

Financial and Non-Financial Performance Reporting



QUARTER 3

January to March 2024

Council Meeting
24 April 2024

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1. Executive Summary

This report is for the period ending 31 March 2024 and outlines Council's position and performance in the first three quarters of the 2023-24 Financial Year.

Profit and Loss

After the first three quarters of the financial year, net surplus is \$4.134 million. This can be attributed to total expenses for the first three quarters of the year lower than budget at the reporting date by the value of \$4.18m or 17%.

The lower than budget expenditure can be explained by \$2.336m lower than expected spend on materials and services and \$659,000 lower than expected expenditure on employee costs.

At the end of the quarter, the reviewed forecast deficit of \$961,585 for the financial year is lower than the adopted budget figure of a deficit of \$4.73m.

Balance Sheet

Current assets of council at the end of the quarter are \$15.41 million. Council is holding approximately \$10.89 million between the bank and short-term investments.

Total fixed assets have increased \$3.103 million since the start of the financial year and are expected to increase throughout the year as the capital works program is delivered. These increases have been and will continue to be offset by the recognition of depreciation on existing assets.

Total liabilities have decreased \$6.632 million since the start of the financial year. This movement is attributed to a decrease in trade and other payables of \$6.8 million since the start of the financial year, offset by an increase of \$1.39 million in Fire Services Levy which is held in trust on behalf of the State Revenue Office.

Cashflow Statement

Council is holding approximately \$11.35 million between the bank and short-term investments, a decrease of \$6.27 million since the start of the year. There were Net cash outflow from operating activities totalling was \$6.06 million, net cash outflows from investing activities totalling \$12.82 million and net cash inflows from financing activities totalling \$490,216.

Financial Indicators

The financial indicators for the third quarter are producing a positive result. This is due to annual rates and charges being raised and issued, whilst expenditure is only three quarters of the way through the year, and is currently 17% less than budget estimates. It is predicted that as expenditure increases throughout the next quarter, the financial indicators will decrease and be more inline with budget estimates.

As discussed above, Council is also holding \$10.89 million between bank and investments with maturity less than 12 months, being classified as current assets. This has a positive impact on Council's working capital ratio.

Of this amount, \$7.28 million is held at call with the bank. Council officers are actively monitoring cashflow levels, with inflows received in February due to rates instalment payments. Council has access to overdraft facilities and short term investments to ensure Council is able to pay bills on time.

Projects

Management has split the projects into four categories for reporting purposes. Across all categories, Council has a \$16.53 million capital works program, with 38% expended at the reporting date.

Property: Council has a \$6.2 million capital works program being delivered on council owned buildings and associated infrastructure, with 52% being expended during the financial year.

Plant & Equipment: – Council has a \$2.4 million capital works program being delivered on council owned plant and equipment, with 8% to be expended during the quarter. Procurement activities have continued during the quarter, budgeted items and are expected to be achieved by the end of the financial year.

Roads Infrastructure: Council has a \$7.35 million capital works program being delivered on roads related infrastructure, which includes roads, footpaths, drainage, kerb and channels with 37% expended during the quarter.

Other Infrastructure: Council has a \$500,000 capital works program being delivered on other infrastructure, which includes recreation and community facilities and transfer station infrastructure with 33% expended during the quarter.

Budget Impact and Changes

During the quarter Council was successful in receiving \$53,850 from the Flexible Local Transport Solutions Program for a number of Footpaths construction activities across the shire.

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

Rates and Charges

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

Rates in the arrears balance at the end of the quarter was \$1.197 million. This is a reduction of \$87,000 or 7% from the balance at the beginning of the quarter.

Non-Financial Performance

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

- Staff turnover for the twelve months to 31 March 2024 is 22.7%. The decision for Council to transition out of providing CHSP services resulted in 15 redundancies from the Positive ageing team 30 June 2023.
- Staff absenteeism for the quarter decreased from the previous quarter but still totalled 5.12%, above the tolerance level of 3%.
- 3 complaint remained open greater than 30 days at the reporting date, above the tolerance limit of 0 open complaints greater than 30 days. All of these three complaints have progressed and action has been begun, however the complaint has not yet been resolved. 11 complaints were received in total during the quarter, with the 7 closed complaints taking an average of 10 days to resolve.
- The Heat Wave Plan, Municipal Fire Management Plan, External Private Works Policy, Dangerous Dog & Restricted Breed Policies, and 3 x MCH Guidelines are past 60 days overdue.
- The Road Register Local Roads and Streets and Road Asset Management plan are currently two overdue strategies or plans:

Occupational Health and Safety

There was 255 hours of lost time due to injuries during the quarter, with a total of 801 hours lost for the year. 13 incidents, hazards, near misses and public incidents were registered during the quarter, with 1 of these being noted as high risk rating.

Strategic Risk Register

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

Conclusion

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

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

2. Profit and Loss Statement

Jul 2023 - Mar 2024							
	(YTD)Actuals	(YTD) Budget	Variance	%Variance	Approved Budget Full Year	Full Year Forecast	Notes
Operating Income							
Asset Disposal	66,116	340,000	(273,884)	(81%)	340,000	67,116	1
Grants Commonwealth Capital	2,014,616	3,119,121	(1,104,505)	(35%)	5,065,121	4,984,121	2
Grants Commonwealth Operating	395,697	72,297	323,400	447%	96,396	494,709	3
Grants Vic Capital	3,217,063	200,000	3,017,063	1509%	200,000	3,277,163	4
Grants Vic Operating	2,991,203	4,390,383	(1,399,181)	(32%)	5,247,740	3,402,958	5
Other Income	817,798	357,006	460,791	129%	496,333	1,064,491	6
Rates and Charges	14,623,964	14,431,695	192,269	1%	14,431,695	14,624,066	
Statutory Fees and Fines	135,184	97,092	38,092	39%	157,530	198,244	7
User Fees	500,948	458,411	42,538	9%	682,589	628,936	
Total Operating Income	24,762,588	23,466,005	1,296,583	6%	26,717,404	28,741,804	
Total Operating Income	24,762,588	23,466,005	1,296,583	6%	26,717,404	28,741,804	
Operating Expenses							
Asset Disposal	0	380,000	380,000	100%	380,000	0	
Bad & Doubtful Debts	0	3,000	3,000	100%	4,000	2,000	
Contributions and Donations	516,156	598,636	82,480	14%	598,636	593,455	8
Depreciation Amortisation & Impairment	3,796,800	4,507,912	711,112	16%	6,010,549	6,351,691	9
Employee Costs	8,688,549	9,347,645	659,096	7%	12,677,506	11,835,276	
Finance Costs	3,783	15,000	11,217	75%	20,000	8,783	
Materials and Services	5,889,660	8,226,391	2,336,731	28%	9,912,203	8,752,720	11
Other Expenses	1,734,030	1,730,073	(3,958)	(0%)	1,839,627	2,159,464	
Total Operating Expenses	20,628,978	24,808,656	4,179,678	17%	31,442,520	29,703,389	
Net Profit	4,133,610	(1,342,651)	5,476,261	(408%)	(4,725,116)	(961,585)	

3. Notes to the Profit and Loss Statement

Note	Item	Explanation of Variance
Income		
1	Asset Disposals	<p>Q1: Sale of Ford Falcon FG Ute \$1,978, Sale of Mitsubishi Pajero Sport \$30,296 and Mitsubishi Pajero Sport \$30,614 and sale of other miscellaneous items.</p> <p>Q2: As per Q1</p> <p>Q3: As per Q1</p>
2	Grants Commonwealth Capital	<p>Q1: Council received \$834,438 from the Department of Infrastructure, Regional Development and Communications for Local Roads and Community Infrastructure Grant (LRCI 4). Roads to Recovery funding which is normally claimed in Q1 will be claimed in Q2.</p> <p>Q2: Payment of the Roads to Recovery grant has been delayed (even though quarterly report was lodged on time) due to VAGO issuing the audit opinion after 31 October. This grant (\$1.09 million) will be paid in Q3. Council had expected to receive flood restoration grant monies from DRFA in Q2 but these claims are still under assessment.</p> <p>Q3: The DRFA claim is still under assessment. Roads to Recovery payment of \$1.180 million was received in March.</p>
3	Grants Commonwealth Operating	<p>Q1: The full 2023/24 Federal Assistance Grants (FAGs) were paid in advance prior to the end of the 2022/23 financial year. Therefore, the quarterly amounts (\$74,913) are adjustments and are to be paid to Council throughout the 2023/24. \$100,000 was also received from the Department of Industry, Science, Energy and Resources which was the final payment for the Drought Communities Programme.</p> <p>Q2: Variance is due to Council receiving quarterly FAGs funding (\$74,913) which was not budgeted as per Q1.</p> <p>Q3: As per Q2 and Q1.</p>
4	Grant Vic Capital	<p>Q1: \$3.114 million is related to the reversal of the unexpended grants related to capital projects which were held on the Balance Sheet as at the 30 June 2023. Majority of this funding related to the Woomelang and Murtoa Housing project (\$2.520m) and Dunmunkle Library project (\$598,000) It is expected that these amounts will be expended in the 2023/24. Council received \$16,000 as final payment of the 2021/22 Local Sports Infrastructure Fund for the Woomelang Bowling Club Synthetic Surface Project.</p> <p>Q2: As per Q1</p> <p>Q3: As per Q1. Council has also received \$45,000 from Department of Transport and Planning as part of the Footpath Connections – Flexible Local Transport Solutions which was not budgeted for</p>

5	Grant Vic Operating	<p>Q1: \$1.074 million is related to the reversal of the unexpended grants related to operating projects which were held on the Balance Sheet as at the 30 June 2023. Council has received \$363,179 for kindergarten funding, \$85,000 for Roadside Weeds and Pests Program 2023/24, and \$99,108 relates to Maternal and Child Health.</p> <p>Q2: As per Q1 and Council has received \$60,000 for the Minyip Wetlands Cabins, \$60,000 COVID-19 Rapid Antigen Test Program, \$20,000 Murtoa Stick Shed and \$20,000 for Domestic Wastewater Management Plan.</p> <p>Q3: As per Q1 and Q2. Council has also received \$126,226 for the Public Libraries Funding Program and other smaller grants for Supported Playgroups and MAV Tobacco grants.</p>
6	Other Income	<p>Q1: The main areas of other income are Interest on rates \$17,010, Legal costs recovered \$13,186, scrap metal recycling \$11,258, Workcover reimbursements \$23,668, income protection reimbursement \$63,678 and Bank interest received \$72,724.</p> <p>Q2: Major variances are due to interest on rates \$35,848, Bank interest \$81,579, Workcover reimbursements \$26,363, Income protection reimbursements \$52,283.</p> <p>Q3: Council has received contributions from the Hopetoun Kindergarten for the Playground Development (Landscaping) Project \$20,070 and the Hopetoun Recreation Reserve Inc has reimbursed Council for the Pergola Project \$37,724. Council has also received insurance reimbursement of \$44,115 for storm damage at the Warracknabeal Children's Centre and a payment of \$7,797 for vehicle repairs. Bank interest of \$54,847 was received for the quarter and legal cost of \$17,878 were recouped. \$27,681 was also received for scrap metal during the 3rd quarter.</p>
7	Statutory Fees and Fines	<p>Q1: Council is following up on unregistered animals which is \$8,921 more than what was budgeted for quarter 1. Planning fees are \$12,290 up on what was budgeted for the quarter.</p> <p>Q2: Main variance is due to Planning fees being up on what was budgeted.</p> <p>Q3: Animal Fees collected for the 3rd quarter totalled \$10,666, Building fees were \$16,301 and Planning fees were \$13,950.</p>

Expense

8	Contributions & Donations	<p>Q1: Annual contributions to halls, recreation reserves, swimming pools, progress associations and weir pools are usually paid out during September to November.</p> <p>Q2: No variance as majority of annual contributions have been paid.</p> <p>Q3: Annual contributions were made to the Aubrey and Boolite Public Halls, Murtoa and Brim Recreation Reserves and Beulah Weir Pool totalling</p>
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9	Depreciation, amortisation & impairment	<p>Q1: Depreciation of \$1.350 million has been booked for buildings, plant, furniture & equipment and infrastructure assets.</p> <p>Q2: Depreciation of \$2.446 million has been booked for the 2nd quarter for buildings, plant, furniture & equipment and infrastructure assets.</p> <p>Q3: Depreciation for the 3rd quarter is yet to be booked.</p>
10	Materials and services	<p>Q1: The main variances in this area are contractors are down by \$1.180 million which is due mainly to flood works on formed roads and gravel road maintenance only just commencing at the end of the quarter, consultants are \$694,444 down on budget, materials is down \$104,434 and building maintenance is also down \$38,864 compared to budget.</p> <p>Q2: The main variance in this area is contractors are up by \$555,427 which is due mainly to flood works on formed roads and gravel road maintenance, and works at the Murtoa Stick Shed compared to budget.</p> <p>Q3: Contractors Fulton Hogan have undertaken stabilisation works \$163,642, SJR Demolition & Earthmoving have undertaken removal of a building, the purchase and installation of the WTU Pty Ltd Cabins at Minyip Wetlands \$143,200</p>
11	Other Expenses	<p>Q1: Variance relates mainly to insurance being \$83,980 less than what was budgeted, legal costs are down \$103,188 on budget for quarter 1 and operating leases were also down \$31,245.</p> <p>Q2: As per Q1</p> <p>Q3: As per Q1</p>

4. Balance Sheet

	Mar 2024	June 2024	Jun 2023		
	Actuals	Forecast	Actuals	Variance	% Variance
Assets					
Current Assets	15,410,273	13,136,137	20,572,182	(5,161,909)	(25%)
Bank	7,276,708	6,500,000	13,480,132	(6,203,424)	(46%)
Financial Assets	240,773	170,000	377,240	(136,467)	(36%)
Investments	4,077,644	4,316,587	4,044,061	33,583	1%
Inventory	118,556	152,212	171,832	(53,276)	(31%)
Trade & Other Receivables	3,696,592	1,997,338	2,498,917	1,197,675	48%
Fixed Assets	172,799,714	170,176,933	169,696,999	3,102,716	2%
Land	4,661,749	5,097,867	4,661,749	0	0%
Plant & Equipment	5,283,424	5,533,424	6,243,527	(960,103)	(15%)
Infrastructure Assets	128,887,889	139,064,988	131,091,117	(2,203,228)	(2%)
Buildings	25,267,397	19,660,302	25,613,770	(346,372)	(1%)
Work in Progress - Assets	8,699,256	820,351	2,086,837	6,612,418	317%
Non-Current Assets	802,134	672,134	802,134	0	0%
Investments	306,014	326,014	306,014	0	0%
Right of Use Assets	496,120	346,120	496,120	0	0%
Total Assets	189,012,122	183,985,203	191,071,315	(2,059,193)	(1%)
Total Assets	189,012,122	183,985,203	191,071,315	(2,059,193)	(1%)
Liabilities					
Current Liabilities	3,847,206	3,924,375	10,479,492	6,632,286	63%
Provisions	2,597,548	2,123,720	2,786,637	189,089	7%
Trade & Other Payables	163,269	720,275	7,013,323	6,850,054	98%
Trusts Funds & Deposits	184,657	185,150	44,922	(139,735)	(311%)
Lease Liability	339,898	339,898	339,898	0	0%
Trust Funds & Deposits - Fire Services Levy	511,101	514,502	294,711	(216,390)	(73%)
Loans & Borrowings Current	50,733	40,829	0	(50,733)	N/A
Non-Current Liabilities		1,134,483	703,895	(439,483)	(62%)
Lease Liability	239,504	195,000	239,504	0	0%
Loans & Borrowings	439,483	439,483	0	(439,483)	N/A
Provisions	464,391	500,000	464,391	0	0%
Total Liabilities	4,990,584	5,058,858	11,183,386	6,192,803	55%
Total Net Assets	184,021,538	178,926,346	179,887,928	4,133,610	2%
Equity					
Equity	184,021,538	178,926,346	179,887,928	4,133,610	2%
Accumulated Surplus	74,584,000	74,584,000	74,584,000	0	0%
Reserves	90,361,603	90,361,603	90,361,603	0	0%
Retained Earnings	14,942,325	14,942,327.69	10,613,566	4,328,759	41%
Current Earnings	4,133,610	(961,585)	4,328,759	(195,150)	(5%)
Total Equity	184,021,538	178,926,346	179,887,928	4,133,610	2%

5. Notes to the Balance Sheet




Note	Item	Explanation of Variance
1	Current Assets	<p>Q1: Council is holding approximately \$10.89 million between the bank and short term (less than 12 months) investments. At present short-term investments provide Council with the greatest return. Interest rates will continue to be monitored to ensure Council is achieving maximum return on investment. Trades and Other Receivables has increased due to the Rates and Charges for the 2023-24 financial year being raised and issued in September. The first instalment payment was due at the end of September 2023.</p> <p>Q2: Council is holding approximately \$5.979 million between the bank and short term (less than 12 months) investments. Cash reserves have decreased by \$4.715 million from Q1. At present short-term investments provide Council with the greatest return. Interest rates will continue to be monitored to ensure Council is achieving maximum return on investment. Trades and Other Receivables has decreased by \$2.209 million due to the first and second rates instalments being paid.</p> <p>Q3: Council is holding approximately \$11.354 million between the bank and short term (less than 12 months) investments. Cash reserves have increased by \$5.375 million from Q2. At present short-term investments provide Council with the greatest return. Interest rates will continue to be monitored to ensure Council is achieving maximum return on investment. Trades and Other Receivables has decreased by \$10.896 million due to the first, second and third rates instalments and the full rate payments being paid.</p>
2	Fixed Assets	<p>Q1: Plant and equipment increased by \$108,424 for Q1 after the purchase of Library books (\$3,136), Kelso cement mixer (\$2,303), Laser Level (\$6,890), 2 Wood Slashers (\$90,000) and Armstrong heavy duty tandem tradesman trailer (\$6,094). Work in progress has increased by \$2.290 million for quarter 1 due to our large capital work program currently being delivered. Accumulated depreciation has been processed for quarter 1.</p> <p>Q2: There has been movement between end of financial year and 31 December 2023. Work in progress has increased by \$2.003 million for quarter 2 due to our large capital work program currently being delivered. Accumulated depreciation of \$2.446 million has been processed for quarter 2.</p> <p>Q3: Plant and equipment increased by \$161,217 for Q3 after the purchase of 2 Toyota Hilux utilities (\$89,904), a Toro Ground master mower (\$52,805) and a tool kit (\$4,854) for the building maintenance tradesman. Work in progress has increased by \$2.228 million for quarter 3 due to our large capital work program currently being delivered.</p>
3	Current Liabilities	<p>Q1: There has been a \$6.750 million decrease in Trades and Other Payables from 30 June to 30 September 2023. The annual Fire Service Levy (FSL) raised with the annual rates is held in trust on behalf of the State Revenue Office. As Council collects the FSL from the</p>




		<p>ratepayers these monies will be paid to the State Revenue Office on a quarterly basis.</p> <p>Q2: There has been a \$225,809 decrease in Trades and Other Payables from 1 October 2023. The annual Fire Service Levy (FSL) has decreased by \$376,438. As Council collects the FSL from the ratepayers these monies will be paid to the State Revenue Office on a quarterly basis.</p> <p>Q3: There has been a slight increase in Trades and Other Payables from 1 January 2024 of \$8,168. The annual Fire Service Levy (FSL) has decreased by \$1,173,623 due to the majority of our rates being received in Q3. As Council collects the FSL from the ratepayers these monies are paid to the State Revenue Office on a quarterly basis. First repayment of the TVC Loan (\$9,784) occurred in Q3.</p>
4	Non Current Liabilities	<p>Q1: No variance</p> <p>Q2: Council has drawn down the TVC Loan of \$500,000 for the Community Housing project. First repayment will be made in Q3.</p> <p>Q3: No variance</p>





6. Cashflow Statement

	1 July to 31 March 2024 Actuals	30 June 2024 Forecast
Cash flows from operating activities		
Rates and charges	12,955,463	13,308,178
Statutory fees and fines	135,184	183,138
User fees	628,057	641,916
Grants - operating	3,791,878	3,872,964
Grants - capital	5,273,541	8,216,284
Contributions - monetary	223,209	223,209
Interest received	235,701	235,701
Rent received	51,790	
Trust funds and deposits	349,098	306,627
Other receipts	283,171	692,881
Net GST refund	805,295	227,273
Employee costs	(8,921,008)	(12,093,124)
Materials and services	(7,178,273)	(8,901,026)
Other payments	(2,557,392)	(2,706,565)
Net cash provided by/ (used in) operating activities	6,059,714	4,207,456
Cash flows from investing activities		
Payments for property, infrastructure, plant and equipment	(12,890,045)	(11,551,986)
Proceeds from sale of property, infrastructure, plant and equipment	73,528	73,528
Net cash used in investing activities	(12,816,518)	(11,478,458)
Cash flows from financing activities		
Finance costs	-	(13,783)
Repayment of borrowings	(9,784)	(19,568)
Proceeds of borrowings	500,000	500,000
Net cash provided by/ (used in) financing activities	490,216	466,649
Net increase/(decrease) in cash and cash equivalents	(6,266,588)	(6,804,353)
Cash and cash equivalents at the beginning of the financial year	17,620,940	17,620,940
Cash and cash equivalents at the end of the financial year	11,354,352	10,816,587

7. Financial Indicators Summary

No Action Required			
Requires Active Monitoring			
Immediate Action Required			
As of 31 March 2024	Actual YTD	2023/24 Budget	Indicator
<p>Adjusted underlying result (OP1)</p> <p>Measure: Adjusted underlying surplus (deficit) / Adjusted underlying revenue.</p> <p>Community Outcome / Data Use: Assessment of whether Council can generate a surplus. A significant surplus (or deficit) achieved in a particular financial year does not necessarily indicate good or bad financial performance in that year.</p> <p>Q1: The full rates income is being accounted for in the first quarter as rates and charges for the 23-24 financial year have been raised and issued, whilst only the first quarter expenditure has occurred. This is producing a positive position; however, it is expected to decline in the next three quarters as expenditure increases.</p> <p>Q2: This result has declined from Q1 and is expected to continue to decline in the next two quarters as expenditure levels increase.</p> <p>Q3: This result has declined from Q2 and is expected to continue to decline in the next quarter as expenditure levels continue to increase.</p>	0.54%	(19%)	
<p>Working Capital (L1)</p> <p>Measure: Current assets / current liabilities.</p> <p>This measures whether a Council can generate sufficient cash to pay bills on time.</p> <p>Community Outcome / Data Use: Assessment of Council's financial position. Higher assets relative to liabilities suggests Councils are in a strong position.</p> <p>Q1: Working capital has increased due to annual rates and charges being raised in the quarter that are represented as trade receivables. This is producing a positive position; however, it is expected to in line with budgeted figure in the next three quarters as the financial year progresses.</p> <p>Q2: Working capital has decreased due to the rates and charges trade receivables decreasing. While this is producing a positive position it is expected to align with the budget figure in the next two quarters.</p> <p>Q3: Working capital has decreased due to the rates and charges trade receivables decreasing. While this is producing a positive position it is expected to align with the budget figure in the next quarter.</p>	401%	74%	
<p>Unrestricted Cash (L2)</p> <p>Measure: Unrestricted cash / current liabilities.</p> <p>This measures unrestricted cash as a percentage of current liabilities.</p> <p>Community Outcome / Data Use: assessment of Council's abilities to pay bills on time. Higher unrestricted cash relative to liabilities suggests Councils are able to pay bills in a timely manner.</p> <p>Q1: Unrestricted cash balances for the 1st quarter is 1.91 times greater than Council's current liabilities for the 1st quarter which highlights Council is in a strong position to pay bills on time.</p> <p>Q2: Unrestricted cash balances for the 2nd quarter is 0.36 times that of Council's current liabilities. Active cashflow monitoring is occurring, with inflows expected in February due to rates instalment payments. Council has access to overdraft facilities and short term investments to ensure Council is able to pay bills on time. Creditor days for the quarter was 1.25 days.</p>	218%	49%	

<p>Q3: Unrestricted cash balances for the 3rd quarter is 2.18 times that of Council's current liabilities. Active cashflow monitoring is occurring, with inflows increasing in February due to rates instalment payments. Council has access to overdraft facilities and short term investments to ensure Council is able to pay bills on time. Creditor days for the quarter was 1.25 days.</p>			
<p>Loans and Borrowings (O2) Measure: Interest bearing loans and borrowings / rate revenue. This measures whether the level of debt and other long-term obligations is appropriate to the size and nature of the Council's activities. Community Outcome / Data Use: Assessment of whether Council's level of interest-bearing loans and borrowings are appropriate to the size and nature of Council's activities. Demonstration of Council managing its borrowing strategy in relation to the revenue it raises. Q1: Council currently has no loans. Q2: Council has drawn down the TVC loan for \$500,000 for the Community Housing project. Q3: Council has made the first quarterly repayment of \$9,784 off the TVC loan</p>	0.03%	3.46%	
<p>Loans and Borrowings (O3) Measure: Interest and principal repayments on interest bearing loans and borrowings as a percentage of rate revenue. Community Outcome / Data Use: Same as (O2)</p>	0.03%	0.49%	
<p>Indebtedness (O4) Measure: Non-current liabilities / own source revenue. Community Outcome / Data Use: Assessment of whether Council's long-term liabilities are appropriate to the size and nature of Council activities. Lower proportion of non-current liabilities suggests greater capacity to meet long term obligations. Q1: Council's own source revenue is 4.94 times greater than non-current liabilities, which indicates Council has strong capacity to meet its long-term obligations, however this is lower than budget. Q2: Council's non current liabilities are 7.58% of Council's own source revenue, which indicates Council has strong capacity to meet its long-term obligations, however this is slightly lower than budget. Q3: Council's non current liabilities are 7.15% of Council's own source revenue, which indicates Council has strong capacity to meet its long-term obligations, however this is slightly lower than budget and has decreased slightly from Q2.</p>	7.15%	7.76%	
<p>Asset Renewal and Upgrade (O5) Measure: Asset renewal and upgrade expenditure / depreciation. Community Outcome / Data Use: Assessment of whether Council assets are being renewed or upgraded as planned. It compares the rate of spending on existing assets through renewing, restoring, replacing or upgrading existing assets with depreciation. Ratios higher than 1.0 indicate there is a lesser risk of insufficient spending on Council's asset base. Result is less than 0.5 – Spending on existing assets has not kept pace with the consumption of these assets. This highlights a need to prioritise asset maintenance. Results between 0.5 and 1.0 – May indicate insufficient spending on renewal or upgrading. This may highlight a need for better asset maintenance planning.</p>	To be reported annually	163%	N/A

<p>Result is more than 1.0 – Demonstrates Council’s commitment to investing in the renewal and upgrading of its community infrastructure and assets.</p>			
<p>Rates Concentration (S1) Measure: Rate revenue / adjusted underlying revenue. Community Outcome / Data Use: Assessment of whether Council can generate revenue from a range of sources to fund services and activities. Lower proportion of rate to underlying revenue suggests greater stability. Reflects extent of reliance on rate revenues to fund all of Council’s on-going services. The trend indicates that Council will become more reliant on rate revenue compared to all other revenue sources.</p>	70.87%	58%	
<p>Rates Effort (S2) Measure: Rate revenue / capital improved value of rateable properties in the municipality. Community Outcome / Data Use: Assessment of whether Councils set rates an appropriate level. Lower proportion of rate revenue suggests a reduced rate burden on the community.</p>	0.26%	0.25%	
<p>Expenditure Level (E2) Measure: Total expenditure / No. of property assessments. Community Outcome / Data Use: Assessment of whether resources are being used efficiently to deliver services.</p>	\$2,930	\$4,413	
<p>Revenue Level (E4) Measure: General rates and municipal charges / no. of property assessments (7,041) Community Outcome / Data Use: Same as (E2).</p>	\$1,739	\$2,051	

8. Rates and Charges

Ward Total Rates & Charges	2022/2023 Budget	2022/2023 Actuals	2023/2024 Budget	Actual YTD Receipts	Rebates	Outstanding Rates		Total
						Current	Arrears/Legal/Interest	
Dunmunkle	\$4,773,381.74	\$383,612.92	\$4,931,401.59	-\$4,559,621.50	-\$87,928.25	\$504,380.50	\$274,827.94	\$779,208.44
Hopetoun	\$4,052,072.24	\$618,675.01	\$4,429,568.92	-\$4,055,723.84	-\$66,573.41	\$467,713.72	\$546,332.00	\$1,014,045.72
Warracknabeal	\$5,946,276.50	\$495,469.11	\$6,420,361.02	-\$5,790,727.74	-\$96,414.44	\$689,283.85	\$375,616.12	\$1,064,899.97
Grand Total	\$14,771,730.48	\$1,497,757.04	\$15,781,331.53	-\$14,406,073.08	-\$250,916.10	\$1,661,378.07	\$1,196,776.06	\$2,858,154.13

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

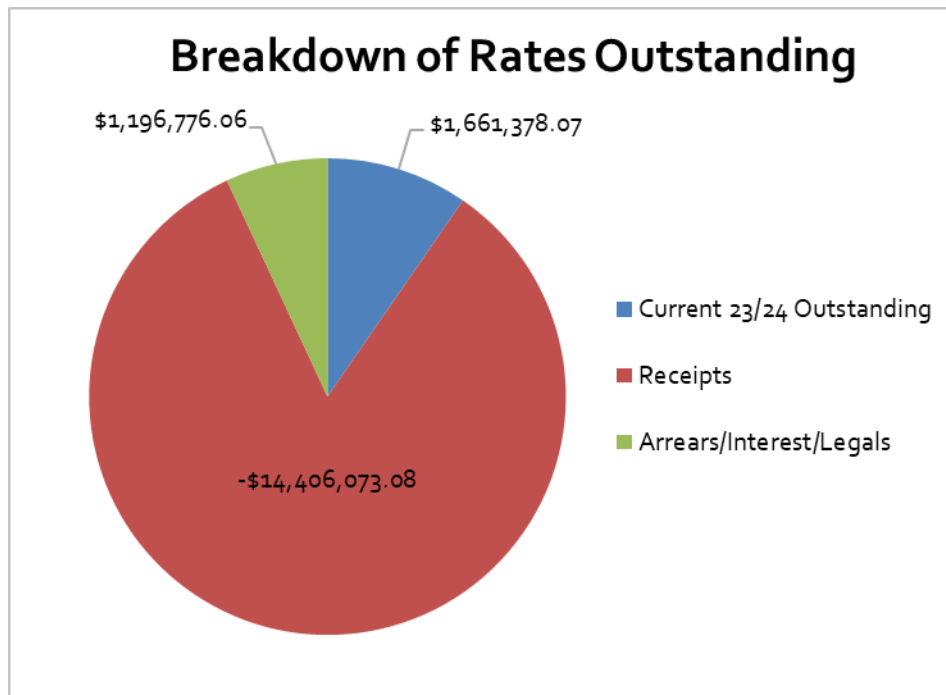
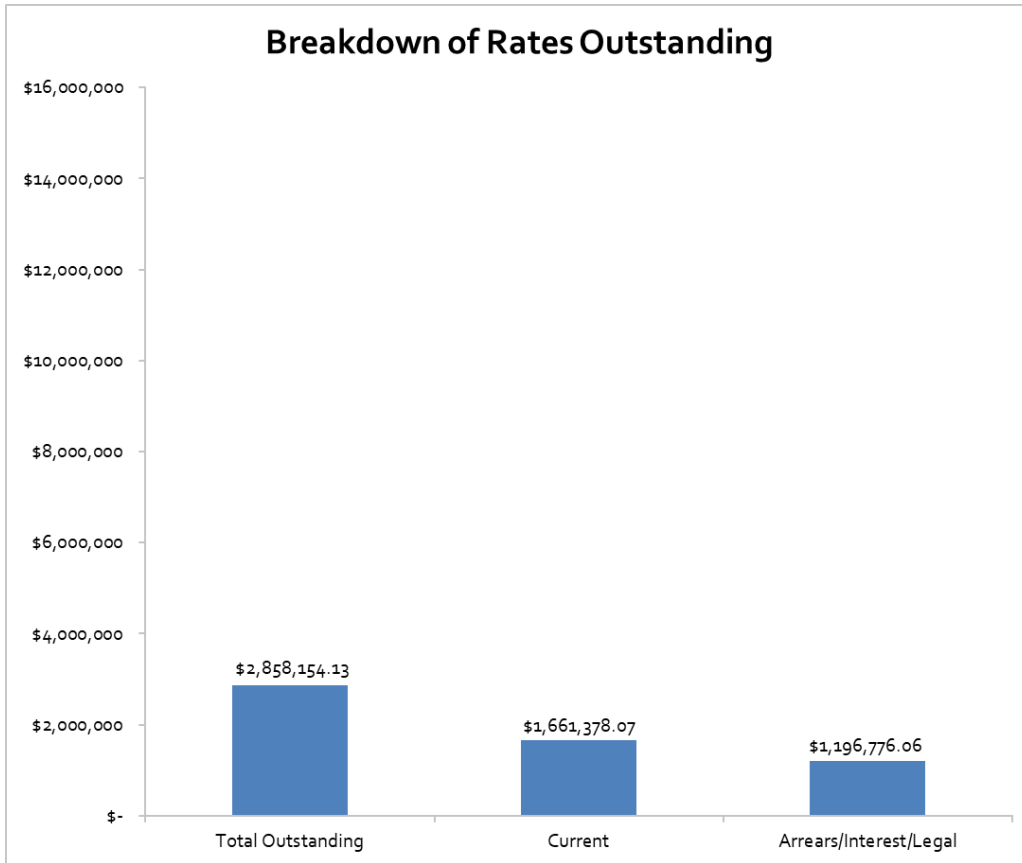
The **2022-23 Actuals** relates to the amount outstanding from the above raised charges as of 30 June 2023.

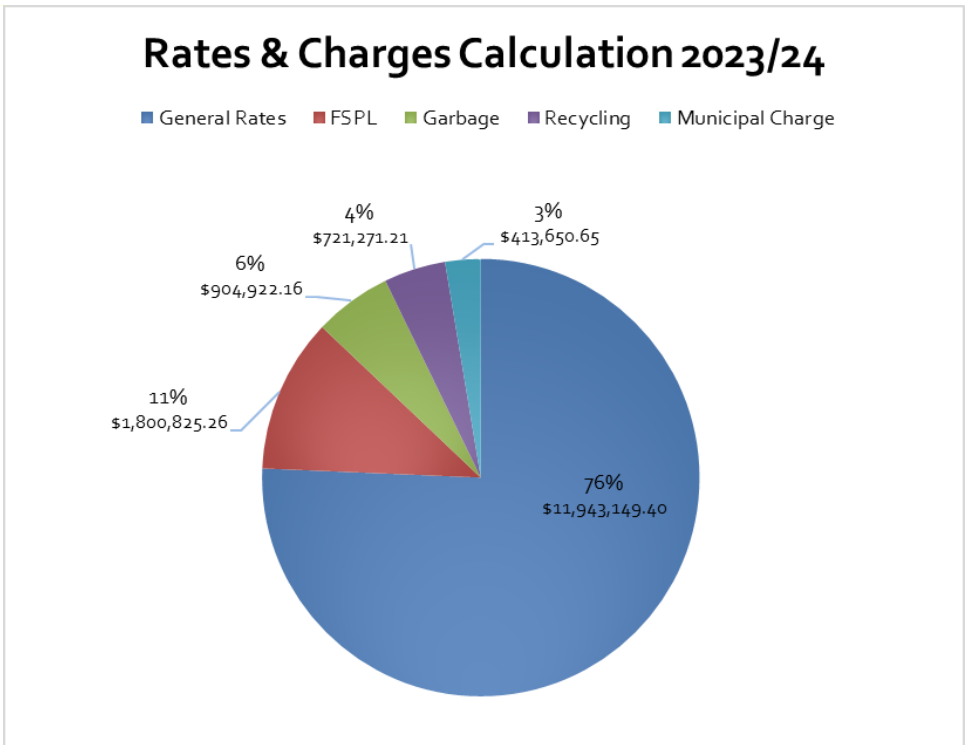
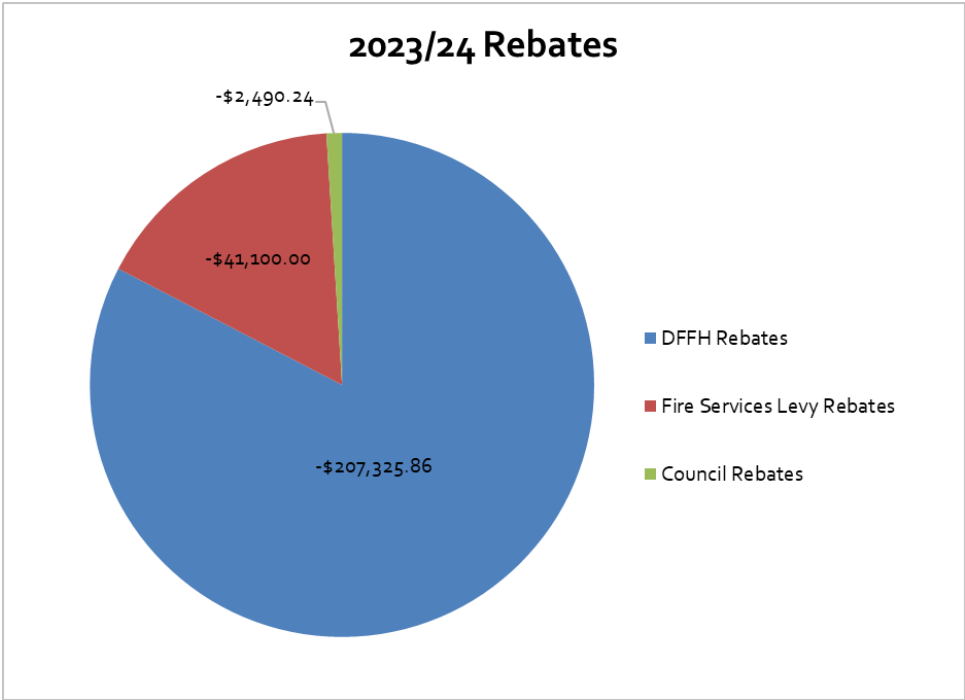
The **2023-2024 Budget** represents the amount raised in General Rates, Fire Services Levy, Waste and Garbage Charges, Recycling Charges and the Municipal Charge for the 2023-24 financial year.

The **Actual YTD Receipts** represents the value collected as of 31 March 2024 along with the **Rebates** to be claimed from the Department of Families, Fairness and Housing and State Revenue Office. The receipts relate to both arrears payments and/or current rates and charges.

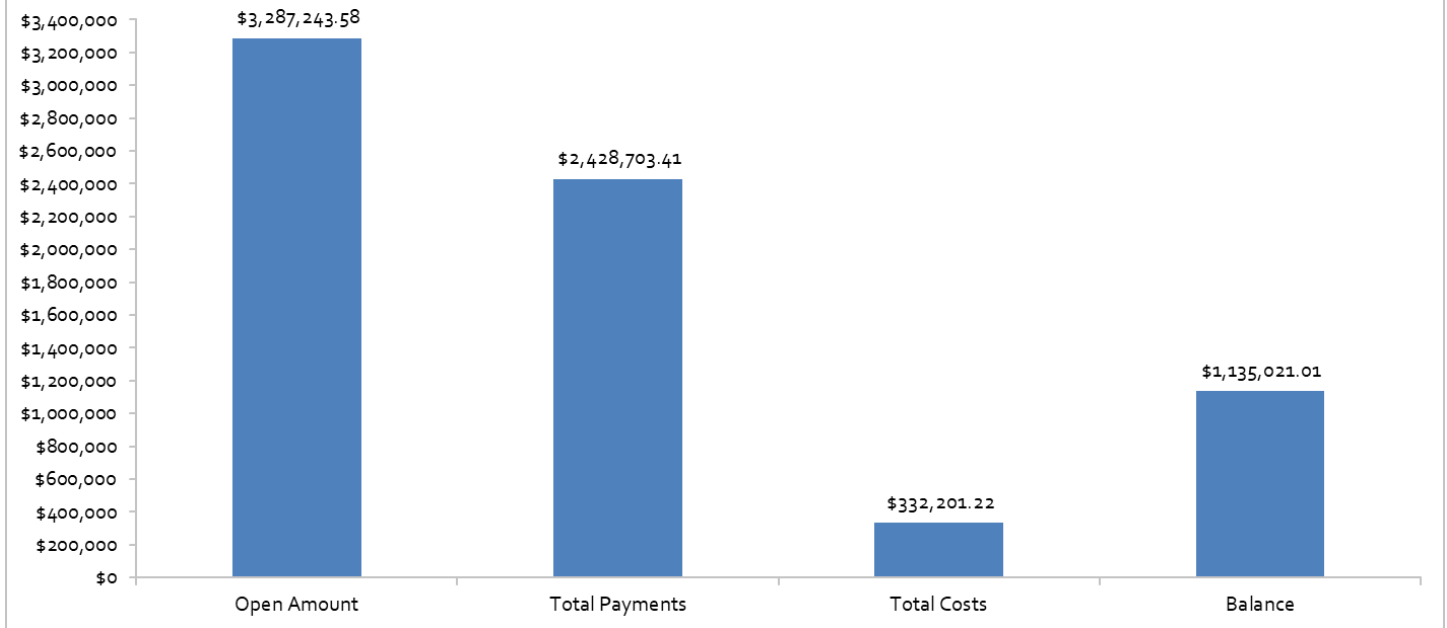
Outstanding Rates is separated into three categories. Current represents the balance owing on the Rates and Charges raised for the current financial year (e.g., Budget \$15.7m raised, \$2.8m currently outstanding). Arrears/Legal/Interest is amount outstanding from prior years, providing a total balance of current and arrears outstanding rates and charges.

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

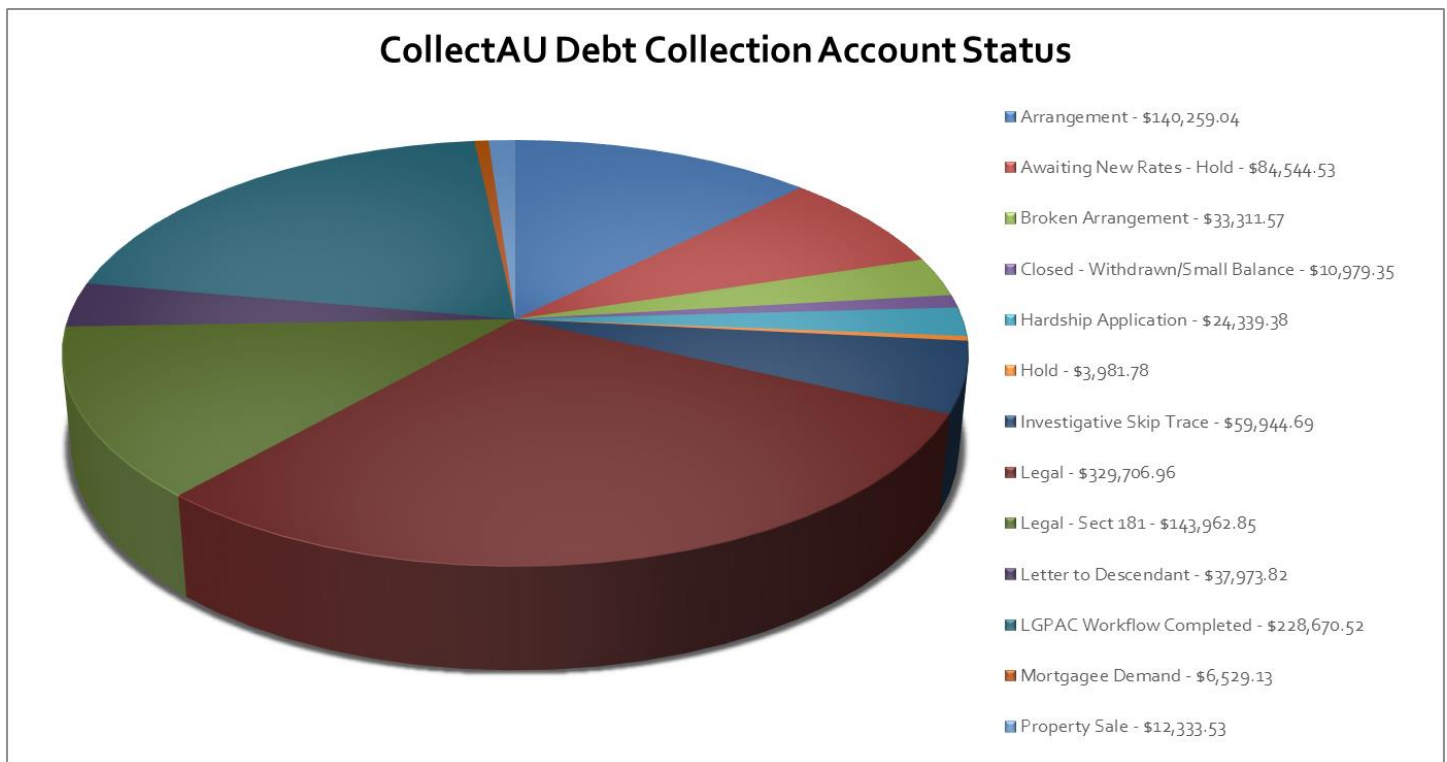




CollectAU Debt Collection Report Summary

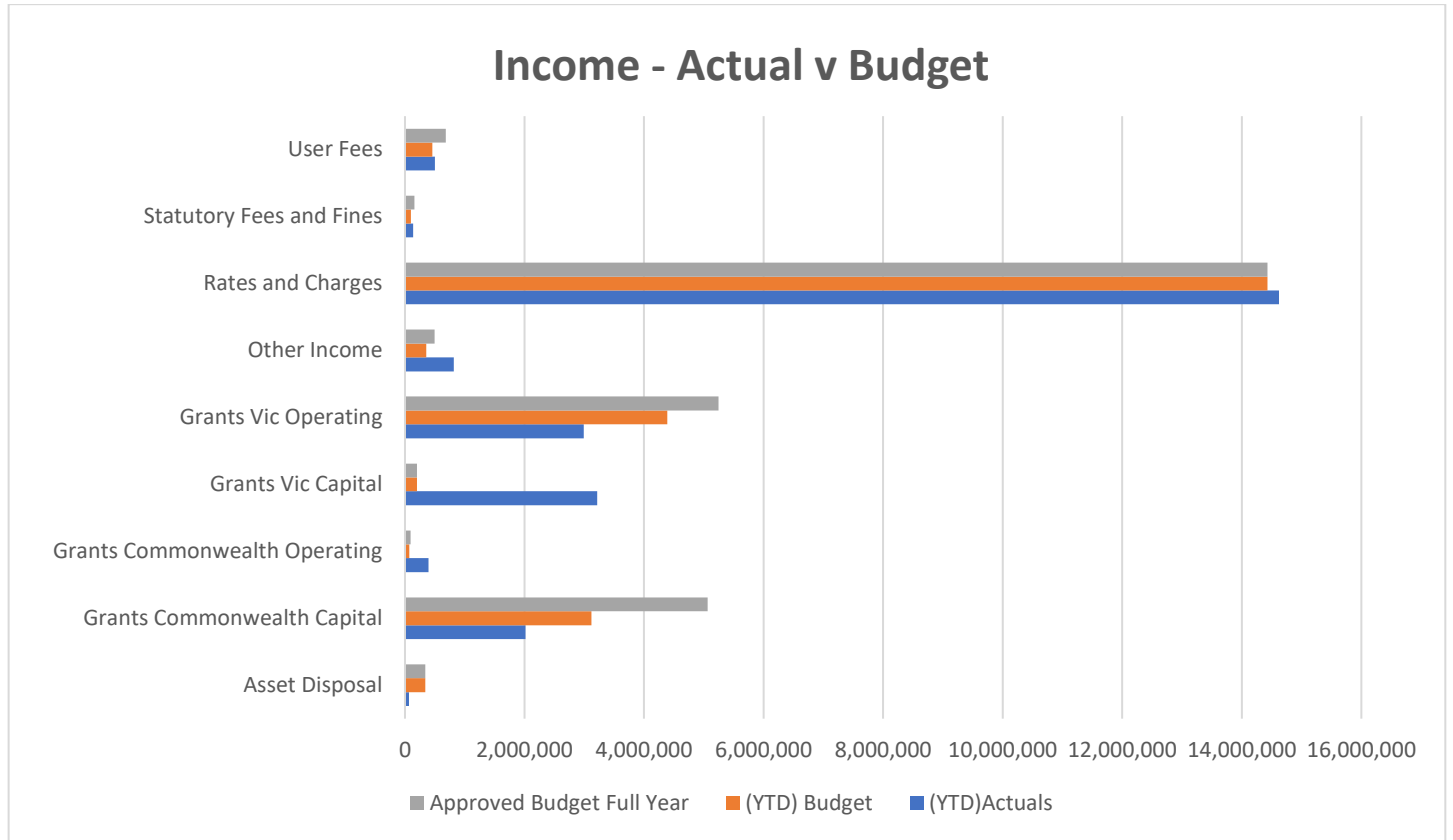


CollectAU Debt Collection Account Status

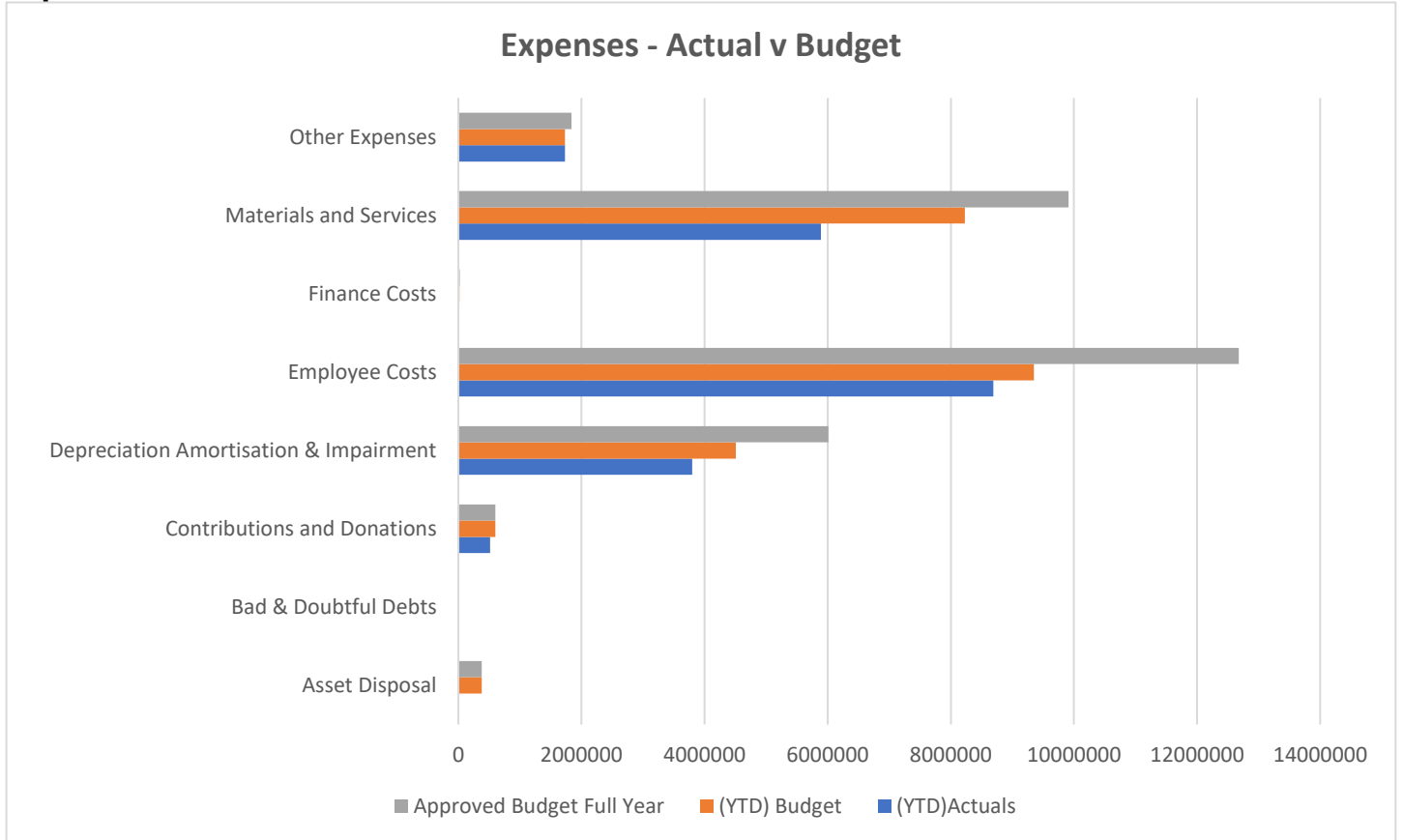


9. Graphs

Income



Expenses



10. Summary of Budget Impacts and Changes

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

Description of Project	Funding Source	Amount Received
Sustainability Victoria - Circular Economy Councils Fund - Yarriambiack Mobile Recycling Station trailer that will collect a range of items for recycling and aggregate them at the Warracknabeal Transfer Station.	State Government	\$190,400
Wombat Crossing - Scott Street, Warracknabeal. Council will be required to contribute an \$68,000 to this project.	TAC Local Government Program	\$68,000
Safer School Precinct – Werrigar Street, Warracknabeal	TAC Local Government Program	\$25,000
Onsite Domestic Wastewater Management Planning – Department of Energy, Environment and Climate Action I to update it's Domestic Wastewater Management Plan to reflect contemporary risk management and regulation of onsite wastewater.	State Government	\$20,000
Early Years Management Funding – increased funding rate for 2024 announced by state government which is higher than budgeted for. Includes additional support loading component.	State Government	\$16,830
Maternal & Child Health Funding – Funding adjusted from budgeted amount as per 2023-24 funding allocation, announced in November 2023.	State Government	\$14,353
Maternal & Child Health Funding – Additional new funding allocated for Extra Hours Universal MCH and Lactation Consultant support and training for four years through the 2023-24 State Budget	State Government	\$6,916
Flexible Local Transport Solutions Program - Footpaths	State Government	\$53,850

Council has made a claim to the Federal Government under the Disaster Recovery Funding Arrangement from the impact of the floods and severe weather events in October 2022. Council is awaiting the outcome of its claim to this program, with the estimated the total claim relating to these works is \$1.5m

11. Quarterly Statement – 181G Local Government Act 1989

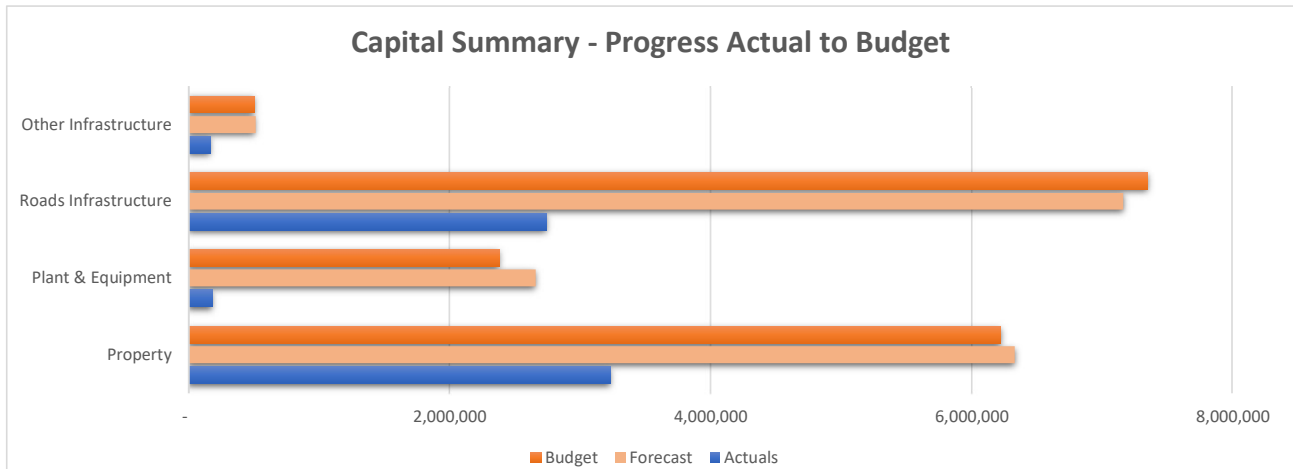
The Chief Executive Officer must ensure that the quarterly financial statements include the following information:

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

12 Capital Works & Projects Program

Summary - Projects Status













	Actuals	Forecast	Budget and Carry Forward	Remaining	
Property					
Buildings	3,162,755	6,265,166	6,158,811	3,102,411	
Land	67,858	68,000	68,000	142	
	3,230,613	6,333,166	6,226,811	3,102,553	52%
Plant & Equipment					
Plant, Machinery and Equipment	154,082	2,481,356	2,206,000	2,327,274	
Furniture, Fixtures and Fittings	2,947	22,000	22,000	19,053	
Computers and Telecommunications	10,481	130,000	130,000	119,519	
Library books	13,915	27,000	27,000	13,085	
	181,425	2,660,356	2,385,000	2,478,931	8%
Infrastructure					
Roads Infrastructure					
Construction - Rural	593,140	2,674,180	2,674,180	2,081,041	
Construction - Urban	9,320	488,627	488,627	479,307	
Drainage	8,359	351,312	555,304	546,945	
Footpaths	141,921	292,759	492,759	350,838	
Kerb & Channel	129,790	390,000	390,000	260,210	
Reseals	243,415	612,000	451,000	207,585	
Resheets	1,254,071	1,359,000	1,359,000	104,929	
Shoulder Resheets	362,634	997,636	939,000	576,366	
	2,742,649	7,165,515	7,349,871	4,607,222	37%
Other Infrastructure					
Other Infrastructure	127,099	272,753	320,353	145,654	
Recreational, Leisure & Community Facilities	39,100	238,923	183,923	199,824	
	166,198	511,677	504,277	345,478	33%
Total Infrastructure	2,908,847	7,677,192	7,854,148	4,952,700	37%
TOTAL	6,320,885	16,670,714	16,465,959	10,534,185	38%




































13. Non-Financial Performance Reporting



















Performance Indicator













Acceptable	
Tolerable	
Unacceptable	







Strategic Risk	Risk appetite statement	Source / Indicator	Acceptable Tolerance Range	Tolerance Traffic Light Indicator Qtr 1	Tolerance Traffic Light Indicator Qtr 2	Tolerance Traffic Light Indicator Qtr 3	Comment on 2 nd Quarter Results
Financial	A cautious appetite for financial volatility and desire to carefully control costs. We will monitor this by: <ul style="list-style-type: none"> We operate within the approved organisational budget expenditure limit of ≤10.0% (Operational, Capital and Labour). 	Annual Councillor approved budget	1.0% – 5.0%				Expenditure is currently within acceptable tolerance range and is 17% less than budget at the end of quarter 3.
	<ul style="list-style-type: none"> Decrease in rates debtors from prior financial year by 10.0% 		= or >10.0%				As of 30 June 2023 the rates debtors in arrears were \$1.497 million. At 31 December, the arrears balance had decreased to \$1.285million. As at 31 March 2024, the arrears balance decreased further to \$1.197million. This is a reduction of \$88,000 for the quarter or 6.8%. The arrears balance has reduced 20% from the start of the financial year.
	<ul style="list-style-type: none"> Working capital ratio to be >100% 		>100%				Council’s working capital ratio of 401% indicates Council is in a strong financial position and able to pay current liabilities as fall due.
	<ul style="list-style-type: none"> Suppliers paid in 30 days or less 		30 days or less				The average creditor days for January, February and March was 3.18 days.

	Completing the Local Government Performance Reporting bi-annually and the ratio's quarterly to Councillors and A&R Committee.		Quarterly				Half Yearly Local Government Performance Reporting prepared and to be reported to Council in February Forum and Meeting. Quarterly Financial and Non Financial Performance report to be presented to Councillors and Audit and Risk Committee during April 2024.
Talent Management	An accepting appetite for applying new approaches to ensure we remain an employer of choice in our region, while maintaining safety and service levels. We will do this by: <ul style="list-style-type: none">maintaining an annualised staff turnover rate of 15% or less over a rolling 12-month period.	Median staff initiated turnover rate for public sector agencies.	≤15%				Number of permanent staff resignations and terminations / Average number of permanent staff for a rolling twelve month period to 31 March 2024 x 100 = 22.7%. This is mainly due the decision for Council to transition out of providing CHSP services. The cessation of Council running this service resulted in 15 redundancies from the Positive ageing team 30 June 2023. During the March reporting quarter, there were 3 staff commencement employment at Council and 3 staff resignations.
	<ul style="list-style-type: none">ensuring our rate of staff absenteeism remains at ≤3% in each month.	VPS benchmark	<3.0%				The rate of absenteeism is at 5.12%, a decrease from last quarter (5.75%).
	<ul style="list-style-type: none">less than five accepted workers' compensation claims annually.	2019 sector benchmark	<5				There was one new WorkCover claim lodged during the quarter. There have been two claims lodged throughout the financial year, with both of these open at 31 March 2024
	<ul style="list-style-type: none">Maintain the number of staff with excess of 8 weeks leave at <10%.	Key Pay Reports	<10.0%				Council has 8 (5.93%) staff with leave more than 8 weeks. Staff with excess leave will have leave plans developed to ensure they take leave within the next 12 months.
Reputational	A cautious appetite to lose a valued position of trust with our community. We will maintain a level of community engagement of at least 60%.	Councillor - approved minimum level	≥60%	-	-	-	Community satisfaction survey for overall performance in 2023 was 59 in, down 1 from 2022 result of 60. This result was received in June 2023 quarter.
	We will address all complaints within their required timeframes in accordance with Council's Complaints Handling Policy		Complaints open >30 days				During the quarter, 11 complaints were received, with 7 of these closed. . The average resolution time for these complaints for the quarter was 10 days. A total of 5 complaints remain open at the end of the quarter

							As of 31 March 2024, three complaints were greater than 30 days. One related to ongoing road maintenance issue, which was committed to but yet to be actioned at the time of reporting. Two others related to road maintenance issues with activity committed and initial action undertaken. There were no internal or external Dispute resolution requests. No trends or systemic issues identified in complaints
Innovation	An accepting appetite to innovate through projects and R&D to benefit our community. We accept that 10% of project effort may not result in immediate or direct community benefits as long as lessons are learned for future services and products.	Annual Councillor approved budget	≥10%				Council has as invested significant time in preparing funding submissions for grants. Section 10 identifies significant successful funding submissions received during the financial year. During the quarter, at Council Forum in February, Councillors received a detailed update on funding submissions awaiting outcome or submissions being prepared.
Corporate Governance, Compliance and Liability	A very controlled appetite for information security breaches, frauds or proven ethical complaints. We maintain a zero tolerance for such events. We will monitor this level by: <ul style="list-style-type: none"> Reporting on Number of Policies overdue, with a zero tolerance to overdue legislative policies, and 60 days for administrative policies. 	Government Information Security Policy Standard, Compliance Standard	Legislative Policies & Plans 0 instances				There are no legislative policies or plans overdue.
			Administrative Policies & Plans Completed and adopted within >60 days				The Heat Wave Plan, Municipal Fire Management Plan, External Private Works Policy, Dangerous Dog & Restricted Breed Policies, and 3 x MCH Guidelines and Procedures are the only administrative policy or plan overdue by 60 or more days at the end of the quarter. Revisions are in progress and expected to be completed in quarter 4.
	<ul style="list-style-type: none"> Number of extreme consequence level audit actions not rectified within one month. 	Internal and External Audits	Completed and adopted within >30 days				None outstanding on 31 March 2024.
<ul style="list-style-type: none"> Engaging an Internal Auditor and establishing a functioning Audit and Risk Committee that meets at minimum quarterly. 	Auditor engagement					Internal Auditor appointed via an Invitation to Supply process. Audit and Risk Committee Charter adopted, and Committee appointed. Five meetings scheduled per year which includes a special meeting to consider the financial statements.	

	<ul style="list-style-type: none"> Maintaining an Audit and Risk Committee Workplan. 	A&R Committee Charter					Audit and Risk Committee Workplan reviewed and adopted annually.
	<ul style="list-style-type: none"> Reporting quarterly to Council and the Audit and Risk Committee on the Performance Management Framework Indicators, that are based on Council's Risk Appetite. 	Financial and Non-Financial Performance Report					Continuing as per this report in 2023-24 financial year as per period years, presented quarterly.
	<ul style="list-style-type: none"> Monitoring the number of Public Liability Claims, Significant legislative breaches and reporting to Council and A&R Committee quarterly. 						<p>Council currently has two open public liability claims.</p> <p>There are no significant legislative breaches to report.</p> <p>Council had 0 notifiable report to WorkSafe during the quarter</p>
	<ul style="list-style-type: none"> 100% of Staff to be up to date and completed Governance and Compliance Training and Induction Program. 		100% complete				All staff completed in person and/or online training. Good Governance in person and virtual training was completed in March 2023 for all staff. All new staff complete online modules.
	<ul style="list-style-type: none"> Encouraging a 'just' culture that allows staff and community to identify and register risks, issues or complaints without fear of reprisal. 						Council has actively promoted and encouraged CRM reporting. Is continuously reviewing and improving our feedback loop to the community. Actively promotes transparency in decision making. Has a well-developed Complaints Handling Policy and process.
Programs and Projects	<p>An accepting appetite to apply for funding opportunities and/or utilise Council funds to delivery programs and project that meet Council Plan objectives and community expectations.</p> <p>We accept that to secure funding and to deliver additional projects and programs (in addition to current offered programs) our full-time equivalent employees may increase up to 1 FTE per \$5 million additional funds received.</p>	<p>Council Plan objectives.</p> <p>Priority Project List.</p>	1 FTE increase				Engagement of one fixed term Project Officer to deliver a combined capital works and community projects grant funded program of \$14.9 million in 2023-2024.
	<p>We will aim to apply for and be successful in securing funding opportunities in excess of \$1.5 million per year, in addition to already secured operational funding.</p>		= or >\$1.5 million				During the prior quarter Council also received notification it was successful in the Footpath Connections Program for \$58,000. Council has a number of funding submissions pending to TAC, Emergency Management Victoria, Commonwealth Infrastructure Agency and Sport and Recreation Victoria's Regional Community Sports Infrastructure

							Fund. Council has also submitted and supported the submission of a number of communities to apply for Tiny Towns Funding.
	We will ensure all contracts are current and no contracts are past due date.	Contracts Register	0 due				At the end of the quarter, no contracts are past due.
Strategy Execution and Change Management	An accepting appetite to be agile on the delivery of the Council Plan objectives to meet the changing internal and external environment. We accept that our Council Plan actions will be an evolving action plan being reviewed annually. We will monitor our Strategy Execution and Change Management by: <ul style="list-style-type: none">Monitoring the number of overdue Strategies and Plans	Council Plan	0 instance				There are currently two overdue strategies or plans: <ul style="list-style-type: none">Road Register Local Roads and StreetsRoad Asset Management Plan
	<ul style="list-style-type: none">Delivery on each Year of Action Plan annually		1 x action not delivered	N/A	N/A	N/A	To be reported to Council annually. Management has adopted quarterly Council Plan performance reporting, with the a report presented to be Council in the February meeting.
Security and Technology	A very controlled appetite for security breaches and technology failures, due to our ICT environment not being maintained. We maintain a zero tolerance for such events. We will monitor this by: <ul style="list-style-type: none">Aiming to have 80% of help desk tickets resolved.	Contractor Compliance Reports	0 instances				For the quarter, 188 help desk tickets were received, and 189 tickets were successfully closed out.
	<ul style="list-style-type: none">Ensuring all back-ups of all systems are completed and successful each day.		1 daily back-up				
	<ul style="list-style-type: none">Reporting annually on ICT Strategy completion	ICT Business Transformation Strategy	1 x action not delivered	N/A	N/A	N/A	Reporting on the Annual ICT Strategy completion will be delivered to the Audit and Risk Committee Meeting on a six month basis with the next report scheduled for the April 2024 meeting

<p>Environment and Sustainability</p>	<p>A controlled appetite for environment and sustainability breaches.</p> <p>We will maintain a zero tolerance for such events.</p> <p>We will monitor this level by:</p> <ul style="list-style-type: none"> Adequate annual EPA approvals in place for saleyard and landfills. 		<p>0 instances</p>				<p>Council is required to register all Landfill Sites and the Sale Yard with the Environmental Protection Authority (EPA).</p> <p>All Transfer Stations are registered, and landfill site have been closed.</p> <p>The Sale Yards is covered by a transition period. EPA officers have inspected the facility during the prior period to assess if any, potential works will be needed to comply with licensing requirements once transition period expires. No major items identified.</p>
<p>Political</p>	<p>A cautious appetite to jeopardise a well-developed political relationship across all levels of government.</p> <p>We will maintain a level of respect and advocacy at a Councillor Senior Management Level to achieve positive outcomes for our community.</p> <p>We will monitor this by:</p> <ul style="list-style-type: none"> Recording the number of advocacy events attended by Councillors and Senior Management, with the aim to attend at minimum 10 per year. 	<p>Advocacy events and meetings</p>	<p>> 10 events per year</p>				<p>Five advocacy meetings attended between the Mayor, Councillors and CEO in the third quarter of 2023/24. A total of 11 attended for the year to date</p>

14. Asset Management

Asset Class	% Of condition assessment complete	Year Completed	Completion Due Date	Comments	Status
Road	100%	October 2020	June 2020	Sealed road inspection completed by IMG. Unsealed road inspection completed by Road inspector.	Sealed road condition assessment completed in 2020. Gravel road network scheduled to be condition assessed commenced in Q3.
Footpath	100%	November 2022	November 2025	Inspection regime scheduled to be commenced in March 2024.	Annual condition assessment was completed in November 2019, November 2022 and was scheduled to commence in the Q2 of 2023 but has been delayed and commenced in Q3 of this year. This is a three-year program and the data has been captured in AssetFinda.
Bridges and Culverts	100%	August 2019	June 2024	Inspection regime to be completed again in 2024.	Major bridges and culverts inspection program began in the prior year with moderate culverts to be inspected in the current financial year. This has been separated out due to budget constraints. Inspections to take place in Q4. Minor culvert inspections were initially expected to be completed in Q2 of the financial year, but have been delayed and will commence in Q4.
Buildings	100%	October 2023	December 2023	Building valuations and condition assessments undertaken and completed in October 2023.	Building inspections completed in Q2 with results to inform budget preparations for 2024-25 financial year.
Fleet	80%		June 2023	Condition assessment is not applicable for fleet assets. The replacement is based on utilisation and age.	10 year Fleet replacement developed and included in Budget 2024-24

15. Occupational Health and Safety

Quarter 3 – 1 January to 31 March 2024						
Incident Category	Number	Medical Treatment Required	Lost Time Injury Hours	No. Incident Category - Control Measured Implemented and Assessed	Number Remain Open as of 31 March 2024	Number of WorkSafe Notified Reports
Incident	9	3	255	7	2	0
Near Miss	1	0	0	0	0	0
Hazard	3	0	0	1	2	0
Public Incident	0	0	0	0	0	0
TOTAL	13	3	255			

Risk Rating	Number of Incidents, Hazards, Near Misses & Public Incidents in Risk Rating Category
Extreme	0
High	1
Medium	2
Low	10

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

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

There was no WorkSafe notified reports for an incident in the third quarter of 2023-24. The total reportable incidents for the financial year is 1.

SUMMARY FOR YEAR

Incident Category	Number	Medical Treatment Required	Lost Time Injury Hours
Incident	35	4	801
Near Miss	3	0	0
Hazard	5	1	0
Public Incident	2	0	0
TOTAL	45	5	801

Risk Rating	Number of Incidents, Hazards, Near Misses & Public Incidents in Risk Rating Category
Extreme	2
High	2
Medium	15
Low	26

TOTAL 45

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

16. Strategic Risk Register

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

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

Quarterly Updates and Review

Management has reviewed its strategic risk register in line with quarterly risk management procedures. Risk ratings have been maintained at their current level, with no changes to ratings from the prior quarter. Risk appetite statement is currently being reviewed and refreshed and will be reflected in the next quarters report.