		7,548	2,462
Total grants - capital		9,166	4,080
(c) Unspent grants received on condition that they be spent in a specific manner			
Operating			
Balance at start of year		4,316	3,123
Received during the financial year and remained unspent at balance date		4,572	3,725
Received in prior years and spent during the financial year		(977)	(2,532)
Balance at year end		7,911	4,316
Capital			
Balance at start of year		13,276	8,992
Received during the financial year and remained unspent at balance date		15,139	5,508
Received in prior years and spent during the financial year		(6,869)	(1,224)
Balance at year end		21,546	13,276

Grant income is recognised at the point in time when Council satisfies its performance obligations as specified in the underlying agreement.

<p style="text-align: center;"><i>Hume City Council</i> Notes to the Financial Report For the Year Ended 30 June 2021</p>			
Note 3 Funding for the delivery of our services (cont.)	Note	2021 \$'000	2020 \$'000
3.5 Contributions			
<i>(a) Contributions - monetary</i>			
Contributions	14,929	15,313	
Sponsorships	16	42	
Fringe benefits tax	73	84	
Total contributions - monetary	15,018	15,439	
 <i>Contributions - capital monetary</i>			
Contributions	222	55	
Total contributions - monetary	15,240	15,494	
<i>(b) Contributions non-monetary assets</i>			
Contributions of non monetary assets were received in relation to the following asset classes:			
Land under roads	18,366	32,902	
Buildings	335	205	
Roads	24,066	45,846	
Bridges	150	151	
Footpaths and cycleways	3,996	8,062	
Drainage works	13,595	28,504	
Land	44,691	43,424	
Car parks	23	-	
Land improvements	3,564	3,047	
Total non-monetary contributions	108,786	162,141	
The overall decrease is primarily due to less subdivisional activity due to COVID-19 lockdowns impacting the 2020/21 financial year.			
Total contributions	124,026	177,635	
Monetary and non-monetary contributions are recognised as revenue when Council obtains control over the contributed asset.			
Contributed assets are assets transferred to Council as a result of subdivisional activities or from other entities.			
3.6 Net gain on disposal of property, plant, equipment and infrastructure			
<i>Land</i>			
Proceeds from sale	6,936	-	
Less cost of assets sold	(1,888)	-	
Gain on disposal	5,048	-	
The gain on disposal is predominantly due to the sale of a major road reserve along Craigieburn Rd to VicRoads as part of the Craigieburn Road widening project.			
<i>Plant and equipment</i>			
Proceeds from sale	1,369	647	
Less cost of assets sold	(982)	(591)	
Gain on disposal	387	56	
Total gain on disposal of property, plant, equipment and infrastructure	5,435	56	
The cost of assets sold includes expenses associated with auction fees.			
The profit or loss on sale of an asset is determined when control of the asset has passed to the buyer.			
3.7 Net gain on property development			
Racecourse Road development			
Proceeds from sale	-	352	
Less cost of assets sold	-	(10)	
Less development fee expenses	-	(328)	
Add unwinding of development fee obligation	-	12	
Gain on property development	-	26	

Hume City Council
Notes to the Financial Report
For the Year Ended 30 June 2021

Note 3 Funding for the delivery of our services (cont.)

3.7 Net gain on property development (cont.)

In December 2011, Council entered into an agreement with Frasers Property Australia (Frasers) for the development of 50.1 ha of land at 275 Racecourse Road, Sunbury. The agreement was conditional upon obtaining rezoning and planning approval. These were obtained in March 2015, making the agreement unconditional. The nature of the agreement required Frasers to pay to Council \$24.6m upfront giving rise to an obligation for Council to grant a non-exclusive licence over the site to Frasers to develop it.

Council treats the upfront payment received from the developer of \$24.6m as a liability (developer fee obligation) which is extinguished to the Income Statement based on the number of lots settled in a year. The split between current and non-current liabilities is based on the timing of the expected future settlements.

The final lot was sold in 2019/20.

3.8 Other income

(a) Rental income

Investment property rent	1,091	1,053
Other rent	1,582	910
Total rental	2,673	1,963

Rent is recognised as revenue when a payment is due or is received, which ever first occurs. Rental payments received in advance are recognised as unearned income until they are due.

The increase in rental income in 2020/21 is as a result of a several new tenancy agreements which were entered into including full occupancy of the Town Hall Broadmeadows. Partially offsetting this was the provision of up to six months rent relief as part of Council's COVID-19 stimulus package.

(b) Interest income

Interest	1,956	4,939
Unwinding interest effect for provisions	997	-
Total interest income	2,953	4,939

Interest is recognised as it is earned.

Historical low interest rates in 2020/21 have resulted in a significantly lower level of interest earned on investments compared to 2019/20.

Council recognises the net present value (NPV) of its future liabilities for its employee benefits and landfill rehabilitation and aftercare costs. The accounting standards require the effect of the increase in the liability caused by the movement in discount and inflation rates, known as the unwinding interest effect, to be shown as either a financing costs or financing income. In 2020/21, the movement in the inflation and discount rates has resulted in a net unwinding interest income of \$1m.

(c) Reimbursement other

Capital works and building maintenance		
Fleet services		
Waste	-	7
Other	280	155
Total reimbursement other	280	162
	360	296

Total other income

5,986	7,198
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<p style="text-align: center;"><i>Hume City Council</i> Notes to the Financial Report For the Year Ended 30 June 2021</p>			
	Note	2021 \$'000	2020 \$'000
Note 4 The cost of delivering services			
4.1 Employee costs			
Wages and salaries		101,986	93,182
Workcover		4,278	2,815
Superannuation	9.3	9,763	9,067
Annual leave and long service leave		7,533	8,044
Other employee related expenses		1,775	1,269
Fringe benefits tax		107	118
Total employee costs		125,442	114,495
(b) Superannuation			
Council made contributions to the following funds:			
Defined benefit fund			
Employer contributions to Local Authorities Superannuation Fund (Vision Super)		409	464
		409	464
Accumulation funds			
Employer contributions to Local Authorities Superannuation Fund (Vision Super)		5,512	5,292
Employer contributions - other funds		3,842	3,311
		9,354	8,603
Total superannuation	9.3	9,763	9,067
Refer to note 9.3 for further information relating to Council's superannuation obligations.			
4.2 Materials and services			
a) Contractors			
Council made payments to Contractors according to the following functions:			
Asset maintenance		3,354	3,337
Capital works and building maintenance		5,515	4,697
Communications and events		148	147
Community strengthening		495	395
Customer service		951	1,169
Economic development		435	329
Family, youth and children's services		2,371	1,192
City laws and governance		4,175	3,523
Health and community wellbeing		916	1,198
Information and technology		361	351
Leisure centres and sports		1,836	2,276
Parks		18,140	17,136
Statutory planning and building control services		1,359	1,418
Sustainable environment		3,093	6,545
Waste		24,542	14,511
Other		1,416	473
		69,107	58,697

Hume City Council
Notes to the Financial Report
For the Year Ended 30 June 2021

Note 4 The cost of delivering services (cont.)

	Note	2021	2020
		\$'000	\$'000
4.2 Materials and services (cont.)			
b) Other materials and services			
Materials		9,134	10,360
Capital works expensed		5,799	3,597
Fleet expenses		2,577	2,732
Consultants, legal fees and other professional services		4,197	3,581
Insurance		2,266	1,914
Information technology		4,489	3,243
Building and utility charges		7,028	6,873
Advertising and promotions		963	810
Other		161	165
		36,614	33,275
Total materials and services		105,721	91,972

The increase in total materials and services is due to the costs associated with the corresponding expenditure incurred for the Working for Victoria grant that was received in 2020/21, the maintenance of parks and open spaces due to subdivisional growth throughout the municipality and the cost of agency staff used as temporary resources to backfill vacant positions during the recruitment process. These are included in contractors.

4.3 Depreciation and amortisation

(a) Depreciation

Property

Land improvements	6,641	6,219
Buildings	7,280	5,952

Plant and Equipment

Plant and equipment	3,481	3,347
Furniture and equipment	3,906	3,631

Infrastructure

Roads	22,671	20,132
Bridges	985	921
Footpaths and cycleways	2,819	2,747
Drainage	6,965	6,162
Car parks	395	345
Total depreciation	6.2 55,143	49,456

The increase in depreciation is due to an increase in the total value of infrastructure assets as a result of the 2019/20 revaluation and new assets brought on from the 2019/20 capital works program and contributed assets.

(b) Amortisation - Intangible assets

Amortisation

Intangible assets (landfill restoration assets)	1,513	1,524
Total Amortisation - Intangible assets	5.2 1,513	1,524

Hume City Council
Notes to the Financial Report
For the Year Ended 30 June 2021

Note 4 The cost of delivering services (cont.)			
	Note	2021	2020
		\$'000	\$'000
4.3 Depreciation and amortisation (cont.)			
(c) Amortisation - Right of use assets			
Property		295	288
Plant and Equipment		33	30
Total Amortisation - Right of use assets		328	318
Total amortisation		1,841	1,842
Total depreciation and amortisation		56,984	51,298

Refer to note 5.2 and 6.2 for a more detailed breakdown of depreciation and amortisation charges.

4.4 Bad and doubtful debts

Statutory planning and building control services	185	169
City laws	350	328
Family, youth and children's services	40	27
Other	104	113
Total bad and doubtful debts	679	637
Movement in provisions for doubtful debts		
Balance at the beginning of the year	389	458
New provisions recognised during the year	54	72
Amounts already provided for and written off as uncollectible	-	(141)
Balance at end of year	443	389

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

4.5 Financing costs

Interest - Lease Liabilities	28	39
Unwinding interest effect for provisions	-	782
Total financing costs	28	821

The movement in the inflation and discount rates used to calculate the net present value (NPV) of Council's provisions resulted in a net unwinding interest income for the provisions rather than an unwinding interest expense in 2020/21. (refer to Note 3.8 (b)).

4.6 Other expenses

Grants, contributions and donations	4,633	5,587
Auditors' remuneration - external	110	90
Auditors' remuneration - internal	93	128
Councillors' allowances	429	449
Operating lease rentals	745	476
Bank charges	557	603
Assets written off	7,275	6,928
Total other expenses	13,842	14,261

The reduction in grants, contributions and donations is due to Council's COVID-19 stimulus package to assist those members of the community impacted by the pandemic in both 2019/20 and 2020/21 (for a nominally smaller amount).

Assets written off relate to the write-off of the remaining written down value of infrastructure assets which were renewed during the year.

Hume City Council
Notes to the Financial Report
For the Year Ended 30 June 2021

Note 4 The cost of delivering services (cont.)

	Note	2021	2020
		\$'000	\$'000
4.7 Reimbursement to developers for LIK/WIK projects			
Reimbursement to developers for LIK/WIK projects		4,511	3,401
		<u>4,511</u>	<u>3,401</u>

Under the Developer Contribution Plan (DCP) regime, developers can contribute Land-in-kind (LIK) or Work-in-kind (WIK) items to Council in lieu of paying the developer levies in cash. In some cases, the value of the LIK or WIK items are more than the levies the developer is obliged to pay Council. Under that situation, Council is required to reimburse the developer the difference between the total value of the LIK or WIK items and the liability of the development contribution levies owed to Council.

4.8 Impairment loss on financial assets

Impairment loss on unlisted shares at fair value - Regional Kitchen Pty Ltd	-	310
	<u>-</u>	<u>310</u>

In 2019/20, Council recognised an impairment loss of \$310k for its investment in Regional Kitchen Pty Ltd based on the recoverable amount as at 30 June 2020.

Note 5 Our financial position

5.1 Financial assets

(a) Cash and cash equivalents

Cash at bank and on hand	21,432	37,491
Money market call account	250,127	177,906
Committees of management bank accounts	79	68
Total cash and cash equivalents	<u>271,638</u>	<u>215,465</u>

(b) Other financial assets

Current

Term deposits greater than 90 days	80,284	110,478
	<u>80,284</u>	<u>110,478</u>

Total other financial assets

	<u>80,284</u>	<u>110,478</u>
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Total financial assets

	<u>351,922</u>	<u>325,943</u>
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Hume City Council
Notes to the Financial Report
For the Year Ended 30 June 2021

Note 5 Our financial position (cont.)

5.1 Financial assets (cont.)

Note	2021 \$'000	2020 \$'000
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Council's cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:

Trust funds and deposits	5.3	10,799	12,841
Total restricted funds		<u>10,799</u>	<u>12,841</u>

Total unrestricted cash and cash equivalents		<u>260,839</u>	<u>202,624</u>
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The increase in unrestricted cash and cash equivalents is due to the cash generated from the operating activities during the year. (refer to the Statement of Cash Flows)

Intended allocations

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

Cash held to fund carried forward capital works		83,549	54,841
Statutory reserves		131,364	122,757
Conditional grants unspent	3.4	29,457	17,592
Total funds subject to intended allocations		<u>244,370</u>	<u>195,190</u>

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

Notes to the Financial Report
For the Year Ended 30 June 2021

	2021	2020
	\$'000	\$'000

Note 5 Our financial position (cont.)

5.1 Financial assets (cont.)

(c) Trade and other receivables

Current

Rates debtors	20,201	17,172
Statutory fees	6,945	6,559
Other debtors	10,788	7,452
Less: provision for doubtful debts	(443)	(389)
GST receivable	3,643	2,520
	41,134	33,314

Non-current

Other debtors - Special rate scheme	80	81
	80	81

Total trade and other receivables	41,214	33,395
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Short term receivables are carried at invoice amount. A provision for doubtful debts is recognised when there is objective evidence that an impairment has occurred. Long term receivables are carried at amortised cost using the effective interest rate method.

d) Ageing of receivables

At balance date other debtors representing financial assets were past due but not impaired. The ageing of these debtors are as follows:

Between 0 and 30 days	3,267	1,903
Past due between 31 and 60 days	5,370	4,110
Past due between 61 and 90 days	144	79
Past due by more than 90 days	2,087	1,441
Total other debtors	10,868	7,533

e) Ageing of individually impaired receivables

At balance date, other debtors representing financial assets with a nominal value of \$10.87m (2019/20: \$7.53m) were partly impaired. The amount of the provision raised against these debtors was \$0.44m (2019/20: \$0.39m) based on historical observed default rates.

Notes to the Financial Report
For the Year Ended 30 June 2021

Note 5 Our financial position (cont.)

	2021	2020
	\$'000	\$'000
5.2 Non-financial assets		
(a) Other assets		
Prepayments	1,031	1,040
Bond paid to 3rd party	56	55
Accrued income	2,493	507
Total other assets	3,580	1,602

The increase in other assets is predominantly due to an accrual for a Working For Victoria Grant relating to the 2020/21 financial year.

(b) Intangible assets		
Intangible assets - landfill airspace	15,127	16,640
Total intangible assets	15,127	16,640

Gross carrying amount		
Opening balance	25,778	25,778
Closing balance	25,778	25,778

Accumulated amortisation and impairment		
Opening balance	(9,138)	(7,614)
Amortisation expense	(1,513)	(1,524)
Closing balance	(10,651)	(9,138)

Net book value	15,127	16,640
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Intangible assets of landfill airspace with finite lives are amortised as an expense on a systematic basis over the asset's useful life of 27 years. Amortisation is generally calculated on a straight-line basis, at a rate that allocates the asset value, less any estimated residual value over its estimated useful life.

5.3 Trade and other payables

(a)(i) Payables		
Trade payables	6,966	8,008
Accrued expenses	25,135	21,135
Net GST payable	129	239
Total payables	32,230	29,382

(ii) Unearned income		
Grants received in advance - operating	4,368	2,478
Grants received in advance - capital	19,002	5,329
Other	893	238
Total unearned income	24,263	8,045

The increase in unearned income in 2020/21 is primarily due to the deferral in the recognition of income for capital grants (eg Craigieburn Sports and Rec Victoria grant for the Craigieburn sports stadium redevelopment, 2020/21 Growing Suburbs funds and local road and community infrastructure (LRCI) grants) in accordance with AASB15 and AASB1058.

Total payables and unearned income	56,493	37,427
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Notes to the Financial Report
For the Year Ended 30 June 2021

Note 5 Our financial position (cont.)

5.3 Trade and other payables (cont.)	2021	2020
	\$'000	\$'000
(b) Trust funds and deposits		
Current		
Refundable deposits	1,793	1,678
Fire services levy	1,124	1,382
Total current trust funds and deposits	2,917	3,060
Non-current		
Other refundable deposits	4,931	5,655
Developer contributions - equalisation trusts	2,951	4,126
Total non-current trust funds and deposits	7,882	9,781
Total trust funds and deposits	10,799	12,841

(b) Trust funds and deposits (cont.)

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

Purpose and nature of items

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

Fire Service Levy - Council is the collection agent for fire services levy on behalf of the State Government. Council remits amounts received on a quarterly basis. Amounts disclosed here will be remitted to the state government in line with that process.

Developer contributions - equalisation trusts - A land owner who subdivides land within a Precinct Structure Plan (PSP) must make a contribution to Council for public open space in accordance with Clause 52.01 of the Hume Planning Scheme. This is calculated as a percentage of the land that will be used for commercial or residential purposes (the developable land). Where open space is being provided on one property in excess of the percentage required, the developer is considered to have overprovided open space. Where open space is not provided or open space is provided below the percentage amount the developer is considered to have underprovided. Under providers are required to pay a levy which is calculated based on the value of their land. Council collects the levy and reimburses the money collected to developers who have overprovided.

Notes to the Financial Report
For the Year Ended 30 June 2021

Note 5 Our financial position (cont.)

5.4 Provisions

	Employee benefits				
	Annual leave	Long service leave	Other employee benefits	Landfill rehabilitation and after care	Total
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
2021					
Balance at beginning of the financial year	9,059	22,109	258	33,078	64,505
Additional provisions	8,712	3,083	-	-	11,795
Amounts used	(7,036)	(1,416)	(51)	(215)	(8,718)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(9)	(1,060)	-	72	(997)
Balance at end of the financial year	10,726	22,716	207	32,935	66,584
2020					
Balance at beginning of the financial year	8,406	20,898	245	33,138	62,687
Additional provisions	7,635	2,535	26	-	10,196
Amounts used	(6,979)	(1,951)	(13)	(217)	(9,160)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(3)	627	-	157	781
Balance at end of the financial year	9,059	22,109	258	33,078	64,504

(a) Employee benefits	2021	2020
	\$'000	\$'000
Current provisions expected to be wholly settled within 12 months		
Annual leave	9,401	7,936
Long service leave	1,869	1,728
Other	207	258
Total	11,477	9,922
Current provisions expected to be wholly settled after 12 months		
Annual leave	1,325	1,123
Long service leave	18,288	17,879
Total	19,613	19,002
Non-current		
Long service leave	2,559	2,502
Total	2,559	2,502
Aggregate carrying amount of employee benefits:		
Current	31,090	28,924
Non-current	2,559	2,502
Total aggregate carrying amount of employee provisions	33,649	31,426

Notes to the Financial Report
For the Year Ended 30 June 2021

Note 5 Our financial position (cont.)

5.4 Provisions (cont.)

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

Wages and salaries and annual leave

Liabilities for wages and salaries, including annual leave and accrued rostered days off (RDO) expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee services up to the reporting date, classified as current liabilities and measured at their nominal values.

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

Long service leave

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

<i>Key assumptions:</i>	2021	2020
- discount rate	0.88%	0.57%
- inflation rate	2.95%	3.50%
- settlement rate LSL	10.00%	10.00%

(b) Landfill restoration

	2021	2020
	\$'000	\$'000
Current	2,625	3,580
Non-current	30,310	29,498
	32,935	33,078

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

<i>Key assumptions:</i>	2021	2020
- discount rate	1.52%	0.92%
- inflation rate	1.60%	1.20%

Total provisions

Current	33,715	32,504
Non-current	32,869	32,000
Total	66,584	64,504

Notes to the Financial Report
For the Year Ended 30 June 2021

Note 5 Our financial position (cont.)

	2021 \$'000	2020 \$'000
5.5 Financing arrangements		
Credit card facility	400	400
Less: used facilities	(333)	(104)
Unused facilities	<u>67</u>	<u>296</u>

5.6 Commitments

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

Operating

Waste collection	1,669	3,439
Total operating commitments	<u>1,669</u>	<u>3,439</u>

The decrease in the waste collection relates to there being approximately only one year remaining in these contracts and new contracts have not yet been entered into.

Not later than 1 year	1,669	2,542
Later than 1 year and not later than 2 years	-	897
Total operating commitments	<u>1,669</u>	<u>3,439</u>

Capital

Buildings	9,918	21,463
Road construction and development	7,924	6,037
Fleet	641	324
Other	12,283	7,742
Total capital commitments	<u>30,766</u>	<u>35,566</u>

The decrease in the capital commitments relates to:

- Buildings: primarily relates to the construction of the Merrifield North Community Centre and Kalkallo Community Centre due to expenditure incurred in 2020/21.

Offsetting the decrease are increases in:

- Road construction and development: primarily relates to the construction of carpark, access road and services at Seabrook Reserve, Broadmeadows and road rehabilitation and widening at Wildwood Road South, Wildwood; and
- Other projects: primarily relates to Mount Aitken Recreation Reserve - civil and landscape works.

Not later than 1 year	28,393	25,844
Later than 1 year and not later than 2 years	1,081	8,132
Later than 2 years and not later than 5 years	1,292	1,590
Total capital commitments	<u>30,766</u>	<u>35,566</u>

Total commitments	<u>32,435</u>	<u>39,005</u>
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5.7 Leases

At inception of a contract, all entities would assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To identify whether a contract conveys the right to control the use of an identified asset, it is necessary to assess whether:

- The contract involves the use of an identified asset;
- The customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The customer has the right to direct the use of the asset.

**Notes to the Financial Report
For the Year Ended 30 June 2021**

Note 5 Our financial position (cont.)
5.7 Leases (cont.)

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

As a lessee, Council recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date less any lease incentives received; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, an appropriate incremental borrowing rate. Generally, Council uses an appropriate incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that Council is reasonably certain to exercise, lease payments in an optional renewal period if Council is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless Council is reasonably certain not to terminate early.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

**Right-of-Use Assets
2021**

	Property	Plant and Equipment	Total
	\$'000	\$'000	\$'000
Balance at 1 July 2020	676	94	770
Additions	80	15	95
Amortisation charge	(295)	(33)	(328)
Balance at 30 June 2021	461	76	537

2020

	Property	Plant and Equipment	Total
	\$'000	\$'000	\$'000
Balance at 1 July 2019	956	89	1,045
Additions	8	35	43
Amortisation charge	(288)	(30)	(318)
Balance at 30 June 2020	676	94	770

Lease Liabilities

	2021	2020
Maturity analysis - contractual undiscounted cash flows	\$'000	\$'000
Less than one year	215	347
One to five years	261	353
More than five years	167	193
Total undiscounted lease liabilities as at 30 June:	643	893

Lease liabilities included in the Balance Sheet at 30 June:

Current	196	320
Non-current	359	464
Total lease liabilities	555	784

Notes to the Financial Report
For the Year Ended 30 June 2021

Note 5 Our financial position (cont.)

5.7 Leases (cont.)

Short-term and low value leases

Council has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets (individual assets worth less than existing capitalisation thresholds for a like asset up to a maximum of AUD\$1,000), including IT equipment. Council recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

	2021	2020
Expenses relating to:	\$'000	\$'000
Short-term leases	745	476
Total	745	476

5.8	2021	2020
Development fee obligation	\$'000	\$'000

Current

Opening balance	-	12
Unwinding of developer fee obligation	-	(12)
Total development fee obligation	-	-

In December 2011, Council entered into an agreement with Frasers Property Australia (Frasers) for the development of 50.1 ha of land at 275 Racecourse Road, Sunbury. The agreement was conditional upon obtaining rezoning and planning approval. These were obtained in March 2015, making the agreement unconditional. The nature of the agreement required Frasers to pay to council \$24.6m upfront giving rise to an obligation for Council to grant a non-exclusive licence over the site to Frasers to develop it.

Council treated the upfront payment received from Frasers of \$24.6m as a non-current liability (developer fee obligation). Assets were transferred from non-current to current assets held for sale and the corresponding portion of the developer fee obligation liability was transferred from a non-current to a current liability based on the expected timing of the settlement. The outstanding developer fee obligation liability will be recognised in the Income Statement progressively as Council fulfils its obligation when the lots are settled - this effect is referred to as the unwinding of the development fee obligation.

The last lot was sold in 2019/20.

Note 6 Assets we manage

6.1 Non-current assets classified as held for sale

Current

Balance at beginning of the financial year	2,778	10
Transfer from non-current assets held for sale	-	2,778
Transfer from property, plant, equipment and infrastructure	52	-
Disposals	(1,888)	(10)
Total current	942	2,778
Total non-current assets classified as held for sale	942	2,778

Non-current assets classified as held for sale are measured at the lower of its carrying amount and fair value less costs of disposal, and are not subject to depreciation. Non-current assets, disposal groups and related liabilities and assets are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset's sale is expected to be completed within 12 months from the date of classification.

Notes to the Financial Report
For the Year Ended 30 June 2021

Note 6 Assets we manage (cont.)

6.2 Property, plant, equipment and infrastructure

Summary of property, plant, equipment and infrastructure

	At fair value 30 June 2020	Additions	Contributions	Revaluation	Depreciation	Disposal	Assets written off	Transfers	Capital works WIP expensed	At fair value 30 June 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	1,815,759	-	66,621	37,140	(6,641)	-	(2,068)	20,728	-	1,931,539
Buildings	355,147	17	335	242	(7,280)	-	(160)	3,841	-	353,142
Plant and equipment	30,870	874	-	-	(7,387)	(940)	(135)	8,893	-	32,175
Infrastructure	1,639,823	183	41,830	55,820	(33,835)	-	(4,912)	21,773	-	1,720,682
Work in progress	22,247	78,279	-	-	-	-	-	(42,111)	(5,799)	52,616
	3,864,846	79,353	108,786	93,202	(55,143)	(940)	(7,275)	13,124	(5,799)	4,090,154

Summary of work in progress

	Opening WIP 2020	Additions	Transfers	Capital works WIP expensed	Closing WIP 2021
	\$'000	\$'000	\$'000	\$'000	\$'000
Land	-	5,408	-	-	5,408
Land improvements	5,361	11,470	9,849	2,051	4,931
Buildings	8,798	22,667	3,364	493	27,608
Plant and equipment	1,901	9,923	8,970	795	2,059
Infrastructure	6,187	28,811	19,928	2,460	12,610
Total	22,247	78,279	42,111	5,799	52,616

Notes to the Financial Report
For the Year Ended 30 June 2021

Note 6 Assets we manage (cont.)

6.2 Property, plant, equipment and infrastructure (cont.)

Property	Land - specialised \$'000	Land - non specialised \$'000	Land improvements \$'000	Total Land \$'000	Buildings - specialised \$'000	Total Buildings \$'000	Work in Progress \$'000	Total Property \$'000
At fair value 1 July 2020	1,546,924	157,065	168,842	1,872,831	359,177	359,177	14,159	2,246,167
Accumulated depreciation at 1 July 2020	-	-	(57,071)	(57,071)	(3,030)	(3,030)	-	(60,101)
	1,546,924	157,065	111,771	1,815,760	356,147	356,147	14,159	2,186,066
Movements in fair value								
Additions	-	-	-	-	17	17	39,545	39,562
Contributions	63,057	-	3,564	66,621	335	335	-	66,956
Revaluation	27,051	1,131	13,217	41,399	(6,490)	(6,490)	-	34,909
Fair value of assets written off	-	-	(4,020)	(4,020)	(160)	(160)	-	(4,180)
Capital works WIP expensed	-	-	-	-	-	-	(2,544)	(2,544)
Transfers	8,712	4,464	7,560	20,736	3,830	3,830	(13,213)	11,353
	98,820	5,595	20,321	124,736	(2,468)	(2,468)	23,788	146,056
Movements in accumulated depreciation								
Depreciation and amortisation	-	-	(6,641)	(6,641)	(7,280)	(7,280)	-	(13,921)
Accumulated depreciation of assets written off	-	-	1,952	1,952	-	-	-	1,952
Revaluation (increments)/decrements	-	-	(4,259)	(4,259)	6,732	6,732	-	2,473
Transfers	-	-	(8)	(8)	11	11	-	3
	-	-	(8,956)	(8,956)	(537)	(537)	-	(9,493)
At fair value 30 June 2021	1,645,744	162,660	189,163	1,997,567	356,709	356,709	37,947	2,392,223
Accumulated depreciation at 30 June 2021	-	-	(66,027)	(66,027)	(3,567)	(3,567)	-	(69,594)
	1,645,744	162,660	123,136	1,931,540	353,142	353,142	37,947	2,322,629

Notes to the Financial Report
For the Year Ended 30 June 2021

Note 6 Assets we manage (cont.)

Note 6.2 Property, infrastructure, plant and equipment (cont'd)

Plant and Equipment	Heritage \$'000	Plant and equipment \$'000	Furniture and equipment \$'000	Work In Progress \$'000	Total plant and equipment \$'000
At fair value 1 July 2020	689	30,269	25,385	1,901	58,244
Accumulated depreciation at 1 July 2020	-	(13,039)	(12,434)	-	(25,473)
	689	17,230	12,951	1,901	32,771
Movements in fair value					
Additions		192	682	9,923	10,797
Disposals		(3,205)	-	-	(3,205)
Assets written off	-	-	(3,645)	-	(3,645)
Capital works WIP expensed	-	-	-	(795)	(795)
Transfers	214	4,567	4,112	(8,970)	(77)
	214	1,554	1,149	158	3,075
Movements in accumulated depreciation					
Depreciation and amortisation	-	(3,481)	(3,906)	-	(7,387)
Accumulated depreciation of disposals	-	2,265	-	-	2,265
Accumulated depreciation of assets written off	-	-	3,510	-	3,510
	-	(1,216)	(396)	-	(1,612)
At fair value 30 June 2021	903	31,823	26,534	2,059	61,319
Accumulated depreciation at 30 June 2021	-	(14,255)	(12,830)	-	(27,085)
	903	17,568	13,704	2,059	34,234

Notes to the Financial Report
For the Year Ended 30 June 2021

Note 6 Assets we manage (cont.)

Note 6.2 Property, infrastructure, plant and equipment (cont'd)

Infrastructure	Roads \$'000	Bridges \$'000	Footpaths and cycleways \$'000	Car Parks \$'000	Drainage \$'000	Work In Progress \$'000	Total Infrastructure \$'000
At fair value 1 July 2020	1,138,578	93,422	215,281	27,313	652,344	6,187	2,133,125
Accumulated depreciation at 1 July 2020	(249,538)	(25,611)	(53,642)	(4,455)	(153,869)	-	(487,115)
	889,040	67,811	161,639	22,858	498,475	6,187	1,646,010
Movements in fair value							
Additions	86	-	70	-	27	28,811	28,994
Contributions	24,066	150	3,996	23	13,595	-	41,830
Revaluation	54,554	2,929	(12,587)	2,528	21,114	-	68,538
Fair value of assets written off	(5,681)	-	(1,858)	(243)	(510)	-	(8,292)
Capital works WIP expensed	-	-	-	-	-	(2,460)	(2,460)
Transfers	13,822	158	4,998	907	1,880	(19,928)	1,837
	86,847	3,237	(5,381)	3,215	36,106	6,423	130,447
Movements in accumulated depreciation							
Depreciation and amortisation	(22,671)	(985)	(2,819)	(395)	(6,965)	-	(33,835)
Accumulated depreciation of assets written off	2,540	-	652	40	148	-	3,380
Revaluation (increments)/decrements	(9,168)	(631)	2,967	(713)	(5,173)	-	(12,718)
Transfers	-	-	8	-	-	-	8
	(29,299)	(1,616)	808	(1,068)	(11,990)	-	(43,165)
At fair value 30 June 2021	1,225,425	96,659	209,900	30,528	688,450	12,610	2,263,572
Accumulated depreciation at 30 June 2021	(278,837)	(27,227)	(52,834)	(5,523)	(165,859)	-	(530,280)
	946,588	69,432	157,066	25,005	522,591	12,610	1,733,292

Notes to the Financial Report
For the Year Ended 30 June 2021

Note 6 Assets we manage (cont.)

Note 6.2 Property, plant, equipment and infrastructure (cont'd)

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the amount for which the asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

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

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

Asset recognition thresholds and depreciation periods

	Depreciation Period	Threshold Limit \$
Property		
Land		
land	-	100
land under roads	-	100
land improvements	15 - 50 years	5,000
Buildings		
buildings	20 - 50 years	10,000
Plant and Equipment		
Plant and machinery	1 - 25 years	1,000
Furniture and equipment	1 - 10 years	1,000
Heritage Assets		
Heritage and culture	-	1,000
Infrastructure		
Roads		
road surface	12 - 75 years	1,000
road pavements (sealed)	75 years	1,000
road pavements (unsealed)	1,000 years	1,000
formation (earthworks)	-	1,000
roadside assets	5 - 75 years	1,000
Bridges	50 - 100 years	1,000
Footpaths and cycleways	50 - 75 years	1,000
Kerb and channel	60 years	1,000
Car parks		
surface	12 - 75 years	1,000
pavements (sealed)	75 years	1,000
pavements (unsealed)	1,000 years	1,000
formation (earthworks)	-	1,000
Drainage assets (pits, pipes and WSUD)	30 - 100 years	1,000

Land under roads

Council recognises land under roads it controls at fair value acquired on, or after, 1 July 2008.

Depreciation and amortisation

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

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

Road earthworks are not depreciated on the basis that they are assessed as not having a limited useful life.

Straight line depreciation is charged based on the residual useful life as determined each year.

Depreciation periods used are listed previously and are consistent with the prior year unless otherwise stated.

Notes to the Financial Report
For the Year Ended 30 June 2021

Note 6 Assets we manage (cont.)

Note 6.2 Property, plant, equipment and infrastructure (cont'd)

Repairs and maintenance

Routine maintenance, repair costs and minor renewal costs are expensed as incurred. Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is reflected in the carrying value of the asset.

Valuation of land and buildings

Valuation of land and buildings were undertaken by a qualified in-house Senior Valuer, Mr Bill Katsianis AAPI, Certified Practising Valuer, Australian Property Institute Member No: 62961. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

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

The date of the current valuation is detailed in the following table. A revaluation was conducted in the current year for land and buildings.

Details of the Council's information about the fair value hierarchy as at 30 June 2021 are as follows:

Asset Class	Level 1 \$ '000	Level 2 \$ '000	Level 3 \$ '000	Total \$ '000	DoV
Land and Buildings					
Land - non specialised	-	105,692	56,968	162,660	Jan-21
Land - specialised	-	3,420	1,642,324	1,645,744	Jan-21
Buildings - specialised	-	-	353,142	353,142	Jan-21
Total	-	109,112	2,052,434	2,161,546	

Valuation of infrastructure and Land Improvement Assets

Valuation of infrastructure assets has been determined in accordance with a valuation undertaken by Mr. David Fricke, a Professional Engineer (Bachelor of Engineering, Civil) & MBA, Manager Assets.

The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation. Economic obsolescence and the asset's condition has also been factored into the calculation. Infrastructure assets contain significant unobservable adjustments, therefore these assets are classified as Level 3.

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2021 are as follows:

Notes to the Financial Report
For the Year Ended 30 June 2021

Note 6 Assets we manage (cont.)

Note 6.2 Property, plant, equipment and infrastructure (cont'd)

Asset Class	Level 1 \$ '000	Level 2 \$ '000	Level 3 \$ '000	Total \$ '000	DoV
Land Improvement	-	-	123,136	123,136	Jan-21
Infrastructure					
Roads	-	-	946,588	946,588	Jan-21
Bridges	-	-	69,432	69,432	Jan-21
Footpaths and cycleways	-	-	157,066	157,066	Jan-21
Car parks	-	-	25,005	25,005	Jan-21
Drainage works	-	-	522,591	522,591	Jan-21
Total Infrastructure	-	-	1,720,682	1,720,682	

Description of significant unobservable inputs into level 3 valuations

	2021 \$'000	2020 \$'000
<p>Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 0% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$1.50 and \$1,625 per square metre.</p>	1,645,744	1,546,924
<p>Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs is calculated on a square metre basis and ranges from \$75 to \$16,000 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 1 year to 50 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.</p>	353,142	356,147
<p>Land improvement assets are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of land improvement assets are determined on the basis of the current condition of the asset and vary from 15 years to 50 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of land improvement asset are sensitive to changes in use, expectations or requirements that could either shorten or extend their useful lives. Prior to 2019/20, Council recorded land improvement assets at cost. In 2019/20, Council conducted a condition audit for all land improvement assets. In addition, all land improvement assets have been revalued based on the current depreciated replacement cost. From 2019/20 onwards, Council will use the fair value method to value land improvement assets.</p>	123,136	111,771
<p>Infrastructure assets are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 1 year to 1,000 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.</p>	1,720,682	1,639,824
Reconciliation of specialised land		
Land under roads	367,924	339,187
Parks and reserves	1,277,820	1,207,736
Total specialised land	1,645,744	1,546,924

Notes to the Financial Report
For the Year Ended 30 June 2021

Note 6 Assets we manage (cont.)

	2021	2020
	\$'000	\$'000
6.3 Investment property		
Land		
Balance at beginning of the financial year	37,185	34,843
Transfers from land into investment property	1,683	-
Transfers from investment property into land	(14,845)	-
Fair value adjustments	1,367	2,342
Balance at end of the financial year	<u>25,390</u>	<u>37,185</u>
Buildings		
Balance at beginning of the financial year	9,437	10,723
Transfers from buildings into investment property	1,099	-
Transfers from investment property to buildings	(1,110)	(1,915)
Fair value adjustments	9	629
Balance at end of the financial year	<u>9,435</u>	<u>9,437</u>
Total investment property at end of the financial year	<u>34,825</u>	<u>46,622</u>

Investment property is held to generate long-term rental yields. Investment property is measured initially at cost, including transaction costs. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefit in excess of the originally assessed performance of the asset will flow to the Council. Subsequent to initial recognition at cost, investment property is carried at fair value, determined annually by Council's valuers. Changes to fair value are recorded in the comprehensive income statement in the period that they arise.

In 2020/21, Council has reviewed its investment property and has transferred a number of parcels of land which are unlikely to be developed or sold, from investment property to property, plant, equipment and infrastructure.

Valuation of investment property

Valuation of investment property has been determined by a qualified in-house Senior Valuer, Mr Bill Katsianis AAPI, Certified Practising Valuer, Australian Property Institute Member No: 62961, who has significant experience in the location and category of the property being valued. The valuation is at fair value, based on the current market value for the property.

Notes to the Financial Report For the Year Ended 30 June 2021		2021 No.	2020 No.
Note 7 People and relationships			
7.1 Council and key management remuneration			
(a) Related parties			
During the 2020/21 financial year there were no entities that were either controlled, jointly controlled or which Council had a significant influence over (2019/20 nil).			
(b) Key management personnel			
Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are:			
Councillors			
Councillor Trevor Dance	11/11/2020 to 30/6/2021		
Councillor Jarrod Bell	12/11/2020 to 30/6/2021		
Councillor Chris Hollow	12/11/2020 to 30/6/2021		
Councillor Sam Misho	12/11/2020 to 30/6/2021		
Councillor Jim Overend	12/11/2020 to 30/6/2021		
Councillor Carly Moore	Mayor 1/7/2020 to 24/10/2020		
Councillor Joseph Haweil	Mayor 12/11/2020 to Current		
Councillor Jodi Jackson			
Councillor Naim Kurt			
Councillor Jack Medcraft			
Councillor Karen Sherry			
Councillor Leigh Johnson	1/7/2020 to 24/10/2021		
Councillor Geoff Porter	1/7/2020 to 24/10/2021		
Councillor Ann Potter	1/7/2020 to 24/10/2021		
Councillor Jana Taylor	1/7/2020 to 24/10/2021		
Councillor Drew Jessop	1/7/2020 to 24/10/2021		
Chief Executive Officer			
Director - Communications, Engagement and Advocacy			
Director - Planning and Development			
Director - Corporate Services			
Director - Sustainable Infrastructure and Services			
Director - Community Services			
Total number of councillors		16	11
Chief executive officer and other key management personnel		7	9
Total key management personnel		23	20
(c) Remuneration of key management personnel		\$'000	\$'000
Total remuneration of key management personnel was as follows:			
Short-term benefits		2,071	2,040
Post employment benefit		144	144
Other long-term benefits		40	40
Total remuneration		2,255	2,224
Where a senior officer has temporarily acted in a Key Management Personnel (KMP) position which was not vacant during the financial year, their remuneration has been included in the senior officer remuneration and therefore is not reported above.			
The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:			
		2021 No.	2020 No.
\$0 - \$9,999		5	-
\$10,000 - \$19,999		-	1
\$20,000 - \$29,999		6	1
\$30,000 - \$39,999		3	10
\$50,000 - \$59,999		1	-
\$70,000 - \$79,999		1	-
\$80,000 - \$89,999		1	-
\$90,000 - \$99,999		-	1
\$100,000 - \$109,999		-	1
\$140,000 - \$149,999		-	1
\$260,000 - \$269,999		1	1
\$270,000 - \$279,999		1	1
\$280,000 - \$289,999		1	1
\$290,000 - \$299,999		1	1
\$300,000 - \$309,999		1	-
\$320,000 - \$329,999		1	-
\$390,000 - \$399,999		-	1
		23	20

Notes to the Financial Report
For the Year Ended 30 June 2021

Note 7 People and relationships (cont.)

(d) Senior officer remuneration

A Senior officer is an officer of Council, other than KMP, who:
a) has management responsibilities and reports directly to the Chief Executive;
or
b) whose total annual remuneration exceeds \$151,000.
The number of senior officers are shown below in their relevant income bands:

Income Range:

	2021	2020
	No.	No.
Less than \$151,000	8	5
\$151,000 - \$159,999	17	14
\$160,000 - \$169,999	20	7
\$170,000 - \$179,999	7	4
\$180,000 - \$189,999	6	7
\$190,000 - \$199,999	2	3
\$200,000 - \$209,999	3	2
\$210,000 - \$219,999	4	2
\$220,000 - \$229,999	-	1
\$230,000 - \$239,999	1	-
\$240,000 - \$249,999	-	-
\$250,000 - \$259,999	1	-
\$260,000 - \$269,999	-	2
\$270,000 - \$279,999	1	-
	70	47
	\$'000	\$'000

Total Remuneration for the reporting year for Senior Officers included above, amounted to: **11,616** **8,096**

Senior officers who have acted as a KMP during a permanent vacancy have been disclosed in both KMP and senior officer sections.

Included in the annual remuneration package is superannuation, the movement in annual and long service leave entitlements, termination payments and non-monetary benefits provided.

The increase in the number of senior officers and the total remuneration in 2020/21 is primarily due to:

- the remuneration reporting threshold of \$151,000 remaining at the same level as 2019/20 and therefore EBA and banding increases have resulted in a number of additional officers reaching the threshold in 2020/21;
- fewer officers taking leave in 2020/21 due to COVID lockdowns and consequently the total remuneration of those officers has increased by the movement in the annual and long service leave provision. As a result, more officers have reached the remuneration reporting threshold in 2020/21; and
- staff turnover has resulted in multiple officers reported against the same role within the 2020/21 financial year.

7.2 Related party disclosure

(a) Transactions with related parties

There were no known significant transactions with related parties at the end of the reporting period (2019/20, nil).

(b) Outstanding balances with related parties

There were no known significant outstanding balances at the end of the reporting period in relation to transactions with related parties (2019/20, nil).

(c) Loans to/from related parties

No loans have been made, guaranteed or secured by the Council to related parties during the reporting year (2019/20, nil).

(d) Commitments to / from related parties

There were no known commitments to / from related parties during the reporting year (2019/20, nil).

Notes to the Financial Report
For the Year Ended 30 June 2021

	2021 \$'000	2020 \$'000
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Note 8 Managing uncertainties

8.1 Contingent assets and liabilities

(a) Contingent assets

Developer contributed assets

Developer contributions to be received in respect of estates currently under development total \$86m (2019/20, \$79m).

Operating lease receivables

The Council has entered into commercial property leases on its investment property, consisting of surplus freehold office complexes. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 5 years. All leases include a CPI based revision of the rental charge annually.

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

Not later than 1 year	1,598	1,670
Later than 1 year and not later than 5 years	3,572	4,441
Later than 5 years	533	1,316
Total operating lease commitments	5,703	7,427

(b) Contingent liabilities

Legal matters

Council is presently involved in some confidential legal matters, which are being conducted through Council's solicitors.

As these matters are yet to be finalised, and the financial outcomes are unable to be reliably estimated, no allowance for these contingencies has been made in the financial report.

As at 30 June 2021, current public liability claims excess which are considered to have a financial exposure for Council was \$160k (2019/20, \$360k).

Superannuation

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

Liability Mutual Insurance

Council is a participant of the MAV Liability Mutual Insurance (LMI) Scheme. The LMI Scheme provides public liability and professional indemnity cover to participant Councils. The LMI Scheme states that each participant may be liable to make further contributions to the scheme in respect of any insurance year in which Council was a participant, to the extent of its participant share of any shortfall in the provision set aside in respect of that insurance year. Such liability may exist whether or not the Council remains a participant in the LMI Scheme in subsequent years.

Guarantees for loans to other entities

As at 30 June 2021, Council does not have any guarantees for loans to other entities (2019/20 nil).

Financial guarantee contracts are not recognised as a liability in the balance sheet unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probable that the right will be exercised.

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

8.2 Change in accounting standards

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2021 reporting period. Council assesses the impact of these new standards. As at 30 June 2021 there were no new accounting standards or interpretations issued by the AASB which are applicable for the year ending 30 June 2022 that are expected to impact Council.

**Notes to the Financial Report
For the Year Ended 30 June 2021**

8.3 Financial instruments

(a) Objectives and policies

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

(b) Market risk

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

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

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

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

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

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

(c) Credit risk

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

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

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

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

**Notes to the Financial Report
For the Year Ended 30 June 2021**

Note 8 Managing uncertainties (cont.)

8.3 Financial instruments (cont.)

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

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

(d) Liquidity risk

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

To help reduce these risks Council:

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

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

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

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

(e) Sensitivity disclosure analysis

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

- A parallel shift of +0.10% in market interest rates (AUD) from year-end rates of 0.10%.

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

8.4 Fair value measurement

Fair value hierarchy

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

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

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

Notes to the Financial Report
For the Year Ended 30 June 2021

Note 8 Managing uncertainties (cont.)

8.4 Fair value measurement (cont.)

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

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

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

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

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

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

Revaluation

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 1 to 5 years. The valuation is performed either by experienced council officers or independent experts.

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

Impairment of assets

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

8.5 Events occurring after balance date

At the time of preparing these financial statements and as a result of the COVID-19 pandemic, Victoria is in the midst of a stage 6 lockdown which was scheduled to end at 11.59pm on 2 September 2021 but has been extended beyond this date. This has forced the continued shutdown of some services and facilities including leisure centres and community facilities.

Notes to the Financial Report
For the Year Ended 30 June 2021

Note 9 Other matters

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
9.1 Reserves			
(a) Asset revaluation reserves			
2021			
Property			
Land	943,251	17,811	961,062
Land improvements	40,762	8,958	49,720
Buildings	89,262	242	89,504
Land under roads	107,868	10,371	118,239
	<u>1,181,143</u>	<u>37,382</u>	<u>1,218,525</u>
Plant and equipment			
Plant and equipment	285	-	285
	<u>285</u>	<u>-</u>	<u>285</u>
Infrastructure			
Roads	401,453	45,386	446,839
Bridges	28,386	2,298	30,684
Footpaths and cycleways	84,031	(9,620)	74,411
Car parks	14,602	1,815	16,417
Drainage	221,948	15,941	237,889
	<u>750,420</u>	<u>55,820</u>	<u>806,240</u>
Investment property			
Land	33,297	-	33,297
Buildings	328	-	328
	<u>33,625</u>	<u>-</u>	<u>33,625</u>
Total asset revaluation reserves	<u>1,965,473</u>	<u>93,202</u>	<u>2,058,675</u>
2020			
Property			
Land	933,551	9,700	943,251
Land improvements	-	40,762	40,762
Buildings	71,643	17,619	89,262
Land under roads	109,378	(1,510)	107,868
	<u>1,114,572</u>	<u>66,571</u>	<u>1,181,143</u>
Plant and equipment			
Plant and equipment	285	-	285
	<u>285</u>	<u>-</u>	<u>285</u>
Infrastructure			
Roads	330,922	70,531	401,453
Bridges	26,068	2,318	28,386
Footpaths and cycleways	79,760	4,271	84,031
Car parks	4,287	10,315	14,602
Drainage	175,682	46,266	221,948
	<u>616,719</u>	<u>133,701</u>	<u>750,420</u>
Investment property			
Land	33,297	-	33,297
Buildings	328	-	328
	<u>33,625</u>	<u>-</u>	<u>33,625</u>
Total asset revaluation reserves	<u>1,765,201</u>	<u>200,272</u>	<u>1,965,473</u>

Land improvements were previously valued at cost and were revalued for the first time in 2020.

Notes to the Financial Report
For the Year Ended 30 June 2021

Note 9 Other matters (cont.)

9.1 Reserves (cont.)

	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
	\$'000	\$'000	\$'000	\$'000
(b) Other reserves				
2021				
Recreation land	7,074	2,946	(6,238)	3,782
Development levies	115,183	16,798	(4,900)	127,081
Conditional grants	17,592	23,050	(11,185)	29,457
Reserve - landfills	500	-	-	500
Investment reserve	15,930	3,468	-	19,398
Total other reserves	156,279	46,262	(22,323)	180,218
2020				
Recreation land	6,053	2,594	(1,573)	7,074
Development levies	115,281	9,675	(9,773)	115,183
Conditional grants	12,115	9,824	(4,347)	17,592
Reserve - landfills	500	-	-	500
Investment reserve	9,596	24,624	(18,290)	15,930
Total other reserves	143,545	46,717	(33,983)	156,279

The recreation land and development levies reserves are restricted reserves whereby funds are required to be spent on specific projects in accordance with the monies received.

The conditional grants reserve represents grants received but were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date.

The reserve - landfills has been mandated by the Environmental Protection Agency (EPA) for funds to be set aside in the event of a landfill emergency.

The investment reserve relates to money Council has set aside to fund future investment activities.

**Notes to the Financial Report
For the Year Ended 30 June 2021**

Note 9 Other matters (cont.)

	2021 \$'000	2020 \$'000
9.2 Reconciliation of cash flows from operating activities to surplus		
Surplus for the year	133,628	194,699
Depreciation and amortisation	56,984	51,298
Gain on disposal of property, plant, equipment and infrastructure	(5,479)	(80)
Net gain on property development	-	(26)
Contributions - non-monetary assets	(108,786)	(162,141)
Asset written off	7,275	6,928
Fair value adjustments for investment property	(1,376)	(2,971)
Financing costs	28	39
Impairment loss to financial assets	-	310
<i>Change in assets and liabilities:</i>		
Increase in rates debtors	(3,028)	(2,220)
Increase in other debtors	(4,845)	(4,682)
Increase/(decrease) in provision for doubtful debts	54	(69)
(Increase)/decrease in other assets	(1,978)	1,896
Increase/(decrease) in trade and other payables	(1,927)	3,727
Increase in unearned income	16,219	6,159
Increase/(decrease) in trust funds and deposits	(2,042)	3,217
Increase in provisions	2,080	1,817
Net cash provided by operating activities	86,807	97,901

9.3 Superannuation

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

Accumulation

Council makes both employer and employee contributions to The Fund's accumulation category, Vision MySuper/Vision Super Saver, on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2021, this was 9.5% as required under Superannuation Guarantee (SG) legislation).

Defined Benefit

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

Notes to the Financial Report
For the Year Ended 30 June 2021

Note 9 Other matters (cont.)

9.3 Superannuation (cont.)

There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Hume City Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119 Employee Benefits.

Funding arrangements

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary.

A triennial actuarial review for the Defined Benefit category as at 30 June 2020 was conducted and completed by the due date of 31 December 2020. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 104.6%. The financial assumptions used to calculate the VBI were:

Net investment returns	5.6% p.a.
Salary information	2.5% p.a for two years and 2.75% pa thereafter.
Price inflation (CPI)	2.0% p.a.

As at 30 June 2021, an interim actuarial investigation is underway as the Fund provides lifetime pensions in the Defined Benefit category.

Vision Super has advised that the estimated VBI at 30 June 2021 was 109.7%.

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2020 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Notes to the Financial Report
For the Year Ended 30 June 2021

Note 9 Other matters (cont.)

9.3 Superannuation (cont.)

Employer contributions

Regular contributions

On the basis of the results of the 2020 triennial actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2021, this rate was 9.5% of members' salaries (9.5% in 2019/2020). This rate is expected to increase in line with any increases in the SG contribution rate and was reviewed as part of the 30 June 2020 triennial valuation.

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

Funding calls

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

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

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

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

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

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

The 2020 triennial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which Council is a contributing employer. Generally, a full actuarial investigation is conducted every three years and interim actuarial investigations are conducted for each intervening year. A full investigation was conducted as at 30 June 2020.

Notes to the Financial Report
For the Year Ended 30 June 2021

Note 9 Other matters (cont.)

9.3 Superannuation (cont.)

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

	2020	2019
	(Triennial)	(Interim)
	\$m	\$m
- A VBI Surplus	100	151.3
- A total service liability surplus	200	233.4
- A discounted accrued benefits surplus	217.8	256.7

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2020.

The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2020.

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2020.

Council was notified of the 30 June 2021 VBI during August 2021 (2020: August 2020).

The 2021 interim actuarial investigation

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2021 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2021.

Superannuation contributions

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2021 are detailed below:

Contributions by Hume City Council (excluding any unfunded liability payments) to the following superannuation plans for the financial year ended 30 June 2020 are detailed below:

Scheme	Type of scheme	Rate	2021 \$'000	2020 \$'000
Vision Super	Defined benefits	9.50%	\$ 409	\$ 464
Vision Super	Accumulation	9.50%	\$ 5,512	\$ 5,292
Other - choice of funds	Accumulation	9.50%	\$ 3,842	\$ 3,311

There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2021.

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2022 is \$0.5 million.

Notes to the Financial Report For
the Year Ended 30 June 2021

Note 10 Change in accounting policy

AASB 1059 Service Concession Arrangements: Grantors (AASB 1059) (applies 2020/21 for LG Sector)

Council has adopted AASB 1059 Service Concession Arrangements: Grantors, from 1 July 2020. Based on the Council's current assessment, there is expected to be no impact on the transactions and balances recognised in the financial statements as Council is not a grantor in a service concession arrangement.

AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material (applies 2020/21 for LG Sector)

Council has adopted AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material, from 1 July 2020. The Standard principally amends AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. The amendments refine the definition of material in AASB 101. The amendments clarify the definition of material and its application by improving the wording and aligning the definition across AASB Standards and other publications.

AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework (applies 2020/21 for LG Sector)

Council has adopted AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework from 1 July 2020. This Standard sets out amendments to Australian Accounting Standards, Interpretations and other pronouncements to reflect the issuance of the Conceptual Framework for Financial Reporting (Conceptual Framework) by the AASB.

It is not expected that these standards will have any significant impact on council.

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Final Management Letter

2020 2021 Financial report and Performance Statement of
Hume City Council

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Background

I attach for your information the final management letter for the year ended 30 June 2021. The final management letter provides a summary of results of our audit. This report will be discussed at the audit & risk committee meeting on 27 August 2021.

Acknowledgement

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

Yours sincerely

Kathie Teasdale
Partner
RSD Audit
VAGO Audit Service Provider

Bendigo
28 August 2021

Hume City Council | Victorian Auditor-General's Report

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Introduction

We have completed the 30 June 2021 audit and now bring our findings to your attention. Please read this document in conjunction with the closing report, which we circulated to the audit & risk committee in August 2021. We include our assessment of the audit significance of the findings, which fall into the following categories:

- internal control weaknesses
- financial reporting and performance statement reporting

Appendix A explains the rating criteria we used, and the management action required.

Internal control weaknesses

As part of our audit, we assess the design and implementation of internal controls relevant to financial reporting and performance statement reporting. If we intend to rely on these controls, we test how effectively they are operating.

Financial reporting and performance statement reporting

We may identify errors and weaknesses in management's approach to financial reporting and performance statement reporting, which may lead to material misstatement. We consider how your entity has complied with the Australian Accounting Standards and/or other reporting frameworks.

Reporting and tracking internal control and financial reporting findings

This letter includes:

- our assessment of the significance of the findings
- our recommended actions
- management comments and dates for implementation.

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Scope and purpose of the audit

The objective of our audit is to enable the Auditor-General to express an opinion on your financial report and Performance Statement. When designing our audit procedures, we consider the internal controls relevant to your financial report and Performance Statement. Our audit strategy communicated our planned approach and level of reliance on internal controls. Expressing an opinion on the effectiveness of internal controls is not part of our audit scope.

We do not carry out a comprehensive audit of all the processes and systems in your entity's internal controls. We do not try to uncover all deficiencies, breaches and irregularities. Inherent limitations in any process and system of internal controls may mean that we do not detect some errors or irregularities.

Reports to Parliament

In a report to parliament, the Auditor-General may include findings that we rated as high in this letter. Before it is tabled, we will send you a draft of the report to parliament and invite your comments.

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Summary of audit findings

The table below summarises all management letter findings in two areas: either resolved during the period; or open issues, which include 'unresolved', 'partially resolved' or 'substantially resolved' as of the date of this letter.

Finding first raised (month/year)	Reference	Findings	Rating	Classification of deficiency			Resolved (R)/unresolved (U)	Management acceptance	Agreed implementation date
				Internal control	Financial/performance reporting	Area			
Open issues (current and prior period)									
March 2021	2021.2	ICT Controls & Procedures	Low	X	-	ICT Controls	New	Accepted	30 December 2021
June 2021	2021.4	KMP Declarations	Low	-	X	Governance	New	Accepted	1 December 2021
Prior period issues resolved during the period									
March 2021	2021.1	Fraud Awareness	Low	X	-	Fraud Risk	R	Accepted	30 June 2021
March 2021	2021.3	Supplier Masterfile - update	Low	X	-	Expenses	R	Accepted	30 June 2021

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Detailed audit findings-open issues

Ref	Description of finding and implication	VAGO recommendation on new findings and update on open items	Response from management
2021.2	<p>ICT Controls & Procedures</p> <p>While reviewing the ICT policies and procedures at the Council, we noted the following deficiencies.</p> <ol style="list-style-type: none"> Noted following ICT policies and procedures are outdated and due for review. <ul style="list-style-type: none"> Account Management Policy last reviewed in FY18 (next review scheduled on 31 December 2019-passed due) Change management Policy last reviewed in FY18(next review scheduled on annual basis-passed due) Business Continuity Plan for FY2021 is under review with EMT There has been no ICT Gap analysis performed since FY19. The last IT penetration test was performed in FY17. <p>Given the increasing reliance on ICT systems, it is imperative that Council take priority on IT environment its security. Therefore, it is important that Council review IT policies & procedures as per due dates and ensure ICT security tests are performed on a regular basis.</p>	<p>We recommend that the council review and update ICT policies and procedures on a timely basis.</p> <p>Further, we recommend management to perform ICT Gap analysis and penetration tests on a regular basis and reported to the audit committee.</p>	<p>Recommendation: Accepted</p> <p>Responsible officer: Manager Information and Technology</p> <p>Implementation date: 30 December 2021</p> <p>Management response:</p> <ol style="list-style-type: none"> The Account management policy and Change management policies, adopted in November 2018, and are due to be reviewed by November 2021 A technology environment roadmap/plan (gap analysis) is due to be presented to EMT by November 2021 An IT penetration test will be conducted by December 2021 Council will conduct a gap analysis and present the findings, with recommendations, to the Executive Management Team by the end of November 2021

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Ref	Description of finding and implication	VAGO recommendation on new findings and update on open items	Response from management
2021.4	<p>KMP Declarations</p> <p>As part of our standard audit procedures, we review related party transactions and obtain Key Management Personal (KMP) Declaration Certificates from each KMP to identify any significant related party transactions with the Council. The objective of this procedure is to ensure the completeness and accuracy of the significant related party transactions in the financial statement disclosure in accordance with <i>AASB 124-Related Party Disclosures</i>.</p> <p>During the year audit did not receive KMP declarations from two Councillors and was not able to confirm if there are any significant related party transactions with the respective two Councillors.</p> <p>Absence of KMP Declaration Certificate could lead to potential omission of related party disclosure information on the Financial Statements.</p>	<p>We strongly encourage all KMP to submit their KMP declarations to ensure completeness of the KPM Disclosure in accordance with <i>AASB124-Related Party Disclosures</i></p>	<p>Recommendation: Accepted</p> <p>Responsible officer: Megan Kruger, Manager Governance</p> <p>Implementation date: Complete</p> <p>Management response:</p> <p>To ensure Council's KMP reporting requirements are met in accordance with <i>AASB124 - Related Party Disclosures</i>, KMP declaration forms are sent out in May/June to provide adequate time for them to be completed, returned and reviewed. Where KMP declarations are not returned we provide several reminders in an effort to ensure completeness. We therefore believe our current process is adequate, however if in future years KMP refuse or forget to submit their returns, we may explore other avenues of follow up keeping in mind that it is the KMP's responsibility to supply this information.</p>

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Business improvement opportunities and other matters

The following business improvement opportunities were identified during the course of our audit:

→ As noted in the 2019/20 and 2020/21 financial statements, there is considerable variance between the budgeted capital works and that actually expended during the year. The completion rate has decreased year on year (FY21: 51% and FY20:67%), and there is a potential risk that Council will not be able to deliver the required budgeted capital works. There can be varying causes that can impact on the ability to deliver the capital works budget.

However, it is critical that the Council maintains oversight and amends the budget and asset management policy as appropriate. As infrastructure assets mature, the maintenance cost often increases, which may cause a financial burden on the Council.

We recommend Council continues to closely monitor capital works completion rates and has implemented strategies to help improve this.

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APPENDIX A Rating definitions and actions

Rating	Description of rating	Management action required
High	→ A material misstatement in the financial report has occurred or is likely to occur. It could result in a modified audit opinion if the entity does not take urgent action.	→ Executive management must correct the misstatement in the financial report or take urgent action to avoid a modified audit opinion.
	→ A control weakness could cause, or is causing, a major disruption to the entity's ability to achieve process objectives and comply with relevant legislation.	→ Management must immediately create a detailed action plan that the entity will implement within one month.
Moderate	→ A non-material misstatement, which has the potential to become material, has occurred, or is likely to occur, in the financial report.	→ Management must immediately create a detailed action plan that the entity will implement within three to six months.
	→ A control weakness could have, or is having, a moderately adverse effect on the entity's ability to achieve process objectives and comply with relevant legislation.	
Low	→ A misstatement (not expected to be material) is likely to occur in the financial report.	→ Management must immediately create a detailed action plan that the entity will implement within 12 months.
	→ A minor control weakness, with minimal but reportable impact, is affecting the entity's ability to achieve process objectives and comply with relevant legislation.	

7 | Hume City Council - Financial Management Letter 2020-2021

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REPORT NO:	GE563
REPORT TITLE:	Financial Plan
SOURCE:	Fadi Srour, Chief Financial Officer
DIVISION:	Corporate Services
FILE NO:	HCC18/805
POLICY:	-
STRATEGIC OBJECTIVE:	5.3 Provide responsible and transparent governance, services and infrastructure which responds to and supports community needs.
ATTACHMENT:	1. <i>Financial Plan</i>

1. SUMMARY OF REPORT:

- 1.1 To provide Council with information regarding the draft Hume City Council Financial Plan (Plan) which is required to be adopted by 31 October 2021 for the period 1 July 2021 to 30 June 2031.
- 1.2 The Plan is based on the Financial Plan Better Practice Guide published by the Department of Jobs, Precincts and Regions (DJPR) which has been co-designed by the Local Government Finance Professionals (FinPro) and Local Government Victoria.
- 1.3 In accordance with Section 91(4) of the Local Government Act 2020 (the 2020 Act), the Plan was developed in accordance with Council's deliberative engagement practices as outlined in Council's Community Engagement Policy.
- 1.4 The Plan has been customised to make it more relevant and specific to Hume. This includes reference to Council's engagement process and the challenges associated with being a growth Council and the demographics of the city of Hume.
- 1.5 The Local Government (Planning and Reporting) Regulations 2020 (the regulations) came into operation on 24 October 2020. Part 2 of the regulations prescribe the information to be included in a Financial Plan including the financial and non-financial resources for at least the next 10 financial years.
- 1.6 The Plan links to the achievement of the Community Vision and the Council Plan within the Integrated Strategic Planning & Reporting framework. This framework guides Council in identifying community needs and aspirations over the long term (Community Vision), medium term (Council Plan) and short term (Annual Budget) and then holding itself accountable (Annual Report).
- 1.7 The Plan provides a 10 year financially sustainable projection regarding how the actions of the Council Plan may be funded to achieve the Community Vision.
- 1.8 Council's strategic actions to influence long term financial sustainability include:
 - 1.8.1 Achieving Council's strategic objectives, maintaining and expanding (due to growth), current service levels in a financially sustainable and viable manner.
 - 1.8.2 Ensuring adequate funding is available to achieve the objectives of Council's Asset Plans.

REPORT NO: GE563 (cont.)

2. RECOMMENDATION:

- 2.1 That Council endorses the draft Hume City Council Financial Plan for stakeholder and community feedback during the period of Tuesday 14 September 2021 to Tuesday 5 October 2021.**
- 2.2 That submissions on the draft Hume City Council Financial Plan will be heard at the Ordinary Council Meeting on 11 October 2021, if required.**
- 2.3 That a further report be presented to Council for consideration on Monday 25 October 2021 to adopt the Hume City Council Financial Plan, following the consultation period.**

3. LEGISLATIVE POWERS:

- 3.1 Local Government Act 2020**
Section 91 – Financial Plan
- 3.2 Local Government (Planning and Reporting) Regulations 2020**
Part 2 – Financial Plan

4. FINANCIAL IMPLICATIONS:

- 4.1 The Plan provides a 10 year financially sustainable projection regarding how the actions of the Council Plan may be funded to achieve the Community Vision.**
- 4.2 The Plan includes:**
 - 4.2.1 Financial Statements for the next ten years that includes a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and Statement of Capital Works.**
 - 4.2.2 Statement of Capital Works is to include the ten year expenditure in relation to non-current assets, classified in accordance with the asset classes and asset expenditure types specified in the Local Government Model Financial Report and a summary of funding sources in relation to the planned capital works expenditure.**
 - 4.2.3 Statement of Human Resources that includes a summary of planned expenditure for the next ten years in relation to permanent human resources and a summary of the planned number of permanent full time equivalent staff by organisational structure split between male, female and self-described gender.**
- 4.3 Included in the Plan is the Comprehensive Income Statement in an underlying surplus format.**

5. ENVIRONMENTAL SUSTAINABILITY CONSIDERATIONS:

There are no environmental sustainability implications in respect to this report.

6. CLIMATE CHANGE ADAPTATION CONSIDERATIONS:

There are no climate change adaptation implications in respect to this report.

7. CHARTER OF HUMAN RIGHTS APPLICATION:

The Charter of Human Rights and Responsibility has been considered and the recommendations of this report give no rise to any matters.

REPORT NO: GE563 (cont.)

8. COMMUNITY CONSULTATION:

- 8.1 In accordance with Section 91(4) of the Local Government Act 2020 (the 2020 Act), the Plan was developed in accordance with Council's deliberative engagement practices as outlined in Council's Community Engagement Policy.
- 8.2 The following is an outline of the engagement process that was undertaken by Council in relation to the Plan:
- 8.2.1 Between 8 June and 8 August 2021 an online budget simulator tool was available via Council's Participate page. The tool was proprietary software sourced from Delib¹. The community could maintain, increase or decrease the budget for these services:
- Road, Traffic and Transport Networks
 - Community Engagement
 - Economic Development
 - Libraries, Arts and Culture
 - Waste Management and City Appearance
 - Parks, Open Space & Environment
 - Community Services
 - City Planning and Development
- 8.2.2 Hume's community was informed of the opportunity to create a long term financial budget for Council via:
- A Facebook post containing a video
 - A direct email campaign to selected residents on 29 July 2021
 - A reminder to the direct email campaign residents on 5 August 2021
- 8.2.3 As a way of understanding where the Hume community's priorities sit for the financial planning principles Council works within six questions were asked:
- Considering the range of services provided by Council, how would you rate Hume City Council's overall performance in the last 12 months?
 - How strongly do you agree or disagree that Council should CONSIDER INCREASING rates above the rate cap in order to increase current service levels?
 - How strongly do you agree or disagree that Council should CONSIDER MAINTAINING rates at the rate cap and maintain current service levels?
 - How strongly do you agree or disagree that Council should CONSIDER DECREASING rates below the rate cap, even if it means reducing current service levels?

¹ <https://www.delib.net/>

REPORT NO: GE563 (cont.)

- How strongly do you agree or disagree that Council should borrow money in order to build new infrastructure and capital works?
- How strongly do you agree or disagree that Council should generate more revenue than expenditure (more income than costs) so that (surplus) funds can be provided for additional infrastructure and capital works?

9. DISCUSSION:

- 9.1 Post Councils endorsement at the Council meeting of 13 September 2021, the Plan will be placed on public exhibition for 21 days – from 14 September 2021 to 5 October 2021.
- 9.2 Submissions on the Plan will be heard at the Ordinary Council meeting on 11 October 2021, if required.
- 9.3 Following this, the Plan will then be adopted at the Council meeting on 25 October 2021.
- 9.4 Based on the community engagement process:
- 9.4.1 Council's performance with the range of services provided over the past 12 months was rated as very good or good by 44.3% of respondents, average by 35.6% of respondents and very poor or poor by 16.7% of respondents.
- 9.4.2 The majority of respondents strongly disagreed or disagreed (76.3%) that Council should consider increasing rates above the rate cap in order to increase current service levels. Strongly agree or agree was chosen by 10.7% of respondents.
- 9.4.3 When asked whether Council should consider maintaining rates at the rate cap and maintain current service levels, 61.3% of respondents strongly agreed or agreed with this principle. Strongly disagree or disagree was chosen by 17.3% of respondents.
- 9.4.4 When asked whether Council should consider decreasing rates below the rate cap, even if it meant reducing current service levels, 45.8% of respondents strongly disagreed or disagreed with this principle. Strongly agree or agree was chosen by 33.3% of respondents.
- 9.4.5 Just over forty per cent of respondents strongly agreed or agreed that Council should borrow money in order to build new infrastructure and capital works. Strongly disagree or disagree was chosen by 29.9% of respondents and 28.0% of respondents neither agreed or disagreed with this principle.
- 9.4.6 A total of 57.8% of respondents strongly agreed or agreed that Council should generate more revenue than expenditure so that funds could be provided for additional infrastructure and capital works. Neither agree nor disagree was chosen by 27.3% of the sample, while 14.9% of respondents strongly disagreed or disagreed with this principle.
- 9.5 Council will continue to advocate for funding from other levels of government to address cost shifting issues and to review its fees and charges at regular intervals to ensure appropriate pricing for the relevant market. Council needs to identify alternative revenue sources to reduce reliance on rates. This may include commercial activities and deploy assets in an efficient manner to provide additional income for Council such as the development of Racecourse Road in Sunbury, the Broadmeadows Town Hall redevelopment which included commercial tenancies and sales of assets which are considered surplus to its needs.
- 9.6 The Plan will be made available for public submissions via Council's community engagement platform at participate.hume.vic.gov.au and promoted through social media and other communication channels.

REPORT NO: GE563 (cont.)

- 9.6.1 Hard copies of the document will also be available, by request, for people who are unable to access an online version.
- 9.6.2 Submissions will be invited and received between 14 September and 5 October 2021.
- 9.7 Submissions on the Plan, if required, will be heard at the Council Meeting on Monday 11 October 2021, prior to the Plan being presented for Council adoption on 25 October 2021.
- 9.8 Attachment 1 is currently a Word version of the Financial Plan. A graphic designed version will be finalised for community consultation.

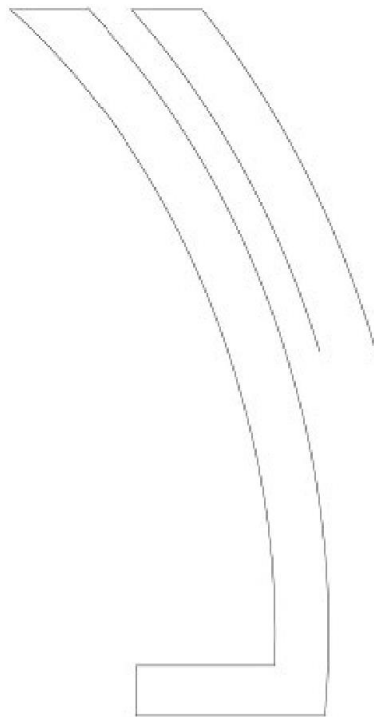
10. CONCLUSION:

Based on the feedback from the community engagement process, the majority of respondents supported a rate increase in line with the rate cap and that Council should generate more revenue from sources other than rates.

Council is required to adopt the Plan by 31 October 2021 in accordance with the 2020 Act. The Plan has been prepared in accordance with the requirements of the Act and is based on the DJPR Financial Plan Better Practice Guide. Community engagement was conducted in accordance with Council's Engagement Policy and further community consultation will occur from 14 September 2021 to 5 October 2021 with an aim of adopting the Plan on 25 October 2021.

REPORT NO: GE563 (cont.)

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HUME CITY COUNCIL
FINANCIAL PLAN
2021/22 – 2030/31

www.hume.vic.gov.au



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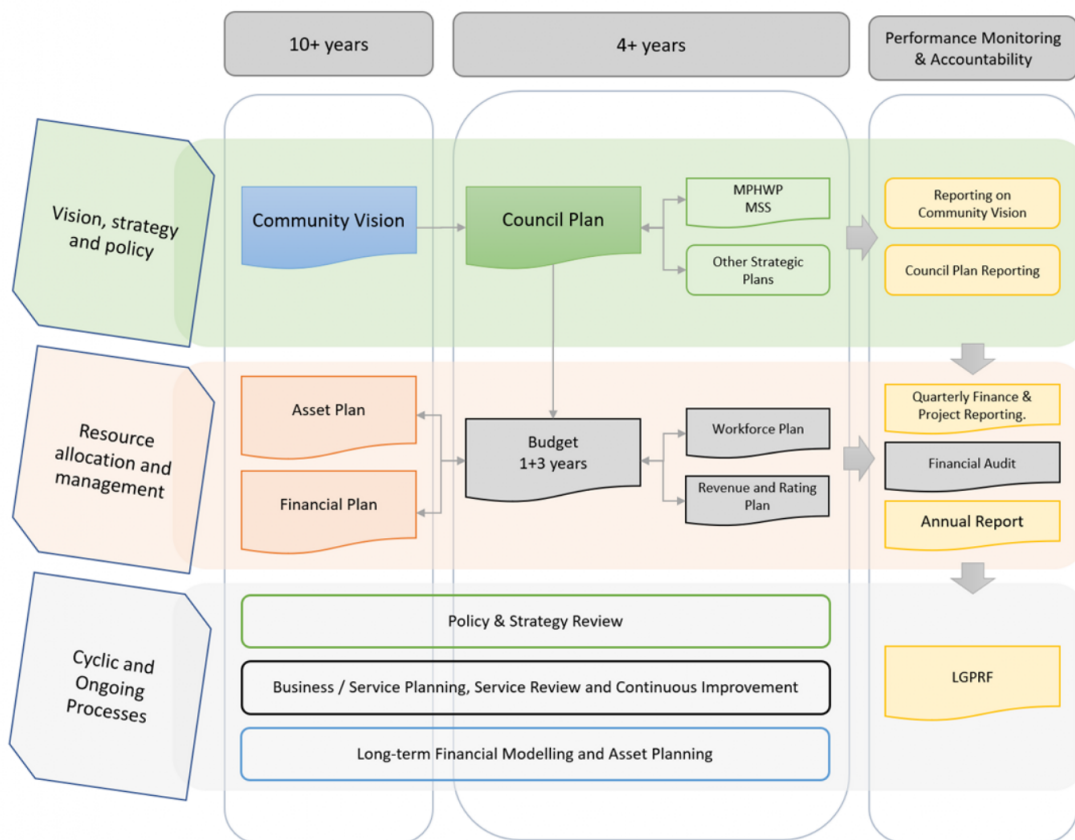
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1 Legislative Requirements

The Local Government Act 2020 Section 91 requires Council to develop, adopt and keep in force a Financial Plan with an outlook of at least 10 years to show how the viability and financial sustainability of Hume City Council will be achieved and maintained, and to define the broad fiscal boundaries for the Council Plan, Asset Plan, other strategic plans of Hume City Council.

This section describes how the Financial Plan links to the achievement of the Community Vision and the Council Plan within the Integrated Strategic Planning & Reporting framework. This framework guides Hume City Council (Council) in identifying community needs and aspirations over the long term (Community Vision), medium term (Council Plan) and short term (Annual Budget) and then holding itself accountable (Annual Report).

The following diagram provides an overview of the core legislated elements of an integrated strategic planning and reporting framework. It illustrates how each element might inform or be informed by other parts of the integrated framework.



Source: Department of Jobs, Precincts and Regions

1.1 Strategic Planning Principles

The Financial Plan provides a 10 year financially sustainable projection regarding how the actions of the Council Plan may be funded to achieve the Community Vision. The Financial Plan is developed in the context of the following strategic planning principles:

- Council has an integrated approach to planning, monitoring and performance reporting.
- Council's Financial Plan addresses the Community Vision by funding the aspirations of the Council Plan. The Council Plan aspirations and actions are formulated in the context of the Community Vision.
- Council's Community Vision is for a sustainable and thriving community with great health, education, employment, infrastructure and a strong sense of belonging.
- The Financial Plan Statements articulate the 10-year financial resources necessary to implement the goals and aspirations of the Council Plan to achieve the Community Vision.
- Council's strategic planning principles identify and address the risks to effective implementation of the Financial Plan. The financial risks are included below.
- The Financial Plan provides for the strategic planning principles of progress monitoring and reviews to identify and adapt to changing circumstances.

1.2 Financial Management Principles

All Victorian Councils are operating under the State Government rate capping regime which significantly impacts Council's ability to generate income from rates. At the same time Council continues to experience increasing cost pressures and continued cost shifting from other levels of government. This situation is not expected to change in the foreseeable future.

The City of Hume has and continues to undergo a significant increase in population and households particularly through the northern corridor of the municipality. However, whilst the growth generates additional rates and contributed assets from developers, it also comes with a number of challenges in the form of increased service provision and the need to deliver, maintain and renew infrastructure assets (eg roads, open space and footpaths) and community facilities. The Financial Plan therefore provides for this growth accordingly.

The purpose of the Financial Plan is to ensure Council can continue to maintain and expand (due to growth), current service levels in a financially sustainable and viable manner and to ensure adequate funding is allocated to new, renewal, expansion and upgrade of infrastructure under Council's control.

The Financial Plan establishes a prudent and sound financial framework, combining and integrating financial strategies to achieve a planned outcome; a financial measurement framework against Council's plans and policies and ensures that Council complies with sound financial management principles as required by the Local Government Act 2020 and to plan for the long-term financial sustainability of Council.

The Financial Plan demonstrates the following financial management principles:

- Revenue, expenses, assets, liabilities, investments and financial transactions are managed in accordance with Council's financial policies and strategic plans.
- Management of the following financial risks:
 - the financial viability of Council.
 - the management of current and future liabilities of Council. Council is currently debt free. No borrowings have been included in Council's Financial Plan.
- Financial policies and strategic plans are designed to provide financial stability and predictability to the community.
- Council maintains accounts and records that explain its financial operations and financial position (refer section 3 Financial Plan Statements).
- Financial plans provide for the growth in population and households and the associated challenges of maintaining and expanding service provision.

1.3 Engagement Principles

Council engages with Hume's community on a daily basis, listening to, and responding to a broad range of community needs. These formal and informal conversations help to guide our planning for the services we deliver to our community. To further support our daily interactions, Council also undertakes more than 100 separate community consultation and engagement activities each year, ranging from community surveys to focus groups, to online discussions and face-to-face workshops.

Leading to the development of the Community Vision, Council Plan, Budget and Financial Plan, Hume City Council began with the collection of community views through a range of surveys including the Community Indicators Survey, the New Household Survey, the Community Satisfaction Survey and a range of targeted research to better understand the experiences and aspirations of our community. Further to this, the Community COVID Survey and the Noticing the Changing use of Public Spaces Survey sought to understand the impacts of the pandemic on our community. The Climate Change Community Views Survey informs our response to the impacts of climate change.

Building on the short and long priorities gathered through surveys, Hume City Council then undertook a broad engagement speaking with our community about the long-term priorities seen as most important for Hume. We facilitated workshops across different places in Hume and held ten workshops facilitated in range of other languages. There were online forum boards, postcards and popups. All planned in a way to engage with a broad range of Hume residents, from all walks of life.

Our community provided views about the long-term financial priorities of Council using a 'budget simulator'. This tool allowed residents to further understand the allocation of financial resources to services and priority projects in Hume. Respondents shared views on key principle decisions informing the development of the Hume Financial Plan and made recommendations for changes to the allocations of resources into the future.

Key to the development of the Community Vision, Council Plan and Financial Plan was the Hume Community Vision Deliberative Panel. It was broadly representative of Hume's community in terms of demographic composition, with panel members being randomly selected via an Expression of Interest process.

As shown in the diagram below, feedback was received from more than 8,500 people across Hume City during the various stages of the project.

A summary report from the engagement process around the Community Vision, Council Plan and Financial Plan is available on Council's Website.



Figure 1: Community engagement process for the development of the Community Vision, Council Plan and Financial Plan

1.4 Service Performance Principles

Hume is one of Australia's most vibrant, diverse and fastest-growing municipalities, expected to welcome more than 70,000 new residents in the next decade. Council has undertaken significant planning for this growth, so that we can continue to provide high quality services that meet the needs of our growing community. Council will continue to deliver all of its services and programs in a manner that will ensure a continued strong financial position for the city. Council aims to provide a balance to ensure we deliver the services, facilities and infrastructure that families and businesses need today, while planning for future generations.

Council has robust processes for service planning and review to ensure all services continue to provide value for money and are in line with community expectations. In doing so, Council will engage with the community to determine how to prioritise resources and balance service provision against other responsibilities such as asset maintenance and capital works. Community consultation needs to be in line with Council's adopted Community Engagement Policy and Public Transparency Policy.

In addition, Council will advocate for services and infrastructure to pursue partnerships with other levels of government, service providers and businesses, and facilitate opportunities for our community to grow and prosper.

Council services are designed to be purposeful, targeted to community needs and value for money. The service performance principles are listed below:

- The pricing for services should be based on Council's Setting of Fees and Charges Policy to ensure transparency in Council pricing decisions.
- Services are provided in an equitable manner and are responsive to the diverse needs of the community. The Council Plan is designed to identify the key services and projects to be delivered to the community. The Financial Plan provides the mechanism to demonstrate how the service aspirations within the Council Plan may be funded.
- Services are accessible to the relevant users within the community.
- Council provides quality services that provide value for money to the community. The Local Government Performance Reporting Framework (LGPRF) is designed to communicate Council's performance regarding the provision of quality and efficient services.
- Council is developing a performance monitoring framework to continuously improve its service delivery standards.
- Council is developing a service delivery framework that considers and responds to community feedback and complaints regarding service provision.
- Projected growth in population and households is considered in financial and service plans.

1.5 Asset Plan Integration

Integration to the Asset Plan is a key principle of the Council's strategic financial planning principles. The purpose of this integration is designed to ensure that future funding is allocated in a manner that supports service delivery in terms of the plans and the effective management of Council's assets into the future.

Complementing the Asset Plan is an annual State of the Assets Report which provides a snapshot of the current value and condition of assets. The State of the Assets Report is part of a suite of asset management reports that includes the Asset Management Policy, Asset Management Strategy and Asset Management Plans for each asset class. The State of the Assets Report helps to evaluate Council's performance in renewing assets in a timely manner. Asset Management Plans look in greater detail at how Council manages each asset class (Roads, Drainage, Buildings and Open Space) and include forecasts of what funding Council will require in the future.

The Asset Plan identifies the operational and strategic practices which will ensure that Council manages assets across their life cycle in a financially sustainable manner. The Asset Plan, and associated asset management policies, provide Council with a sound base to understand the risk associated with managing its assets for the community's benefit.

The Asset Plan is designed to inform the 10-year Financial Plan by identifying the amount of capital renewal, backlog and maintenance funding that is required over the life of each asset category. The level of funding will incorporate knowledge of asset condition, the risk assessment issues as well as the impact of reviewing and setting intervention and service levels for each asset class.

In addition to identifying the operational and strategic practices that ensure that Council manages assets across their life cycle in a financially sustainable manner, the Asset Plan quantifies the asset portfolio and the financial implications of those practices. Together the Financial Plan and Asset Plan seek to balance projected investment requirements against projected budgets.

2 Financial Plan Context

This section describes the context and external / internal environment and consideration in determining the 10-year financial projections and assumptions.

2.1 Municipal demographics

Home to 241,000 residents in 2020, Hume City's population is expected to grow to 372,600 by the year 2041. Our residents come from 156 different countries and speak over 150 languages – each week, 81 new migrants move into Hume City. In comparison to metropolitan Melbourne, Hume City residents are relatively younger in age, and there is a higher proportion of 'family households'.

Hume City's population forecasts are heavily influenced by migration and availability of land supply for new development. Over the next 10 years, the forecasts predict a slowing of Hume City's growth rate, as available land for development becomes more limited, and several current growth areas finish development. Hume City's forward supply of land for residential land is constrained by the Urban Growth Boundary, the protection of the Melbourne Green Wedge and the protection of Melbourne Airport Environs Overlays.

Hume City Council is considered to be an interface Council and is one of ten municipalities which form a ring around Metropolitan Melbourne. In order to help fund the infrastructure and new facilities, the Victorian Planning Authority (VPA) has developed a framework known as Development Contributions Plans (DCP's) or Infrastructure Contributions Plans (ICP) which outline the levies that landowners and developers must pay to the State Government and to Council.

Council is required to manage DCP's/ICP's to ensure that funding is available for projects at the right time. That is, infrastructure and community facilities may be required before all the developer contributions are received as some development may not occur for some time in the future. While developers contribute funding towards infrastructure, ultimately Council is liable to provide the items in the DCP's/ICP's.

Shortfalls in the funding generated from DCP's/ICP's and the amounts required to deliver the infrastructure and community facilities, are required to be funded from government grants or rates revenue.

2.2 COVID-19

In 2019/20 and 2020/21 Council was significantly impacted by the COVID-19 pandemic which has forced the shutdown of some services and facilities including leisure centres and community facilities throughout the year. This has directly impacted Council's statutory and user fees.

In response to this pandemic Council invested \$11.5 million to support local businesses, sporting clubs, community groups and its rate payers with a stimulus package to respond directly to the impacts of the COVID-19 pandemic.

The Victorian lockdown measures weighed less on economic activity than earlier assumed. Consumption has recovered faster and dwelling and business investment have not been as weak as had been anticipated.

In the Financial Plan, Council forecasts the staged return to pre-COVID-19 service levels from 2021/22 resulting in an increase in Council's own-source revenue compared to 2020/21.

Council currently has an agreement in the form of a Memorandum of Understanding (MOU) with Australia Pacific Airports (Melbourne) Pty Ltd (APAM) for the payment of 'Rates In Lieu' (RIL). This amount of RIL represents a significant portion of Council's rate revenue. However, the

impacts of COVID-19 have had a significant impact on the APAM's operations, resulting in significantly reduced non-aeronautical revenue which has subsequently resulted in a lower valuation and lower RIL payable up to 2024/25. RIL are expected to return to pre-COVID-19 levels post the 2024/25 year.

2.3 Economic environment

The Australian economy has experienced a contraction in Gross Domestic Product (GDP) of around 10% during the first year of the 2020 year as a result of COVID-19. On 4 November 2020, the Reserve Bank of Australia (RBA) lowered the official cash rate to 0.10% to respond to further measures to support job creation and the recovery of the Australian economy from the pandemic.

The Reserve Bank Board has indicated that the cash rate will not increase until actual inflation is sustainably within the 2 to 3 per cent target range. The central scenario for the economy is that this condition will not be met before 2024¹.

In the Financial Plan, Council has used forecast CPI as the driver for the rate cap increase which is in line with the RBA estimates. In addition, Council forecasts a low interest environment, gradually improving from 2025/26 onwards. As a result, the amount of interest revenue expected to be generated over the reporting period will be significantly impacted.

2.4 EPA landfill levy

The Land Fill Levy payable to the State Government upon disposal of waste into landfill continues to increase resulting in additional waste collection and disposal costs. The levy has increased from \$9 per tonne in 2008/09 to \$85.90 per tonne in 2020/21 and is expected to increase to \$125.90 in 2022/23.

Rate (\$/T)	2020/21	2021/22	2022/23
Metropolitan- municipal	\$85.90*	\$105.90	\$125.90

*from 1 January 2021

This has significantly added to Council's cost of waste collection and disposal over the forecast period. Beyond 2022/23, the EPA landfill levy is forecast to increase by 3% per annum.

2.5 Cost shifting

Local Government provides a service to the community on behalf of the State and Commonwealth Government. Over time the funds received by local governments have not increased in line with real cost increases. Examples of services that are subject to cost shifting include maternal and child health, school crossing supervisors, library services and home and community care for aged residents. In the Financial Plan, government grants and statutory fees are forecast to increase in line population growth and the funding shortfall for providing these services has been absorbed by Council's own source revenue and savings in expenditure through efficiency gains.

Since the introduction of rate capping in 2015, it is vital that councils have robust service planning and review processes to ensure the services they provide are both cost effective and meeting community needs.

¹ <https://www.rba.gov.au/media-releases/2021/mr-21-14.html>

2.6 Financial Policy Statements

This section defines the policy statements, and associated measures, that demonstrates Council's financial sustainability to fund the aspirations of the Community Vision and the Council Plan.

Council's strategic actions to influence long term financial sustainability include:

Achieving Council's strategic objectives, maintaining and expanding (due to growth), current service levels in a financially sustainable and viable manner. This will be attained by:

- Targeting a positive adjusted underlying result (which is a more accurate reflection of Council's financial performance and therefore excludes items of a capital or one-off / infrequent nature) in the statement of financial performance over the Financial Plan period.
- Aiming for a working capital ratio (which is a measure of Council's ability to meet its obligations as they fall due) above 2 (i.e. \$2 of current assets for every \$1 of current liabilities).
- Rate Cap increases will be set in accordance with forecast Consumer Price Index (CPI).
- Council will continue to regularly engage with State and Federal government to ensure they understand the financial pressures on Council to deliver its services and capital works program under the current Rate Capping environment.
- Council will continue to advocate to attract and retain government funding to help offset the cost of delivering some major capital projects.
- Discretionary user fees and charges will be indexed generally in line with the cost of providing the relevant services within the context of Council's Setting of Fees and Charges Policy.
- Council will investigate opportunities to improve the efficient and effective utilisation of Council's assets and financial return on Council property.
- Council will aim to achieve cost savings through efficiency gains by encouraging more operational innovation to enhance operating activities and control expenditure at levels that can consistently support the provision of quality services.

Ensuring adequate funding is available to achieve the objectives of Council's Asset Plans. This will be attained by ensuring that:

- renewal and upgrade (where it contains a significant element of renewal) expenditure is based on requirements as identified through condition audits and inspections. This will be used to inform the capital works program.
- funding for the renewal and upgrade (where it contains a significant element of renewal) expenditure on existing assets be given priority over new and expansion projects in the capital works program in accordance with Council's Capital Investment Policy.
- the 10-year capital works program be developed to achieve the infrastructure requirements to maintain and expand (for growth) current service levels and sufficient funds are allocated to new, renewal, upgrade, and expansion works.
- Council manages the challenges associated with being a growth council and the cashflow of delivery of Developer Contribution Plans (DCP) and Infrastructure Contribution Plans (ICP) projects ahead of the receipt of developer contributions.
- Reserve funds can be drawn down to fund capital works expenditure that is consistent with the purpose of the reserve as noted in section 5.4.

Hume City Council maintains a healthy financial position under this Financial Plan and generates consistent cash from operations. Council plans to maintain a debt free position over the forecast reporting period which demonstrates that the financial management principles can be maintained in the long term.

Council's Financial Plan provides Council with the ability to plan for a strong financial future. The actions outlined in the Plan provide direction where Council will continue to maximise its current financial position while continuing to explore other revenue and expenditure opportunities to guarantee the delivery of quality services and community infrastructure.

2.7 Assumptions to the Financial Plan statements

For this Financial Plan, the 2021/22 budget (first year of the Financial Plan) has been based upon historical actuals and forms the basis for the future years of the plan.

A number of variables were applied to the base data to project the future two to nine years financials. Assumptions underpinning the revenue and expenditure items comprise both growth and price indexation factors.

However, it is worthwhile detailing the approach to the modelling process as broad percentages have not been universally applied. Certain revenue and expenditure items are adjusted to account for future variations in operating activities (e.g. election expenses and adjustments for one-off financial impacts). It is therefore not possible to simply multiply the previous year's base by a percentage.

The following table outlines the assumptions utilised to project revenue and expenditure items contained within Council's Comprehensive Income Statement for the 10-year period from 2021/22 to 2030/31. Items that are not determined by trends are not contained in the following table but are explained in the items below.

Escalation Factors movement	%	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Consumer Price Index (CPI)		1.50%	1.75%	2.00%	2.25%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Rate Cap Increase		1.50%	1.75%	2.00%	2.25%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Population Growth		2.98%	2.71%	2.66%	2.59%	2.53%	2.31%	2.22%	2.18%	2.14%	2.06%
Households Growth		3.15%	2.98%	2.88%	2.81%	2.67%	2.54%	2.43%	2.40%	2.35%	2.24%
User Fees*			2.50%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Statutory Fees*			0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Operating Grants*			0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Contributions - Non-Monetary**		3.15%	2.98%	2.88%	2.81%	2.67%	2.54%	2.43%	2.40%	2.35%	2.24%
Employee Costs (EBA increase)***		1.50%	1.75%	2.00%	2.25%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Material and Service*		1.50%	1.75%	2.00%	2.25%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Utilities*		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Other expenses*			1.75%	2.00%	2.25%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%

* % increase in the above table does not include growth.

**Contributions - Non-monetary projection is driven by household growth.

*** The current EBA expires on 30 June 2021. Future EBA increase is based on the expected rate cap forecast.

2.7.1 Rates and charges

Base rate revenue will increase by 1.5% for the 2021/22 year, based on the state government rate cap, with estimated future annual increases in line with forecast CPI for the ensuing years of the Financial Plan.

In addition, it is expected that during the 2021/22 year a further \$4 million will be received for growth (additional properties) as a result of supplementary rates. The subsequent years of the Financial Plan include an increase in line with household growth.

In limited cases, the owner or tenant of land exempt from rates may have an agreement in place to pay Council an amount in lieu of rates (e.g. Commonwealth owned land used for defence and other purposes). Council currently has an agreement in the form of a Memorandum of Understanding (MOU) with Australia Pacific Airports (Melbourne) Pty Ltd (APAM) for the payment of 'Rates In Lieu' (RIL) up to 2023/24. The subsequent year's RIL are projected to increase in accordance with new valuations.

The other RIL agreement is with Note Printing Australia which is a wholly owned subsidiary of the Reserve Bank of Australia that produces bank notes and passports. The ensuing year's RIL are projected to increase in accordance with CPI.

2.7.2 Statutory fees and fines

Statutory fees mainly relate to fees and fines levied in accordance with legislation and include animal registrations, Food Act registrations and parking fines. Changes in statutory fees are made in accordance with legislative requirements. The Financial Plan indexes statutory fees by 0.5% each year plus population growth. Given these fees are outside the control of Council, the annual increase is set below the CPI.

The 2021/22 year has been set by management based on expected activity and the projected price increase. Given that the 2020/21 year has been significantly impacted by COVID-19, displaying a percentage increase for 2021/22 in the above table would not provide a meaningful comparison.

2.7.3 User fees

User fees relate mainly to the recovery of service delivery costs through the charging of fees to users of Council's services. These include the use of leisure, community facilities, landfill operations and the provision of human services such as family day care and home help services.

User fees have been significantly impacted in 2020/21 by COVID-19. Council expects user fees to gradually return to pre-COVID-19 levels from 2021/22 onwards. User fees are set to increase between 2.5% to 3% plus population growth over the Financial Plan period in accordance with Council's Setting of Fees and Charges Policy. Details of user fees for the 2021/22 budget year can be found in Council's schedule of Fees and Charges that is adopted in conjunction with the Budget.

2.7.4 Grants - operating

Grants include all monies received from State and Federal sources for the purposes of funding the delivery of Council's services to ratepayers. Operating grants are expected to increase on an annual basis by approximately 0.5% plus population growth.

The 2020/21 year has been impacted by the timing of the receipt of 50% of the 2021/22 VGC funding. Therefore, the 2021/22 budget was not set by reference to an incremental increase but rather based on known variables.

2.7.5 Grants - capital

Capital grants are received for specific capital projects. Only confirmed funding has been included in Council's Financial Plan except for recurrent capital grants including Roads to Recovery and Library funding.

2.7.6 Contributions - monetary

Council receives contributions from developers which enable Council to provide the necessary infrastructure and land improvements to accommodate development growth. These contributions are for specific purposes and often require Council to deliver infrastructure or land improvement works before the funds are received from developers. These contributions are statutory contributions and are transferred to a restricted reserve until utilised for a specific purpose through the capital works program or for reimbursements to developers for over-provided in-kind items.

The projected contributions are based on forecasted net developable areas provided by relevant developers and take into account credits provided to developers for in-kind items.

2.7.7 Contributions – non-monetary

Council receives non-monetary assets from developers. These projected contributions are based on forecast household growth in the municipality (i.e. household growth by the historical average contributed asset values for every 1% household growth).

2.7.8 Other income

Revenue from other income mainly comprises interest earned on investments, rental income from investment property and from the hire of Council facilities plus the recovery income from a variety of sources. Rental and interest income is forecast to increase in line with CPI and interest rate projections.

2.7.9 Employee costs

Employee costs include all labour related expenditure including wages and on-costs such as allowances, leave entitlements, employer superannuation and staff training and development.

The current Enterprise Bargaining Agreement (EBA) expired on the 30 June 2021 and at the time of preparing the annual budget for 2021/22, the new EBA was still to be finalised. The projected EBA increase has been pegged to the forecast rate cap increase over the Financial Plan period (between 1.5% to 2.5%).

The residential population is expected to grow on average by 2.44% per annum to the year 2031. The growth in population will result in an increase in demand for services. A modest increase of 1% per annum in staff numbers is anticipated reflecting an efficiency gain through cost savings over the Financial Plan period. To manage costs pressures, Council must continually seek improved ways of delivering services to its community.

In addition, a 0.5% increase per annum has been included from 2021/22 to 2025/26 to reflect the expected superannuation increase from 9.5% to 12% as per the Superannuation Guarantee Contribution (SGC).

2.7.10 Materials and services

Materials and services include the purchase of consumables and payments to contractors for the provision of services. These services include requirements for the maintenance and repairs of Council infrastructure assets which are influenced by market forces. Other associated costs included under this category are externally provided services for a range of matters, including legal and consulting services.

These costs are kept to within CPI levels year-on-year plus 1.75% increase per annum which is less than the city's growth and therefore reflects efficiency gains.

Utilities are also included in the materials and services category. Utilities include electricity, water, gas and telecommunication expenses incurred to run Council buildings and services.

The utility costs are projected to increase by 3% per annum plus 1.75% for growth to accommodate the requirements of the increasing number of new assets owned and operated by Council.

2.7.11 Depreciation & amortisation

Depreciation is an accounting charge which attempts to measure the usage of Council's property, plant, equipment and infrastructure assets such as roads and drains. While depreciation is a "non-cash" expense, ongoing renewal and maintenance of these assets is essential.

Amortisation of intangibles is the process of expensing the cost of Council's intangible assets over the projected life of the asset. Council's intangible assets of landfill airspace with finite lives are amortised as an expense on a systematic basis over the asset's useful life. Amortisation is generally calculated on a straight-line basis, at a rate that allocates the asset value, less any estimated residual value over its estimated useful life.

A right-of-use asset is a lessee's right to use an asset over the life of a lease. Rather than being shown as rent or lease costs, it will be recognised as amortisation of the 'right-of-use' asset and an interest charge on the lease liability. Any signed agreement with a lease term over 12 months has been included in this Financial Plan.

Depreciation is projected to increase in line with the increasing asset base over the life of the Financial Plan. Depreciation estimates have been based on the projected capital expenditure and new contributed assets to be received over the Financial Plan period. Depreciation has been further increased by the indexing of the replacement cost of Council's fixed assets.

2.7.12 Finance/borrowing costs

Over the Financial Plan period Council has sufficient cash reserves to fund its operating and investment activities such as asset renewal, upgrade, expansion and new assets, therefore there is no requirement for Council to use any loan borrowings to maintain its current service levels and fund the long-term capital works program contained within this Financial Plan.

The finance costs in the Financial Plan includes a non-cash book entry associated with the net present value (NPV) of its future liabilities for employee benefits and landfill rehabilitation and aftercare costs. The accounting standards require the effect of the increase in the liability caused by the movement in discount and inflation rates, known as the unwinding interest effect, to be shown as financing costs.

2.7.13 Other expenses

Other expenses relate to a range of unclassified items including contributions to community groups, bank charges, operating leases and councillor allowances.

Other expenses are projected to increase in accordance with CPI levels year on year plus 1.75% growth.

The 2021/22 year has been set by management. The 2020/21 year has been impacted by COVID-19 as Council made a number of contributions to support those impacted. In addition, the contribution to the EPA has increased significantly in 2021/22. Therefore, the 2021/22 budget was not set by reference to an incremental increase but rather based on known variables.

2.7.14 Reimbursement to developers for LIK/WIK projects

Under the Developer Contribution Plan (DCP) regime, developers can contribute Land-in-kind (LIK) or Works-in-kind (WIK) items to Council in lieu of paying the developer levies in cash. In some cases, the value of the LIK or WIK items are more than the levies the developer is obliged to pay Council. When this occurs, Council is required to reimburse the developer the difference between the total value of the LIK or WIK items and the liability of the development contribution levies owed to Council.

The projected reimbursement is determined by the difference between indexed individual in-kind items and the levies the developer is obligated to pay Council based on the forecasted net developable areas.

2.7.15 Payment to ICP developer for land equalization

Under the ICP regime, a land contributions model ensures that all landowners affected by an ICP contribute equally to the provision of land for public purposes (through the payment of land equalisation amounts and land credit amounts). Landowners who contribute a greater percentage of their land for public purpose are compensated by the landowners who contribute a lesser percentage of the land for public purposes. This is done by requiring each landowner who underprovides inner public purpose land to pay a land equalisation amount.

Council will collect the land equalisation amount from developers who underprovide public purpose land and make payments to those who overprovide when they vest the public purpose land parcel in Council through the land equalisation process.

The land credit amount and the land equalisation amounts are adjusted on 1 July each year in accordance with the method of adjustment specified in the relevant ICP. A valuation report will be prepared on 1 July of every third financial year after the commencement date of the infrastructure contribution plan. In the interim years the values are adjusted in accordance with the public land index that is prepared by the Valuer-General Victoria for the Minister for Planning and published on the Department of Environment, Land, Water and Planning website.

The land equalisation amount and land credit amount is assumed to increase by 5% per annum over the Financial Plan period based on historical data.

2.8 Other Matters impacting the 10-year financial projections

The following are the current challenges and expected future events likely to impact the Financial Plan projections.

2.8.1 Rates Burden

Council's rate revenue will remain the main source of revenue for Hume into the future.

The introduction of rate capping under the Victorian Government's Fair Go Rates System (FGRS) has brought a renewed focus to Council's long-term financial sustainability. The FGRS continues to restrict Council's ability to raise revenue above the rate cap unless application is made to the Essential Services Commission for a variation. The FGRS cap is set at 1.50% for 2021/22.

Maintaining service delivery levels and investing in community assets remain key priorities for Council. As Council is heavily dependent on rate revenue and rate capping limits the ability to generate revenue above this cap, the challenge for Council is to seek options to reduce the reliance on property rates over time by identifying alternative revenue streams and funding opportunities.

The costs of waste collection and disposal has been significantly impacted by the increases in the EPA landfill levy. Therefore, Council may consider implementing a separate waste charge that recovers the cost of collection and disposal services as currently the waste charges are included as part of the general rates which is limited to rate cap increases.

2.8.2 Interface Growth Council challenges

The City of Hume has and continues to undergo a significant increase in population and households particularly through the northern corridor of the municipality. However, whilst the growth generates additional rates and contributed assets from developers, it also comes with a number of challenges in the form of increased service provision and the need to deliver, maintain and renew infrastructure assets (eg roads, open space and footpaths) and community facilities.

Council, in meeting its obligations as the Collecting Agency and Development Agency under the DCP/ICP system is tasked with managing the cost effective and timely delivery of specified community/recreation and transport infrastructure to meet community need. Cost recovery associated with land purchases or construction is reliant on developer contributions (levies/equalisation payments).

Council faces challenges of matching assets and liabilities under the DCP/ICP scheme. The timing of receipt of developer contributions differs to the timing of land purchase or delivery of the infrastructure items and can result in a potential financial risk to Council if not soundly managed. If the acquisition of land parcels or the construction of infrastructure assets occurs at a later stage in the development of the Precinct Structure Plan (PSP) area, Council may be in an unfavourable financial position as the levies collected in previous development stages/years are at a lower indexed rate and therefore will be insufficient to cover the cost of land/construction at a higher indexed value/rate (resulting in a funding gap).

Therefore, in order to minimise the financial risk of a funding gap, Council may need to forward fund the delivery of projects or secure land parcels ahead of collecting sufficient levies to cover costs, noting that future development levies are indexed.

2.8.3 Cost shifting

Cost shifting from State and Federal Governments continues to be a major problem for Local Government in Victoria. Cost shifting occurs when Commonwealth and State programs transfer responsibilities to local government with insufficient funding or grants which don't keep pace with costs of delivering these programs.

This includes services for maternal and child health, libraries and school crossings. Furthermore, statutory fees are generally advised by the state government department responsible for the corresponding services or legislation, and generally councils will have limited discretion in applying these fees which prohibits the ability to fully recover the costs associated with these services.

The challenge for Council is to continue to provide services that are part funded by other levels of government when the ratepayer is expected to continue to absorb an increasing share of the deficit in providing these services.

Under the current rate capping and low interest rate environment, Council has limited opportunities to cover the deficit in funding for these services through its own source revenue. However, Council will undertake service reviews, may increase some discretionary user fees in line with the cost of providing the relevant services (instead of just CPI), continue to advocate for more funding from other levels of government and investigate opportunities to improve the efficient and effective utilisation of Council's assets to maximise financial returns.

2.8.4 Future defined benefits superannuation calls

The Defined Benefits Superannuation Scheme provides lump sum benefits based on years of service and final average salary. It is a multi-employer sponsored plan, where the assets and liabilities are pooled and are not allocated to each employer. Council makes employer contributions to this plan as determined by the Trustee.

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

The last super call was made by Council in 2011 of \$11.3 million on the basis of the results of the actuarial investigation conducted by the Fund Actuary.

A triennial actuarial review for the Defined Benefit category as at 30 June 2020 was conducted and completed by the due date of 31 December 2020. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 104.6%.

If the VBI falls below 100%, Council will be liable for any future funding shortfall calls. The challenge is to ensure that Council has sufficient cash in reserves to cover these future shortfall calls.

In the Financial Plan, Council has allocated \$0.5 million each year to provide for the possibility of future defined benefits super calls.

2.8.5 COVID-19

COVID-19 is expected to continue to effect Australia's economy into 2021/22, with the medium to long-term economic effects still unknown.

Many of Councils' critical services were significantly affected by the financial impacts of COVID-19. The rate of easing of restrictions will impact the timing and speed of recovery of Council's activities to pre-COVID-19 service levels which will affect the financial outcome of this Financial Plan.

2.8.6 Capital works

Capital works projects are prioritised in accordance with Council's Capital Investment Policy. Renewal and growth projects relating to DCP/ICP schemes should be prioritised ahead of other projects.

The Asset Management Plans prepared for each major area of infrastructure should guide the renewal requirements, set priorities for funding and ensure that a strategic approach is taken to the allocation of funds to new and upgrade projects.

A 10 year Capital Works plan has been developed which is informed by the infrastructure requirements of the Hume Growth Infrastructure Plans and Asset Management Plans. The 10 year Capital Works plan aims to ensure the increase in required renewal expenditure is achieved and sufficient funds for new and upgrade works are delivered.

The planned capital expenditure is expected to be \$1.14 billion over 10 years or an average of \$114 million per annum.

3 Financial Plan Statements

This section presents information regarding the Financial Plan Statements for the 10 years from 2021/22 to 2030/31.

- Comprehensive Income Statement
- Balance Sheet
- Statement of Changes in Equity
- Statement of Cash Flows
- Statement of Capital Works
- Statement of Human Resources

3.1 Comprehensive Income Statement

	Forecast										
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income											
Rates and charges	201,891	209,307	219,585	230,543	242,870	255,721	269,434	283,028	297,029	311,628	326,820
Statutory fees and fines	11,681	15,516	15,765	16,264	17,022	17,539	17,776	18,259	18,748	19,243	19,735
User fees	17,431	30,656	32,714	35,057	37,016	39,064	41,140	43,287	45,527	47,868	50,288
Grants - Operating	54,001	51,575	53,232	54,915	56,611	58,328	59,969	61,600	63,248	64,918	66,578
Grants - Capital	10,727	30,532	5,622	4,651	3,034	3,034	3,035	3,036	3,037	3,038	3,039
Contributions - monetary	11,853	16,301	17,016	20,829	20,174	21,102	23,354	26,555	26,648	23,947	18,837
Contributions - non-monetary	100,047	113,123	108,877	106,872	105,696	102,261	98,767	96,045	96,121	95,894	92,720
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	4,797	517	-	-	-	-	-	-	-	-	-
Fair value adjustments for investment property	699	932	1,183	1,206	1,236	1,266	1,297	1,329	1,361	1,394	1,428
Other income	6,331	5,328	5,568	5,679	6,514	6,953	7,396	7,643	8,595	9,152	9,613
Total income	419,458	473,787	459,562	476,016	490,173	505,268	522,168	540,782	560,314	577,082	589,058
Expenses											
Employee costs	128,140	137,200	142,250	148,701	156,027	163,883	171,312	179,079	187,198	195,683	204,552
Materials and services	113,361	107,335	109,615	114,351	120,699	125,278	131,259	137,519	145,422	150,946	158,132
Depreciation	54,122	57,404	61,946	67,918	73,226	78,872	84,025	88,270	91,777	96,874	100,840
Amortisation - intangible assets	1,513	1,513	1,513	1,513	1,513	1,513	1,513	1,513	1,513	1,513	1,513
Amortisation - right of use assets	335	327	321	319	313	314	162	21	21	21	21
Bad and doubtful debts	-	-	-	-	-	-	-	-	-	-	-
Borrowing costs	200	326	331	337	344	351	358	365	372	380	388
Finance Costs - leases	30	43	58	46	34	22	9	6	5	4	3
Other expenses	14,985	8,097	8,821	9,157	9,513	9,887	10,273	10,674	11,094	11,532	11,985
Reimbursement to developer for LIK/VIK projects	4,707	21,967	-	4,121	-	-	-	-	-	-	-
Payment to ICP developer for land equalization	-	-	1,170	4,669	371	-	20,789	-	18,795	3,884	-
Total expenses	317,393	334,212	326,025	351,132	362,040	380,120	419,700	417,447	456,197	460,837	477,434
Surplus/(deficit) for the year	102,065	139,575	133,537	124,884	128,133	125,148	102,468	123,335	104,117	116,245	111,624
Other comprehensive income											
Items that will not be reclassified to surplus or deficit in future periods											
Net asset revaluation increment /(decrement)	73,867	72,332	77,292	82,183	86,633	90,689	95,058	99,123	103,839	107,864	111,957
Total comprehensive result	175,932	211,907	210,829	207,067	214,766	215,837	197,526	222,458	207,956	224,109	223,581

3.2 Balance Sheet

	Forecast										
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets											
Current assets											
Cash and cash equivalents	277,281	192,299	124,338	94,720	105,146	100,978	106,449	109,418	134,648	178,723	191,231
Trade and other receivables	39,954	40,455	41,052	41,751	42,562	44,743	47,048	49,479	52,040	54,737	57,574
Non-current assets classified as held for sale	890	-	-	-	-	-	-	-	-	-	-
Other assets	1,656	1,712	1,764	1,817	1,871	1,927	1,985	2,045	2,106	2,169	2,234
Total current assets	319,781	234,466	167,154	138,288	149,579	147,648	155,482	160,942	188,794	235,629	251,039
Non-current assets											
Trade and other receivables	81	81	81	81	81	81	81	81	81	81	81
Property, infrastructure, plant & equipment	4,077,739	4,369,149	4,647,196	4,882,832	5,085,990	5,308,165	5,498,848	5,720,077	5,899,784	6,080,061	6,289,853
Right-of-use assets	513	1,509	1,205	901	596	287	125	104	83	63	42
Investment property	47,321	48,254	49,437	50,645	51,879	53,145	54,442	55,771	57,132	58,526	59,954
Intangible assets	15,127	13,615	12,102	10,589	9,077	7,564	6,051	4,538	3,026	1,513	-
Total non-current assets	4,140,781	4,432,608	4,710,021	4,945,048	5,147,623	5,369,242	5,559,547	5,780,571	5,960,106	6,140,244	6,349,930
Total assets	4,460,562	4,667,074	4,877,175	5,083,336	5,297,202	5,516,890	5,715,029	5,941,513	6,148,900	6,375,873	6,600,969
Liabilities											
Current liabilities											
Trade and other payables	27,814	23,504	24,011	23,676	23,119	26,106	26,876	28,793	29,027	29,602	31,015
Trust funds and deposits	3,060	3,060	3,060	3,060	3,060	3,060	3,060	3,060	3,060	3,060	3,060
Provisions	34,735	33,256	31,944	31,302	30,890	31,692	31,314	33,041	31,847	33,737	33,430
Interest-bearing liabilities	-	-	-	-	-	-	-	-	-	-	-
Lease liabilities	196	303	312	317	330	174	22	23	24	25	26
Total current liabilities	65,805	60,123	59,327	58,355	57,399	61,032	61,272	64,917	63,958	66,424	67,531
Non-current liabilities											
Trust funds and deposits	8,984	8,015	8,015	8,015	8,015	8,015	8,015	8,015	8,015	8,015	8,015
Provisions	32,466	32,822	33,185	33,555	33,933	34,320	34,715	35,119	35,532	35,955	36,388
Interest-bearing liabilities	-	-	-	-	-	-	-	-	-	-	-
Lease liabilities	335	1,235	940	636	314	145	123	100	77	52	27
Total non-current liabilities	41,785	42,072	42,140	42,206	42,262	42,480	42,853	43,234	43,624	44,022	44,430
Total liabilities	107,590	102,195	101,467	100,561	99,661	103,512	104,125	108,151	107,582	110,446	111,961
Net assets	4,352,972	4,564,879	4,775,708	4,982,775	5,197,541	5,413,378	5,610,904	5,833,362	6,041,318	6,265,427	6,489,008
Equity											
Accumulated surplus	2,173,820	2,361,565	2,517,496	2,654,175	2,773,116	2,913,338	3,012,254	3,155,330	3,254,945	3,370,130	3,487,759
Reserves	2,179,152	2,203,314	2,258,212	2,328,600	2,424,425	2,500,040	2,598,650	2,678,032	2,786,373	2,895,297	3,001,249
Total equity	4,352,972	4,564,879	4,775,708	4,982,775	5,197,541	5,413,378	5,610,904	5,833,362	6,041,318	6,265,427	6,489,008

3.3 Statement of Changes in Equity

	Total	Accumulated Surplus	Revaluation Reserve	Other Reserves
	\$'000	\$'000	\$'000	\$'000
2021 Forecast				
Balance at beginning of the financial year	4,177,040	2,055,288	1,965,473	156,279
Surplus/(deficit) for the year	102,065	102,065	-	-
Net asset revaluation increment/(decrement)	73,867	-	73,867	-
Transfers to other reserves	-	(17,883)	-	17,883
Transfers from other reserves	-	34,350	-	(34,350)
Balance at end of the financial year	4,352,972	2,173,820	2,039,340	139,812
2022				
Balance at beginning of the financial year	4,352,972	2,173,820	2,039,340	139,812
Surplus/(deficit) for the year	139,575	139,575	-	-
Net asset revaluation increment/(decrement)	72,332	-	72,332	-
Transfers to other reserves	-	(16,575)	-	16,575
Transfers from other reserves	-	64,745	-	(64,745)
Balance at end of the financial year	4,564,879	2,361,565	2,111,672	91,642
2023				
Balance at beginning of the financial year	4,564,879	2,361,565	2,111,672	91,642
Surplus/(deficit) for the year	133,537	133,537	-	-
Net asset revaluation increment/(decrement)	77,292	-	77,292	-
Transfers to other reserves	-	(16,191)	-	16,191
Transfers from other reserves	-	38,585	-	(38,585)
Balance at end of the financial year	4,775,708	2,517,496	2,188,964	69,248
2024				
Balance at beginning of the financial year	4,775,708	2,517,496	2,188,964	69,248
Surplus/(deficit) for the year	124,884	124,884	-	-
Net asset revaluation increment/(decrement)	82,183	-	82,183	-
Transfers to other reserves	-	(20,025)	-	20,025
Transfers from other reserves	-	31,820	-	(31,820)
Balance at end of the financial year	4,982,775	2,654,175	2,271,147	57,453
2025				
Balance at beginning of the financial year	4,982,775	2,654,175	2,271,147	57,453
Surplus/(deficit) for the year	128,133	128,133	-	-
Net asset revaluation increment/(decrement)	86,633	-	86,633	-
Transfers to other reserves	-	(19,366)	-	19,366
Transfers from other reserves	-	10,174	-	(10,174)
Balance at end of the financial year	5,197,541	2,773,116	2,357,780	66,645

Statement of Changes in Equity (cont.)

	Total	Accumulated Surplus	Revaluation Reserve	Other Reserves
	\$'000	\$'000	\$'000	\$'000
2026				
Balance at beginning of the financial year	5,197,541	2,773,116	2,357,780	66,645
Surplus/(deficit) for the year	125,148	125,148	-	-
Net asset revaluation increment/(decrement)	90,689	-	90,689	-
Transfers to other reserves	-	(20,560)	-	20,560
Transfers from other reserves	-	35,634	-	(35,634)
Balance at end of the financial year	5,413,378	2,913,338	2,448,469	51,571
2027				
Balance at beginning of the financial year	5,413,378	2,913,338	2,448,469	51,571
Surplus/(deficit) for the year	102,468	102,468	-	-
Net asset revaluation increment/(decrement)	95,058	-	95,058	-
Transfers to other reserves	-	(22,809)	-	22,809
Transfers from other reserves	-	19,257	-	(19,257)
Balance at end of the financial year	5,610,904	3,012,254	2,543,527	55,123
2028				
Balance at beginning of the financial year	5,610,904	3,012,254	2,543,527	55,123
Surplus/(deficit) for the year	123,335	123,335	-	-
Net asset revaluation increment/(decrement)	99,123	-	99,123	-
Transfers to other reserves	-	(26,008)	-	26,008
Transfers from other reserves	-	45,749	-	(45,749)
Balance at end of the financial year	5,833,362	3,155,330	2,642,650	35,382
2029				
Balance at beginning of the financial year	5,833,362	3,155,330	2,642,650	35,382
Surplus/(deficit) for the year	104,117	104,117	-	-
Net asset revaluation increment/(decrement)	103,839	-	103,839	-
Transfers to other reserves	-	(26,098)	-	26,098
Transfers from other reserves	-	21,596	-	(21,596)
Balance at end of the financial year	6,041,318	3,254,945	2,746,489	39,884
2030				
Balance at beginning of the financial year	6,041,318	3,254,945	2,746,489	39,884
Surplus/(deficit) for the year	116,245	116,245	-	-
Net asset revaluation increment/(decrement)	107,864	-	107,864	-
Transfers to other reserves	-	(23,394)	-	23,394
Transfers from other reserves	-	22,334	-	(22,334)
Balance at end of the financial year	6,265,427	3,370,130	2,854,353	40,944
2031				
Balance at beginning of the financial year	6,265,427	3,370,130	2,854,353	40,944
Surplus/(deficit) for the year	111,624	111,624	-	-
Net asset revaluation increment/(decrement)	111,957	-	111,957	-
Transfers to other reserves	-	(18,281)	-	18,281
Transfers from other reserves	-	24,286	-	(24,286)
Balance at end of the financial year	6,489,008	3,487,759	2,966,310	34,939

3.4 Statement of Cash Flows

	Forecast										
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities											
Rates and charges	195,046	208,603	218,786	229,642	241,859	253,341	266,931	280,399	294,272	308,736	323,788
Statutory fees and fines	11,739	15,574	15,823	16,321	17,079	17,596	17,833	18,316	18,804	19,299	19,791
User fees	17,577	30,801	32,858	35,200	37,159	39,206	41,281	43,428	45,668	48,007	50,427
Grants - operating	51,523	51,575	53,232	54,915	56,611	58,328	59,969	61,600	63,248	64,918	66,578
Grants - capital	8,942	26,988	5,622	4,651	3,034	3,034	3,035	3,036	3,037	3,038	3,039
Contributions - monetary	11,719	16,301	17,016	20,829	20,174	21,102	23,354	26,555	26,648	23,947	18,837
Interest received	1,797	1,700	1,700	1,700	1,700	2,000	2,300	2,400	3,200	3,600	3,900
Trust funds and deposits taken	962	652	-	-	-	-	-	-	-	-	-
Other receipts	2,905	3,628	3,868	3,979	4,814	4,953	5,096	5,243	5,395	5,552	5,713
Employee costs	(127,545)	(135,244)	(140,283)	(147,036)	(153,831)	(161,552)	(168,870)	(175,997)	(184,991)	(193,377)	(201,564)
Materials and services	(116,195)	(109,105)	(109,673)	(114,502)	(120,590)	(125,388)	(130,989)	(137,394)	(144,875)	(150,539)	(157,877)
Short-term, low value and variable lease	(972)	(405)	(412)	(420)	(430)	(441)	(452)	(463)	(474)	(486)	(498)
Trust funds and deposits repaid	(1,759)	(1,621)	-	-	-	-	-	-	-	-	-
Other payments	(8,273)	(7,692)	(8,409)	(8,737)	(9,083)	(9,446)	(9,821)	(10,211)	(10,619)	(11,045)	(11,486)
Net cash provided by operating activities	47,466	101,755	90,128	96,542	98,496	102,733	109,667	116,912	119,313	121,650	120,648
Cash flows from investing activities											
Payments for property, infrastructure, plant and equipment	(98,645)	(167,350)	(157,358)	(117,812)	(88,148)	(107,349)	(84,024)	(114,715)	(76,060)	(74,463)	(108,912)
Payment to DCP developers for LK/WK	(4,707)	(21,967)	-	(4,121)	-	-	-	-	-	-	-
Payment to ICP developers for land equalisation	-	-	(1,170)	(4,669)	(371)	-	(20,789)	-	(18,795)	(3,884)	-
Proceeds from sale of property, infrastructure, plant and equipment	7,585	2,940	800	800	800	800	800	800	800	800	800
Proceeds from sale of investments	110,478	-	-	-	-	-	-	-	-	-	-
Net cash provided by/ (used in) investing activities	14,711	(186,377)	(157,728)	(125,802)	(87,719)	(106,549)	(104,013)	(113,915)	(94,055)	(77,547)	(108,112)
Cash flows from financing activities											
Interest paid - lease liability	(30)	(43)	(58)	(46)	(34)	(22)	(9)	(6)	(5)	(4)	(3)
Repayment of lease liabilities	(331)	(317)	(303)	(312)	(317)	(330)	(174)	(22)	(23)	(24)	(25)
Net cash used in financing activities	(361)	(360)	(361)	(358)	(351)	(352)	(183)	(28)	(28)	(28)	(28)
Net increase/(decrease) in cash & cash equivalents	61,816	(84,982)	(67,961)	(29,618)	10,426	(4,168)	5,471	2,969	25,230	44,075	12,508
Cash and cash equivalents at the beginning of the financial year	215,465	277,281	192,299	124,338	94,720	105,146	100,978	106,449	109,418	134,648	178,723
Cash and cash equivalents at the end of the financial year	277,281	192,299	124,338	94,720	105,146	100,978	106,449	109,418	134,648	178,723	191,231

3.5 Statement of Capital Works

	Forecast / Actual										
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property											
Land	6,325	4,311	-	5,628	-	-	-	29,971	-	-	15,744
Land improvements	19,263	39,750	36,602	39,577	24,928	32,776	16,035	22,719	13,124	13,544	25,719
Total land	25,588	44,061	36,602	45,205	24,928	32,776	16,035	52,690	13,124	13,544	41,463
Buildings	29,493	40,738	49,148	31,905	23,259	21,071	24,067	19,357	16,425	11,392	14,867
Total buildings	29,493	40,738	49,148	31,905	23,259	21,071	24,067	19,357	16,425	11,392	14,867
Total property	55,081	84,799	85,750	77,110	48,187	53,847	40,102	72,047	29,549	24,936	56,330
Plant and equipment											
Heritage	259	219	140	84	86	88	90	92	95	97	99
Plant, machinery and equipment	4,418	7,995	5,183	5,175	5,179	5,184	5,188	5,192	5,196	5,454	5,725
Furniture and Equipment	5,553	7,862	7,010	6,534	6,642	6,124	4,912	5,039	5,263	5,396	5,638
Total plant and equipment	10,230	16,076	12,333	11,793	11,907	11,396	10,190	10,323	10,554	10,947	11,462
Infrastructure											
Roads	29,756	33,264	31,763	20,826	22,461	38,108	26,812	27,993	29,859	32,924	23,598
Bridges	587	564	260	266	48	50	52	54	55	57	11,946
Footpaths and cycleways	4,536	7,621	4,937	5,289	5,450	6,590	6,722	4,722	5,152	4,990	5,174
Drainage	1,915	4,522	3,505	3,542	1,477	2,403	2,510	2,623	2,741	2,873	3,011
Car parks	1,715	24,949	22,863	2,659	1,353	1,400	1,448	1,497	1,548	1,601	1,656
Total infrastructure	38,509	70,920	63,328	32,582	30,789	48,551	37,544	36,889	39,355	42,445	45,385
Total capital works expenditure	103,820	171,795	161,411	121,485	90,883	113,794	87,836	119,259	79,458	78,328	113,177
Represented by:											
New asset expenditure	43,336	85,379	87,571	41,501	24,684	57,617	18,537	56,834	12,069	17,712	36,096
Asset renewal expenditure	34,439	39,984	40,418	50,453	45,037	40,742	44,878	46,124	47,492	49,483	51,046
Asset expansion expenditure	7,989	13,638	12,972	5,922	5,467	5,262	11,078	6,493	8,173	-	14,242
Asset upgrade expenditure	18,056	32,794	20,450	23,609	15,695	10,173	13,343	9,808	11,724	11,133	11,793
Total capital works expenditure	103,820	171,795	161,411	121,485	90,883	113,794	87,836	119,259	79,458	78,328	113,177
Funding sources represented by:											
Grants	10,727	30,532	5,622	4,651	3,034	3,034	3,035	3,036	3,037	3,038	3,039
Contributions	100	-	25	-	-	-	-	-	-	-	-
Council cash	92,993	141,263	155,764	116,834	87,849	110,760	84,801	116,223	76,421	75,290	110,138
Borrowings	-	-	-	-	-	-	-	-	-	-	-
Total capital works expenditure	103,820	171,795	161,411	121,485	90,883	113,794	87,836	119,259	79,458	78,328	113,177

3.6 Statement of Human Resources

Staff expenditure	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000
Total staff expenditure											
Male	46,513	48,703	50,480	52,728	55,278	58,018	60,603	63,303	66,126	69,073	72,151
Female	76,965	86,897	90,091	94,166	98,792	103,755	108,445	113,350	118,475	123,832	129,431
Self-described gender	-	-	-	-	-	-	-	-	-	-	-
Casual	4,662	6,418	6,654	6,956	7,298	7,666	8,013	8,377	8,756	9,153	9,568
Total staff expenditure	128,140	142,018	147,225	153,849	161,369	169,439	177,061	185,030	193,357	202,058	211,150
Permanent full time and Part time											
Male	46,513	85,863	89,023	93,061	97,645	102,562	107,211	112,072	117,153	122,463	128,014
Female	76,965	44,919	46,573	48,685	51,083	53,655	56,088	58,630	61,289	64,067	66,970
Self-described gender	-	-	-	-	-	-	-	-	-	-	-
Total	123,478	130,782	135,596	141,745	148,729	156,217	163,299	170,702	178,442	186,530	194,984
Capitalised labour costs											
Male	-	3,784	3,907	4,043	4,195	4,363	4,515	4,673	4,837	5,006	5,181
Female	-	1,034	1,068	1,105	1,147	1,193	1,234	1,278	1,322	1,369	1,417
Self-described gender	-	-	-	-	-	-	-	-	-	-	-
Total	-	4,818	4,975	5,148	5,342	5,556	5,749	5,951	6,159	6,375	6,598

Staff numbers	2020/21 FTE	2021/22 FTE	2022/23 FTE	2023/24 FTE	2024/25 FTE	2025/26 FTE	2026/27 FTE	2027/28 FTE	2028/29 FTE	2029/30 FTE	2030/31 FTE
Total staff numbers											
Male	405	418	422	426	430	435	439	443	448	452	457
Female	665	794	802	810	818	826	834	842	851	859	868
Self-described gender	-	-	-	-	-	-	-	-	-	-	-
Casual	54	77	78	78	79	80	81	82	82	83	84
Total staff numbers	1,123	1,288	1,301	1,314	1,327	1,341	1,354	1,367	1,381	1,395	1,409
Permanent full time and Part time											
Male	405	386	390	394	398	403	407	411	416	420	425
Female	665	785	793	801	809	817	825	833	842	850	859
Self-described gender	-	-	-	-	-	-	-	-	-	-	-
Total	1,069	1,170	1,182	1,195	1,207	1,219	1,232	1,245	1,258	1,271	1,284
Capitalised labour costs											
Male	-	32	32	32	32	32	32	32	32	32	32
Female	-	9	9	9	9	9	9	9	9	9	9
Self-described gender	-	-	-	-	-	-	-	-	-	-	-
Total	-	41	41	41	41	41	41	41	41	41	41

3.7 Planned Human Resource Expenditure

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Chief Executive Officer										
Permanent - Full time and Part time	776	805	841	883	927	969	1,013	1,059	1,107	1,157
Female	776	805	841	883	927	969	1,013	1,059	1,107	1,157
Male	-	-	-	-	-	-	-	-	-	-
Self-described gender	-	-	-	-	-	-	-	-	-	-
Total Chief Executive Officer	776	805	841	883	927	969	1,013	1,059	1,107	1,157
Communications, Engagement and Advocacy										
Permanent - Full time and Part time	13,593	14,093	14,733	15,458	16,237	16,973	17,742	18,547	19,387	20,266
Female	10,587	10,977	11,474	12,040	12,646	13,219	13,818	14,445	15,100	15,784
Male	3,006	3,117	3,258	3,419	3,591	3,754	3,924	4,102	4,288	4,482
Self-described gender	-	-	-	-	-	-	-	-	-	-
Total Communications, Engagement and Advocacy	13,593	14,093	14,733	15,458	16,237	16,973	17,742	18,547	19,387	20,266
Planning and Development										
Permanent - Full time and Part time	15,065	15,620	16,328	17,132	17,995	18,811	19,663	20,555	21,487	22,461
Female	8,474	8,786	9,184	9,637	10,122	10,581	11,061	11,562	12,086	12,634
Male	6,591	6,834	7,143	7,495	7,873	8,230	8,603	8,993	9,400	9,826
Self-described gender	-	-	-	-	-	-	-	-	-	-
Total Planning and Development	15,065	15,620	16,328	17,132	17,995	18,811	19,663	20,555	21,487	22,461
Corporate Services										
Permanent - Full time and Part time	23,201	24,055	25,146	26,385	27,713	28,969	30,283	31,656	33,090	34,590
Female	13,526	14,023	14,659	15,382	16,156	16,888	17,654	18,455	19,291	20,165
Male	9,675	10,031	10,486	11,003	11,557	12,081	12,629	13,201	13,799	14,425
Self-described gender	-	-	-	-	-	-	-	-	-	-
Total Corporate Services	23,201	24,055	25,146	26,385	27,713	28,969	30,283	31,656	33,090	34,590
Sustainable Infrastructure and Services										
Permanent - Full time and Part time	27,887	28,914	30,225	31,714	33,311	34,821	36,399	38,050	39,774	41,577
Female	6,341	6,575	6,873	7,211	7,575	7,918	8,277	8,652	9,044	9,454
Male	21,546	22,339	23,352	24,502	25,736	26,903	28,122	29,397	30,730	32,123
Self-described gender	-	-	-	-	-	-	-	-	-	-
Total Sustainable Infrastructure and Services	27,887	28,914	30,225	31,714	33,311	34,821	36,399	38,050	39,774	41,577
Community Services										
Permanent - Full time and Part time	50,260	52,110	54,473	57,157	60,035	62,756	65,601	68,576	71,684	74,933
Female	46,159	47,858	50,028	52,493	55,136	57,635	60,249	62,980	65,835	68,819
Male	4,101	4,252	4,445	4,664	4,899	5,121	5,353	5,596	5,849	6,114
Self-described gender	-	-	-	-	-	-	-	-	-	-
Total Community Services	50,260	52,110	54,473	57,157	60,035	62,756	65,601	68,576	71,684	74,933
Capitalised labour costs										
Permanent - Full time and Part time	4,818	4,975	5,148	5,342	5,556	5,749	5,951	6,159	6,375	6,598
Female	1,034	1,068	1,105	1,147	1,193	1,234	1,278	1,322	1,369	1,417
Male	3,784	3,907	4,043	4,195	4,363	4,515	4,673	4,837	5,006	5,181
Self-described gender	-	-	-	-	-	-	-	-	-	-
Total Capitalised labour costs	4,818	4,975	5,148	5,342	5,556	5,749	5,951	6,159	6,375	6,598
Casuals, temporary and other expenditure	6,418	6,654	6,956	7,298	7,666	8,013	8,377	8,756	9,153	9,568
Total staff expenditure	142,018	147,225	153,849	161,369	169,439	177,061	185,030	193,357	202,058	211,150

3.7 Planned Human Resource Expenditure (cont.)

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE
Chief Executive Officer										
Permanent - Full time and Part time	3	3	3	3	3	3	3	3	3	3
Female	3	3	3	3	3	3	3	3	3	3
Male	-	-	-	-	-	-	-	-	-	-
Self-described gender	-	-	-	-	-	-	-	-	-	-
Total Chief Executive Officer	3	3	3	3	3	3	3	3	3	3
Communications, Engagement and Advocacy										
Permanent - Full time and Part time	98	99	100	101	102	103	104	105	107	108
Female	77	77	78	79	80	81	81	82	83	84
Male	22	22	22	22	23	23	23	23	24	24
Self-described gender	-	-	-	-	-	-	-	-	-	-
Total Communications, Engagement and Advocacy	98	99	100	101	102	103	104	105	107	108
Planning and Development										
Permanent - Full time and Part time	128	129	130	132	133	134	136	137	138	140
Female	72	73	73	74	75	76	76	77	78	79
Male	56	57	57	58	58	59	59	60	61	61
Self-described gender	-	-	-	-	-	-	-	-	-	-
Total Planning and Development	128	129	130	132	133	134	136	137	138	140
Corporate Services										
Permanent - Full time and Part time	208	210	212	214	216	219	221	223	225	227
Female	121	122	124	125	126	127	129	130	131	133
Male	87	88	88	89	90	91	92	93	94	95
Self-described gender	-	-	-	-	-	-	-	-	-	-
Corporate Services	208	210	212	214	216	219	221	223	225	227
Sustainable Infrastructure and Services										
Permanent - Full time and Part time	275	278	281	283	286	289	292	295	298	301
Female	63	63	64	64	65	66	66	67	68	68
Male	213	215	217	219	221	223	226	228	230	232
Self-described gender	-	-	-	-	-	-	-	-	-	-
Total Sustainable Infrastructure and Services	275	278	281	283	286	289	292	295	298	301
Community Services										
Permanent - Full time and Part time	499	504	509	514	519	524	530	535	540	546
Female	458	463	467	472	477	482	486	491	496	501
Male	41	41	42	42	42	43	43	44	44	45
Self-described gender	-	-	-	-	-	-	-	-	-	-
Total Community Services	499	504	509	514	519	524	530	535	540	546
Capitalised labour costs										
Permanent - Full time and Part time	41	41	41	41	41	41	41	41	41	41
Female	9	9	9	9	9	9	9	9	9	9
Male	32	32	32	32	32	32	32	32	32	32
Self-described gender	-	-	-	-	-	-	-	-	-	-
Total Capitalised labour costs	41	41	41	41	41	41	41	41	41	41
Casuals, temporary and other expenditure	77	78	78	79	80	81	82	82	83	84
Total staff numbers	1,288	1,301	1,314	1,327	1,341	1,354	1,367	1,381	1,395	1,409

4 Financial Performance Indicators

The following table highlights Council's projected performance across a range of key financial performance indicators. These indicators provide an analysis of Council's 10-year financial projections and should be interpreted in the context of the organisation's objectives and financial management principles.

Indicator	Measure	Notes	Forecast	Trend											Trend
			Actual 2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	+/-	
Operating position															
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	-2%	-1%	6.0%	3.9%	5.3%	5.2%	0.4%	5.7%	1.3%	3.8%	3.4%		
Liquidity															
Working Capital	Current assets / current liabilities	2	486%	390%	282%	237%	261%	242%	254%	248%	295%	355%	372%		
Unrestricted cash	Unrestricted cash / current liabilities	3	131%	165%	76%	47%	50%	65%	68%	99%	133%	193%	217%		
Obligations															
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	4	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%		
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%		
Indebtedness	Non-current liabilities / own source revenue		17%	16%	15%	15%	14%	13%	13%	12%	12%	11%	11%		
Asset renewal	Asset renewal and upgrade expense / Asset depreciation	5	97%	127%	98%	109%	83%	65%	69%	63%	65%	63%	62%		
Stability															
Rates concentration	Rate revenue / adjusted underlying revenue	6	65%	63%	63%	63%	64%	64%	64%	64%	64%	65%	66%		
Rates effort	Rate revenue / CIV of rateable properties in the municipality		0.37%	0.36%	0.36%	0.36%	0.37%	0.37%	0.37%	0.38%	0.38%	0.39%	0.39%		
Efficiency															
Expenditure level	Total expenses / no. of property assessments		\$3,437	\$3,495	\$3,305	\$3,457	\$3,464	\$3,538	\$3,805	\$3,691	\$3,937	\$3,884	\$3,932		
Revenue level	Total rate revenue / no. of property assessments		\$1,999	\$2,011	\$2,045	\$2,085	\$2,131	\$2,183	\$2,237	\$2,291	\$2,348	\$2,405	\$2,464		
Key to Forecast Trend:															
+ Forecasts improvement in Council's financial performance/financial position indicator															
o Forecasts that Council's financial performance/financial position indicator will be steady															
- Forecasts deterioration in Council's financial performance/financial position indicator															

Notes to indicators:

4.1 Adjusted underlying result ratio

This is an indicator of the sustainable operating result required to enable Council to continue to provide core services and meet its objectives.

4.1.1 Department of Jobs, Precincts and Regions (DJPR) adjusted underlying result

The definition of underlying result for the purpose of the Performance Statement, refers to the net surplus or deficit for the year (per Australian Accounting Standards) as a percentage of adjusted underlying revenue. It is calculated by adjusted underlying revenue which includes total income other than non-recurrent grants used to fund capital expenditure, non-monetary contributions, and contributions to fund capital expenditure less total expenditure, divided by adjusted underlying revenue.

Over the period of the Financial Plan (2022/23 to 2030/31), the ratio is expected to remain positive within the range of 0.4% to 6% as outlined in the above table.

4.1.2 Hume City Council underlying result

Council's view of an appropriate definition of the underlying result refers to the net surplus or deficit for the year (per Australian Accounting Standards) calculated by total income less total expenditure excluding items of a capital or one-off / infrequent nature of transactions such as contributed assets, developer contributions and payments, gain on disposal of assets and fair value adjustments for investment property.

Over the period of the Financial Plan, the underlying result is expected to remain positive.

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income											
Rates and charges	201,891	209,307	219,585	230,543	242,870	255,721	269,434	283,028	297,029	311,628	326,820
Statutory fees and fines	11,681	15,516	15,765	16,264	17,022	17,539	17,776	18,259	18,748	19,243	19,735
User fees	17,431	30,656	32,714	35,057	37,016	39,064	41,140	43,287	45,527	47,868	50,288
Grants - Operating	54,001	51,575	53,232	54,915	56,611	58,328	59,969	61,600	63,248	64,918	66,578
Contributions - monetary	888	796	800	804	808	842	845	847	850	853	856
Other income	6,331	5,328	5,568	5,679	6,514	6,953	7,396	7,643	8,595	9,152	9,613
Total income	292,223	313,178	327,664	343,262	360,841	378,147	396,260	414,364	433,697	453,362	473,590
Expenses											
Employee costs	128,140	137,200	142,250	148,701	156,027	163,883	171,312	179,079	187,198	195,683	204,552
Materials and services	108,361	103,335	105,615	110,351	116,699	121,278	127,259	133,519	141,422	146,946	154,132
Depreciation	54,122	57,404	61,946	67,918	73,226	78,872	84,025	88,270	91,777	96,874	100,840
Amortisation - intangible assets	1,513	1,513	1,513	1,513	1,513	1,513	1,513	1,513	1,513	1,513	1,513
Amortisation - right of use assets	335	327	321	319	313	314	162	21	21	21	21
Bad and doubtful debts	-	-	-	-	-	-	-	-	-	-	-
Borrowing costs	200	326	331	337	344	351	358	365	372	380	388
Finance Costs - leases	30	43	58	46	34	22	9	6	5	4	3
Other expenses	9,245	8,097	8,821	9,157	9,513	9,887	10,273	10,674	11,094	11,532	11,985
Total expenses	301,946	308,245	320,856	338,342	357,669	376,120	394,911	413,447	433,402	452,953	473,434
Hume adjusted underlying Surplus/(deficit) for the year	(9,723)	4,933	6,809	4,920	3,172	2,027	1,349	917	295	409	156
Grants - Capital	10,727	30,532	5,622	4,651	3,034	3,034	3,035	3,036	3,037	3,038	3,039
Contributions - developer contributions	10,865	15,505	16,191	20,025	19,366	20,560	22,809	26,008	26,098	23,394	18,281
Contributions - capital	100	-	25	-	-	-	-	-	-	-	-
Contributions - non-monetary	100,047	113,123	108,877	106,872	105,696	102,261	98,767	96,045	96,121	95,894	92,720
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	4,797	517	-	-	-	-	-	-	-	-	-
Fair value adjustments for investment property	699	932	1,183	1,206	1,236	1,266	1,297	1,329	1,361	1,394	1,428
Reimbursement to developer for LK/VWIK projects	4,707	21,967	-	4,121	-	-	-	-	-	-	-
Payment to ICP developer for land equalisation	-	-	1,170	4,669	371	-	20,789	-	18,795	3,884	-
PAO overlay compensation	1,000	-	-	-	-	-	-	-	-	-	-
Capital works expensed	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Asset renewed	5,740	-	-	-	-	-	-	-	-	-	-
Surplus/(deficit) for the year	102,065	139,575	133,537	124,884	128,133	125,148	102,468	123,335	104,117	116,245	111,624
Other comprehensive income											
Items that will not be reclassified to surplus or deficit in future periods											
Net asset revaluation increment/(decrement)	73,967	72,332	77,292	82,183	86,633	90,689	95,058	99,123	103,839	107,864	111,957
Total comprehensive result	175,932	211,907	210,829	207,067	214,766	215,837	197,526	222,458	207,956	224,109	223,581

4.2 Working Capital ratio

This ratio is a liquidity ratio that measures Council's ability to cover its short-term obligations with its current assets. It is calculated by dividing total current assets by total current liabilities. A ratio below 100% may indicate Council cannot meet its current debt obligations.

The working capital is forecast to decrease from 390% to 372% during the Financial Plan period due to reducing cash balance as the result of investment in Council's large capital works program.

4.3 Unrestricted Cash ratio

The unrestricted cash ratio is the proportion of unrestricted cash as a percentage of current liabilities. A ratio above 100% indicates that Council has sufficient unrestricted cash to be able to fund its current liabilities.

Restricted cash means cash, cash equivalents and financial assets, within the meaning of Accounting Standard AASB 107 Statement of Cash Flows, that are not available for use other than for a purpose for which it is restricted and includes statutory reserves, trust funds and deposits and cash to be used to fund capital works expenditure from the previous financial year.

Council's unrestricted cash ratio falls below 100% temporarily from 2022/23 to 2027/28 but is forecast to increase above 100% from 2028/29 onwards. The reason for the unfavourable ratio during the 2022/23 to 2027/28 period is due to the cash outflow for the delivery of DCP/ICP infrastructure assets ahead of the receipt of the corresponding developer contributions. In 2030/31, the restricted cash ratio is forecast to be 217%.

4.4 Asset renewal ratio

The purpose of this ratio is to indicate the extent of Council's renewal and upgrade capital expenditure against depreciation (annual consumption) of the asset base.

A ratio above 100% is a theoretical indication that Council reinvests adequately to match its assets consumption. Whether this ratio needs to be above 100% depends on the relative age of Council's asset base and historical, present and future growth rate of its asset base.

It is important to note that depreciation reflects the annual consumption of existing assets on a straight-line basis in accordance with Australian Accounting Standards and is frequently not a true reflection of the timing that asset renewal is required. For example, when an infrastructure asset is halfway through its life using straight line depreciation, it may not have moved in condition at all and does not require any renewal. The majority of the decline in condition for most infrastructure assets occurs during the last quarter of their life.

Hume is a growth council and its asset base is relatively new. The annual renewal requirement in the long-term capital works program is based on the latest asset condition audit and is therefore lower than the annual depreciation amount which is calculated under the accounting straight-line method.

Council's asset renewal ratio deteriorates from 127% to 62% over the term of the Financial Plan due to a large capital works program and a high level of developer contributed assets due to growth. These new assets are contributing to the increased depreciation expense without the requirement for renewal in the near future as they have long useful lives.

Depreciation forms part of the adjusted underlying result and therefore by achieving a positive adjusted underlying result, Council is able to accumulate a retained earnings reserve to fund future renewal expenditure when required.

4.5 Rates concentration ratio

This ratio reflects extent of reliance on rate revenue to fund all of Council's on-going services.

Rates concentration is measured as rate revenue compared to adjusted underlying revenue which is the total income other than non-recurrent grants used to fund capital expenditure, non-monetary contributions and contributions to fund capital expenditure from sources other than those referred to above.

Over the Financial Plan period, this ratio is in the range of 63% to 66%, indicating that Council is heavily reliant on rate revenue.

4.6 Rates effort ratio

This ratio is intended to examine the community's capacity to pay. This ratio measures rate revenue as a percentage of the capital improved value of rateable properties in the municipality.

Over the Financial Plan period, this ratio is stable in the range of 0.36% to 0.39% indicating that rate revenue is expected to increase in line with the capital improved value of rateable properties in the municipality.

4.7 Revenue level ratio

This ratio represents the total rate revenue divided by the number of property assessments. Rate revenue includes revenue from general rates, municipal charges, service rates and service charges. This ratio shows the average rate revenue that Council receives for each rateable property.

Over the Financial Plan period, this ratio is forecast to increase within the range of \$2,011 to \$2,464 in line with the expected rate increases (within the rate cap) and forecast growth within the municipality.

4.8 Expenditure level ratio

This ratio represents the total expenditure divided by the number of property assessments. This ratio shows the average operating expense outlay for each rateable property.

Over the Financial Plan period, this ratio is forecast to increase within the range of \$3,495 to \$3,934 in line with growth in the municipality and increases in expenditure as a result of price increases for contracts, materials, utilities and EBA.

5 Strategies and Plans

This section describes the strategies and plans that support the 10-year financial projections included to the Financial Plan.

5.1 Rating and Other Revenue strategies

5.1.1 Rates Revenue

Council's rating approach for the future will be restricted to the rate cap set by the Minister for Local Government under the Victorian Government's Fair Go Rates System. For the 2021/22 year, the cap is the forecast CPI of 1.50 per cent. Beyond this year, the cap reflects the expected forecast CPI over the Financial Plan period.

In limited cases, the owner or tenant of land exempt from rates may have an agreement in place to pay Council an amount in lieu of rates (e.g. Commonwealth owned land used for defence and other purposes). Council currently has an agreement in the form of a Memorandum of Understanding (MOU) with Australia Pacific Airports (Melbourne) Pty Ltd (APAM) for the payment of 'Rates In Lieu' (RIL). This amount of RIL represents a significant portion of Council's rate revenue. However, the impacts of COVID-19 have had a significant impact on the APAM's operations, resulting in significantly reduced non-aeronautical revenue which has subsequently resulted in a lower valuation and lower RIL payable. Council will closely monitor the post COVID-19 economic climate and will negotiate the current MOU with Melbourne Airport which expires in 2023/24.

Under the current Rate Capping environment, Council faces challenges to maintain a balanced budget associated with increased costs of providing services and cost shifting from other levels of government without reducing the current service level.

In the current Financial Plan there is no separate waste charge for the standard waste and recycling services offered by Council however, Council may investigate the option of implementing a separate waste charge to meet the rising cost of waste services and improve Council's financial sustainability.

5.1.2 Grant Revenue

Continue to advocate for ongoing grant funding for important community services and make application for specific grants based on the merits of individual operating and capital projects.

5.1.3 Fees and charges revenue

One of the major sources of revenue for Council is that gained from fees and charges. Fees and charges come in two broad categories. A number of Council fees and charges are statutory in nature in that the amount levied is fixed by statute and can only be increased in line with the annual increases announced by Victorian Government. The balance of fees and charges is discretionary in that Council can levy the amounts it believes are equitable.

Council will continue to review its approach to fees and charges across a number of services in accordance with Council's Setting of Fees and Charges Policy. This Financial Plan includes the assumption that these fees will increase by the cost escalation factor that currently averages at 2.5 to 3 per cent in providing these services on an annual basis. The cost of Council services is driven not only by the CPI but also by increase in labour, contract and utilities costs. It is also recommended that Council will continue to review its fees and charges at regular intervals and at least annually to ensure appropriate pricing for the relevant market.

5.1.4 Other revenue

Council needs to identify any alternative revenue sources to reduce reliance on rates. This may include commercial activities and deploy assets in an efficient manner to provide additional income for Council such as the development of Racecourse Road in Sunbury, the Broadmeadows Town Hall redevelopment which included commercial tenancies and sales of assets which are considered surplus to its needs.

5.2 Achieving cost savings through efficiency gain

The Financial Plan is a high-level strategic plan that acts as a framework for future annual Budgets. Since 2001 the City's residential population has doubled to over 248,900 in 2020/21. This is expected to grow to almost 316,000 by 2031. The growth in population will result in an increase in demand for services.

Improving the efficiency and productivity of the organisation to deliver services at a lower cost is a major driver of this Financial Plan and delivering community value in the long term is a key area of focus for Council in the years ahead.

To manage costs pressures, Council need to achieve a sustainable Enterprise Bargaining Agreement (EBA) outcome, continually seek improved ways of delivering services to its community, improve service planning and reviews to ensure future services meet the needs of the community and review Council's procurement policy on a frequent basis to ensure Council continually achieves value-for-money from procurement activities.

A modest increase in staff numbers and material and services expenditure are anticipated (approximately 1% increase per annum for equivalent full-time (EFT) staff and 1.75% increase in growth for material and services) to accommodate this significant household and population growth. The assumed increase in employee and material and services costs in the forward projections are lower than forecast increases in population and household growth (average of 2.44% over the next 10 years).

Whilst the Financial Plan establishes a framework for the annual Budget, Council thoroughly reviews all draft operational budgets on an annual basis and seeks to achieve savings against this framework wherever possible.

5.3 Borrowing Strategy

5.3.1 Current Debt Position

No borrowings have been included in the Financial Plan period. Council has sufficient cash reserves to fund its daily operational activities and capital works requirements.

5.4 Reserves Strategy

Hume has operated with Reserve funds that are amounts of money set aside for specific purposes in later years. These funds do not have separate bank accounts but represent a theoretical split of the cash surplus that Council has on hand. The following sections outline the Reserve funds Council holds and their purpose.

5.4.1 Current Reserves

5.4.1.1 Public Open Space Reserve

The Open Space reserve is established to hold funds contributed by developers for works associated with developing improved open space facilities within Hume City Council. Funds are contributed in accordance with the *Subdivision Act 1988* and

transfers are restricted to the purpose of creating or improving public open space such as parks, playgrounds and other land improvements within the municipality where it is deemed that these works should occur at a later point than the initial development. Separate reserves have been established to record revenues received from developers in each suburb that are to be applied specifically to undertaking future capital works within these suburbs.

The expenditure on the relevant land improvement assets from previous year's capital works program will be removed from the relevant income catchment reserve through an annual reconciliation process.

5.4.1.2 Developer Contribution Reserve

All income received via developer contribution agreements will be recorded against reserves in the Balance Sheet where there is a future obligation on Council. A separate discretionary reserve is to be created for each Developer Contribution Plan (DCP), Infrastructure Contribution Plan (ICP) or Section 173 Agreement².

An annual reconciliation process will be implemented to remove any expenditure incurred from the corresponding reserve when the relevant project has been delivered through the capital works program.

5.4.1.3 Investment Reserve

The Investment Reserve has been established by Council with the proceeds to fund works considered by Council to be of a strategic nature.

Inflow to this reserve will typically be from 50% of the sales proceeds of Council's land assets and Council will determine how the reserve will be allocated to future strategic capital works projects.

An annual reconciliation process will be implemented to remove any expenditure incurred from the reserve when the relevant project has been delivered through the capital works program.

5.4.1.4 Landfill Reserve

This reserve has established based on the EPA request to set aside the funding for possible remedial works required to fix any pollution issues at Council's landfill sites.

5.4.2 Reserve Usage Projections

The table below discloses the balance and annual movement for each reserve over the 10-year life of the Financial Plan. Total amount of reserves, for each year, is to align with the Statement of Changes in Equity.

Restricted reserves are to be included to the disclosure of restricted cash assets.

² of the Planning and Environment Act 1987

5.4.3 Reserve Usage Projections (cont.)

Reserves	Restricted / Discretionary	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
		\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Public Open Space Reserve												
	Restricted											
Opening balance		7,074	1,755	17	17	17	17	17	17	17	17	17
Transfer to reserve		919	519	-	-	-	-	-	-	-	-	-
Transfer from reserve		(6,238)	(2,257)	-	-	-	-	-	-	-	-	-
Closing balance		1,755	17	17	17	17	17	17	17	17	17	17
Development Contributions Reserve												
	Restricted											
Opening balance		115,183	118,246	81,444	67,450	55,654	64,846	49,772	53,324	33,583	38,085	39,145
Transfer to reserve		13,583	14,986	16,191	20,025	19,366	20,560	22,809	26,008	26,098	23,394	18,281
Transfer from reserve		(10,520)	(51,788)	(30,185)	(31,820)	(10,174)	(35,634)	(19,257)	(45,749)	(21,596)	(22,334)	(24,286)
Closing balance		118,246	81,444	67,450	55,654	64,846	49,772	53,324	33,583	38,085	39,145	33,141
Landfill Reserve												
	Restricted											
Opening balance		500	500	500	500	500	500	500	500	500	500	500
Transfer to reserve		-	-	-	-	-	-	-	-	-	-	-
Transfer from reserve		-	-	-	-	-	-	-	-	-	-	-
Closing balance		500	500	500	500	500	500	500	500	500	500	500
Conditional grants												
	Restricted											
Opening balance		17,592	-	-	-	-	-	-	-	-	-	-
Transfer to reserve		-	-	-	-	-	-	-	-	-	-	-
Transfer from reserve		(17,592)	-	-	-	-	-	-	-	-	-	-
Closing balance		-	-	-	-	-	-	-	-	-	-	-
Reserves Summary Total Restricted												
	Total Restricted											
Opening balance		140,349	120,501	81,962	67,967	56,171	65,364	50,289	53,842	34,101	38,602	39,663
Transfer to reserve		14,502	15,505	16,191	20,025	19,366	20,560	22,809	26,008	26,098	23,394	18,281
Transfer from reserve		(34,350)	(54,045)	(30,185)	(31,820)	(10,174)	(35,634)	(19,257)	(45,749)	(21,596)	(22,334)	(24,286)
Closing balance		120,501	81,962	67,967	56,171	65,364	50,289	53,842	34,101	38,602	39,663	33,658
Investment Reserve												
	Discretionary											
Opening balance		15,930	19,312	9,682	1,282	1,282	1,282	1,282	1,282	1,282	1,282	1,282
Transfer to reserve		3,382	1,070	-	-	-	-	-	-	-	-	-
Transfer from reserve		-	(10,700)	(8,400)	-	-	-	-	-	-	-	-
Closing balance		19,312	9,682	1,282	1,282	1,282	1,282	1,282	1,282	1,282	1,282	1,282
Reserves Summary Total Discretionary												
	Total Discretionary											
Opening balance		15,930	19,312	9,682	1,282	1,282	1,282	1,282	1,282	1,282	1,282	1,282
Transfer to reserve		3,382	1,070	-	-	-	-	-	-	-	-	-
Transfer from reserve		-	(10,700)	(8,400)	-	-	-	-	-	-	-	-
Closing balance		19,312	9,682	1,282	1,282	1,282	1,282	1,282	1,282	1,282	1,282	1,282
Reserves Summary Restricted & Discretionary												
	Restricted & Discretionary											
Opening balance		156,279	139,813	91,643	69,249	57,453	66,645	51,571	55,123	35,382	39,884	40,944
Transfer to reserve		17,883	16,575	16,191	20,025	19,366	20,560	22,809	26,008	26,098	23,394	18,281
Transfer from reserve		(34,350)	(64,745)	(38,585)	(31,820)	(10,174)	(35,634)	(19,257)	(45,749)	(21,596)	(22,334)	(24,286)
Closing balance		139,813	91,643	69,249	57,453	66,645	51,571	55,123	35,382	39,884	40,944	34,940

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